



INDIAN SCHOOL MUSCAT

FINAL EXAMINATION

BUSINESS STUDIES

CLASS: XII

Sub. Code: 054

Time Allotted: 3 Hrs.

21.11.2019

Max. Marks: 80

General Instructions:

- (i) Answer to questions carrying 1 mark may be from one word to one sentence.
- (ii) Answers to questions carrying 3 marks may be from 50-75 words.
- (iii) Answers to questions carrying 4-5 marks may be about 150 words.
- (iv) Answers to questions carrying 6 marks may be about 200 words.
- (v) Answer all questions. There are 5 printed pages

SECTION A

- 1 Name the „on-the-job“ method of training that is used to give training to plumbers. 1
- 2 Define supervision. 1
- 3 At which level of management, planning is more time consuming activity: 1
 - a) Middle level of management
 - b) Operational level management
 - c) Top level management
 - d) All of the above
- 4 Name the step in the process of planning which is considered the “real point of decision making”. 1
- 5 Arun is a successful businessman in the paper industry. During his recent visit to his friend’s place in Mysore, he was fascinated by the exclusive variety of incense sticks available there. His friend tells him that Mysore region is known as a pioneer in the activity of Agarbathi manufacturing because it has a natural reserve of forest products especially Sandalwood to provide for the base material used in production. Moreover, the suppliers of other types of raw material needed for production follow a liberal credit policy and the time required to manufacture incense sticks is relatively less. Considering the various factors, Arun decides to venture into this line of business by setting up a manufacturing unit in Mysore.
In context of the above case:

Identify the type of financial decision taken by Arun. 1
- 6 Give the meaning Objective as a type of plan. 1
- 7 Planning is known as ----- as it is related to thinking before doing. (Futuristic / Mental Exercise) 1

- 8 _____ gives shape to the organization structure. 1
- Extent of delegation
 - Span of Management
 - No of employees
 - Planning
- 9 'Energy drinks India Ltd.' has scanned a profitable opportunity for marketing of soft drinks with 'Indian Traditional Flavour'. The company wants to market its products in India and in neighbouring countries. A Board meeting of the company was held on 14.12.2015 wherein the marketing manager was asked to give a presentation to develop this market offering. For this it was also decided to set-up its manufacturing unit in a village of Bihar. This will not only help in the development of the village but will also provide employment to the youth of the village. The marketing manager chooses a combination of variables to prepare its market offering. He used a set of marketing tools that firm will use to pursue its marketing objectives in the target market.
- Name and state the concept of marketing used by the marketing manager for creating its market offering.
- 10 Choose the correct match : 1
- | | |
|--------------|---|
| a) Rule | - It gives authority to the officer to take decisions |
| b) Method | - It is sequence of work |
| c) Procedure | - It shows the prescribed manner in which work has to be done |
| d) Policy | - It is a general statement to help to take decisions. |
- 11 ----- is the process of introducing a new employee to other employees. 1
- 12 Grouping of activities on the basis of function is a part of 1
- Decentralized organization
 - Divisional organization
 - Functional organization
 - Centralized organization
- 13 Write one regulatory function of Security Exchange Board of India. 1
- 14 Training refers to the learning opportunities designed to help employees to grow.(True / False) 1
- 15 Which of the following statement is not true with regard to consumer protection? 1
- The AGMARK is given for ecofriendly products.
 - There are 3 tier redressal mechanism in India for consumer protection.
 - The consumer should take cash memo for every purchase.
 - The NGO can file complaint on behalf of consumer.
- 16 Name the type of recruitment in which organization keep a data base of unsolicited applicants in their offices. 1
- 17 Authority cannot be delegated to others. (True / False) 1
- 18 ----- Organization is formed on the basis of rules and regulations. (Informal / Formal)
- 19 Give the meaning of staffing. 1

- 20 Due to proper organizing and division of work, a company goes for systematic assignment of jobs among the employees, which importance of organizing is highlighted here? 1

SECTION B

- 21 A garment manufacturing company has decided to identify the needs of the customers to start successful marketing of the garments produced by it and for this the company is doing SWOT analysis (Strength, Weakness, Opportunity and Threat Analysis). The company is pursuing its objectives with full efforts. It has decided to make a blueprint for the amount of production it will do, the efforts behind promotion it will put and all other major actions it will undertake to achieve its objectives. However, the company has one weak area which it would like to improve. The physical movement for its prepared garments was not proper last year and the company wants to ensure it is done properly this year. For this thing to be done properly it has created a separate department. Hope the company does better in future.
Which functions of marketing have been highlighted in the above case? Explain. 3
- 22 Explain how the following determine the amount of Fixed capital for a business. 3
a) Scale of production b) Nature of business
- 23 'Serious Business' is a balloon manufacturing firm. With the arrival of foreign firms it is feeling the pressure of improving its business strategy. Because of the firm's advance planning it could not suddenly bring changes in its plans as the whole organisation had started implementing the decided plan. But this year the organisation wants to ensure success. However, the firm knows that the external environment is changeable and continues to vary in a fast manner. The organisation wants to prepare in advance for a better future. It has decided to allocate a portion of its budget specifically for proper planning as it knows there are going to be expenses like Expert's fee, survey charges, etc.
Which limitations of planning have been identified in the above case? Explain. 3
- 24 Write a short note on autocratic style of leadership. 3
OR
Briefly describe the free rein style of leadership.
- 25 Distinguish primary market and secondary market. (any three points) 3

