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SET B



INDIAN SCHOOL MUSCAT FINAL TERM EXAMINATION BUSINESS STUDIES

CLASS: XII
28.11.2018

Sub. Code: 054

Time Allotted: 3 Hrs
Max. Marks: 80

General Instructions:

- (i) All questions are compulsory.
- (ii) Marks for questions are indicated against each question.
- (iii) Questions Nos. 1 – 8 are very short-answer questions carrying 1 mark each. They are required to be answered in one sentence each.
- (iv) Questions Nos. 9 – 13 are short answer questions carrying 3 marks each. Answers to them should normally not exceed 50 – 75 words each.
- (v) Questions Nos. 14 – 19 are also short answer questions carrying 4 marks each. Answers to them should normally not exceed 150 words each.
- (vi) Questions Nos. 20 – 22 are long-answer questions carrying 5 marks each. Answers to them should normally not exceed 150 words each.
- (vii) Questions Nos. 23 – 25 are long-answer questions carrying 6 marks each. Answers to them should normally not exceed 200 words each.
- (viii) Answers should be brief and to the point and the above word limits should be adhered to as far as possible.

SECTION-A

- 1 'Planning always leads to success.' Do you agree? 1

OR

Mr. Mohan, Financial manager of ABC Ltd., has prepared the annual Statement of proposed expenditure to be presented in the Annual General Meeting. Identify the type of plan formulated by the financial manager.

- 2 The quality of Production is not as per standards. On investigation it was observed that most of the workers were not fully aware of the proper operation of the machinery. What could be the way to improve the accuracy? 1

OR

Define 'Staffing' as a function of management.

- 3 What does 'dematerialization of securities' refer to? 1
- 4 What is Capital Market? 1

- 5 Ajay was appointed as the marketing head of 'Alfa Enterprise' manufacturer of toothpaste and toothbrushes. His target sale was 2,000 units a month. Apart from thinking about various channels of distribution to achieve the target he himself started visiting schools in backward areas. He found that even after taking various steps and counseling, some school children had not started brushing their teeth. He investigated and found that they could not afford to buy toothbrush and toothpaste. So, with due permission he started donating 200 toothbrushes and toothpastes every month to the school. Identify the channel of distribution 'Ajay' would adopt for distribution of toothpaste and toothbrushes. 1
- 6 Ronit Raj, a marketing manager is a patient of diabetes for which he takes medicines regularly. One day, on his tour to Patna, he met with an accident and was hospitalised. Due to doctors' negligence a delicate nerve of his right leg was cut rendering him crippled throughout his life. Identify the consumer right that has been violated by the doctors under the Consumer Protection Act, 1986 in the above situation. 1
- 7 National Venus Ltd. has grown in size. The company was a market leader but with changes in situation the CEO started delegating some of his authority to the General Manager, who also felt himself overburdened and with the approval of CEO disperses some of his authority to various levels throughout the organization. Identify the concept of management discussed above. 1

OR

Distinguish between Authority and Responsibility on the basis of Origin.

- 8 On the introduction of 'Goods and Services Tax Act', experts in the field of business started analysing and forecasting its impact on various sectors and industries. Arun, an established businessman, attended a few seminars and conferences organised by such experts to familiarize himself with this information. He wanted to use these forecast and conjectures to reduce the uncertainty in making decisions for the future in his business. Name the step in the planning process that is being discussed in the above paragraph. 1

SECTION-B

- 9 Aakanksha, Nikita and Parishma are the owners of a handicraft unit in the urban area of Dibrugarh in Assam, which is involved in the manufacturing and marketing of Sital Pati, traditional mats and Jappi (the traditional headgear). They decided to shift this manufacturing unit to a rural area with an objective of reducing the cost and providing job opportunities to the locals. 3

They followed the functional structure in this organisation with a view to increasing managerial and operational efficiency' They assessed and analysed the type and number of employees required, keeping in mind that they had to encourage the women, and the people with special needs belonging to the rural area. State the next three steps that they will have to undertake, for obtaining satisfied workforce for their handicraft unit.

- 10 An employee of a company reached his office one hour late. The supervisor scolded him right and left without ascertaining the reason of his coming late. 3
- (a) Do you justify the behavior of the supervisor?
- (b) What values he should have kept in mind while dealing with the employees?

OR

Mr. Mohan Kumar is the owner of Jason's Enterprises, carrying on the business of manufacturing sanitary items. There is a lot of discontentment in the organization and the targets are not being met. He asked his son Ritesh, who has recently completed his MBA, to find out the reason. Ritesh found that his father did not have confidence in the competency of employees and was not seeking their advice or opinion. There was also lack of transparency in the operations of the business. Thus, the employees were not happy.

a. Identify any two communication barriers because of which 'Jason's Enterprises' was not able to achieve its targets.

b. State one more barrier each of the type identified in part (a) above.

- 11 Explain the steps involved in the process of control. 3

OR

Discuss the relationship between planning and controlling.