SECTION C

- 26 Explain : a) Right to be informed b) Right to choose 4
OR
Explain the importance of consumer protection in the point of view of consumer.
- 27 Rajeev started working in an MNC. He was very devoted towards his job. However, whenever he used to communicate with his subordinates they were unable understand him. The reason behind this problem was that he himself was unsure about the concept he used to explain to the subordinates. This problem was taking place on a daily basis. One day he got an order form his senior to fly to Goa for a project meeting. There he started explaining his concept to others but there were many aspects which the team of Goa wanted to explain to him. He was more concerned about speaking than listening. This resulted in the failure of the meeting which was very important. When Rajeev returned back to his home town he was sad. In this hopelessness he forgot to review the instructions he had given to his subordinates about a very important programme to be organized in his home town. Definitely Rajeev is facing problems related with communication effectiveness. 4

- i) Identify the communication barrier highlighted in above paragraph.
- ii) What measures would you suggest to Rajeev so that he could improve his communication effectiveness?

28 'Brightest Papers' is a leading paper manufacturing company. The enthusiasm level of employees in this organisation is very high. The management has applied a process of directing where the financial and non-financial needs of the employees are identified and are satisfied accordingly. The result has been amazing for the organisation. The output levels of the employees have touched a new high. Recently an award was also given to the HR department of the organisation for doing its job in the best manner in the industry. Two years back when the organisation had not applied this process the employees were leaving the organisation and were not loyal but now the situation has changed and there has been increase in the number of applicants for various jobs in the company. The organisation believes that its best resource is the human. The idea is to maximize the output of the human resources. There are many steps taken to increase the input of the employees and for this the work environment is made interesting in order to increase their regularity which has obviously increased the labour input during the recent years. The company is now among the most inspiring organisations in the industry. 4

- i) Name and define the element of directing has been applied by the management?
- ii) Which benefits of this element are highlighted in the above case?

SECTION D

29 Infocom has diversified itself into several product lines: Telecommunications, Engineering, financial services. Each subsidiary is self-sufficient with their-own administrative functions, propagating the belief that people can assume the responsibility for the effective implementation of their decisions and should be given autonomy. This has reduced the need for direct supervision by superiors, has promoted flexibility, initiative and faster decision making. The orders of customers are never delayed, as a result of good policy decisions of top management. 5

- i) Identify and explain any three points of importance of the concept being discussed above.
- ii) Name and briefly explain a suitable framework for the company within which the managerial and operating task are to be performed.

30 Define selection. Explain the following steps in the process of selection : 5

- a) Reference and background checking
- b) Medical examination

31 Identify and explain the technique of sales promotion used by the company in the following cases: 5

- (a) Purchase goods worth ₹ 90,000 and get a holiday package of ₹10,000 free.
- (b) A company offers 40% of extra glucose in a pack of 1 Kg.
- (c) A mobile company offers a discount of ₹2,000 to clear off excess inventory.
- (d) A company offers a pack of 1 Kg of tea with a purchase of 5 kgs of sugar
- (e) On return of the wrapper, a customer gets ₹5 off on purchase of the same product.

SECTION E

32 Kynaa, a beauty products e-commerce company, is diversifying into men's grooming. It is also tapping the demand for beauty products in the fashion industry and amid professionals such as make-up artists. As it diversifies its online presence, Kynaa is also expanding its physical presence. They have 41 outlets across 18 cities presently and plan to expand to 180 outlets. Each store requires a capital expenditure of 60-80 lakh rupees. The company has decided to raise funds by issuing equity shares but not directly to the public, rather by offering them for sale through brokers. 6

- i) Identify and briefly explain the method of floatation followed by the company.
- ii) Also name & explain the other methods of floatation that can be used by the company for raising funds from the public, in the primary market.

OR

Radhika got 10, 00,000 rupees after selling her parental property which she had got as a gift from her grandmother. Her friend advised her to invest in securities in the stock market. Radhika was unaware of the procedure for the same. Her friend introduced her to a stock broker, who was registered with the National Stock Exchange. Radhika approached the broker. The broker guided her to open a DEMAT account with a Depository, as well as a Bank account. Radhika opened a Bank account & DEMAT account with Exim Bank.

- i) Identify the steps in the trading procedure for buying and selling of securities which have been discussed above.
- ii) State the next four steps of the trading procedure.

33 Write the importance of public relation with reference to :

- a) Press relation b) Lobbying c) corporate communication

6

OR

What do you mean by physical distribution? Explain its components.

34 Vivo Ltd. is a company manufacturing textiles. It has a share capital of Rs. 60 lakhs. The earning per share in the previous year was Rs. 0.50. For diversification, the company requires an additional capital of Rs. 40 lakhs. The company raised funds by issuing 10% debentures for the same. During the current year, the company earned a profit of Rs. 8 lakhs on the capital employed. It paid tax @ 40%. 6

- i) State whether the shareholders gained or lost, in respect of earning per share on diversification. Show your calculations clearly.
- ii) Also, state any three factors that favour the issue of debentures by the company as part of its capital structure.

End of the Question Paper