- 12 What are the factors affecting the requirement of Fixed Capital? 3

- 13 Amar is engaged in manufacturing of refrigerators. He surveyed the market and found that customers need a refrigerator with a separate provision of water cooler in it. He decided and launched the same refrigerator in the market. Identify and explain the marketing philosophy involved. 3

SECTION-C

- 14 'A. S. Environs Ltd.' is dealing in Environment Consultancy. To get the business, the team leader and his team used to travel to different states to give presentation to their clients. As per the policy of the company, the team leader used to travel by air whereas his team travelled by road/train. It was not only time consuming but also at times forced the female team members to travel alone. As a result, the subordinates were not acting in a desired manner to achieve organisational goal. The CEO of the company came to know about it. He called the team leader, discussed the matter with him and decided to change the travel policy of the company. It was decided that in future all the members including the leader would travel together and usefully utilise the travelling time in discussion about the presentation to be given to the clients. This made a positive impact and every member of the team started acting in a manner as desired by the team leader. 4

State the features of the element of the function of management used by the CEO.

OR

What are semantic barriers of communication?

- 15 Shalini a home science graduate from a reputed college has recently done a cookery course. She wished to start her own venture with a goal to provide 'health food' at reasonable price. She discussed her idea with her teacher (mentor) who encouraged her. After analyzing various options for starting her business venture, they shortlisted the option to sell readymade and 'ready to make' vegetable shakes and sattu milk shakes. Then, they both weighed the pros and cons of both the shortlisted options. 4

(a) Name the function of management being discussed above.

(b) Also briefly discuss any three limitations of the function discussed in the case.

- 16 Mr. Sanjay Nehra was the Chairman of 'Taran Bank.' The bank was earning good profits. Shareholders were happy as the bank was paying regular dividends. The market price of their shares was also steadily rising. The bank was about to announce taking over of 'Vena Bank.' Mr. Sanjay Nehra knew that the share price of 'Taran Bank' would rise on this announcement. Being a part of the bank, he was not allowed to buy shares of the bank. He called one of his rich friends Sudhir and asked him to invest Rs.5 crore in the shares of his bank promising him the capital gains. As expected the share prices went up by 40% and the market price of Sudhir's shares was now Rs.7 crore. He earned a profit of Rs. 2 crore. He gave Rs.1 crore to Mr. Sanjay Nehra and kept Rs.1 crore with himself. On regular inspection and by conducting enquiries of the brokers involved, Securities and Exchange Board of India (SEBI) was able to detect this irregularity. The SEBI imposed a heavy penalty on Mr. Sanjay Nehra. 4

By quoting the lines from the above para identify and state any two functions that were performed by SEBI in the above case.

- 17 What are the advantages of functional structure? 4

OR

Distinguish between Centralisation and Decentralisation.

- 18 'Ganesh Steel Ltd.' is a large and credit-worthy company manufacturing steel for the Indian market. It now wants to cater to the Asian market and decided to invest in new hi-tech machines. Since the investment is large, it requires long-term finance. It decides to raise funds by issuing equity shares. The issue of equity shares involves huge floatation cost. To meet the expenses of floatation cost the company decides to tap the money-market. 4
- (a) Name and explain the money-market instrument the company can use for the above purpose.
(b) What is the duration for which the company can get funds through this instrument?
© State any other purpose for which this instrument can be used.

- 19 Explain the following rights of a consumer: 4
- Right to choose
Right to be informed.

SECTION - D

- 20 Discuss the responsibilities that a consumer should keep in mind while purchasing, using and consuming goods and services. 5

OR

Aman a degree holder in Entrepreneurship came to know about Piplantri Village located in Rajasthan, where in 2006 an initiative was started, in which 111 trees are planted every time a girl child is born.

To keep termites away from the trees the villagers have planted 2.5 million Aloe Vera plants around the trees. This has turned the village into an oasis, as the planting of trees led to higher water levels.

Aman decided to visit the village to start a business unit, for the processing and marketing of Aloe Vera into juices, gels and other products.

However, on visiting the village Aman found that the villagers were suffering exploitation at the hands of local merchants who were engaged in unscrupulous, exploitative trade practices like hoarding and black marketing of food products and also selling unsafe, adulterated products to the

villagers.

After looking at their plight instead of a business organization he decided to set up an organization for the protection and promotion of the consumer interest of the villagers. State any five functions that the organization established by Aman will be performing.

- 21 Agrotech Fertilizers Limited has planned to set up a plant for manufacturing urea fertilizer which has very high market potential as there is excess demand as compared to supply. It is a capital-intensive project involving an investment of Rs.2,000 crore. Major portion of this investment will be in fixed capital. Financial institutions prefer to finance such a project because it is in the core sector. Since market for urea fertilizer is quite high, it is sold mostly on a cash basis. 5

(i) What is the most desirable debt/equity ratio for the company?

(ii) On what basis should investment in working capital be determined?

- 22 Anoop Gaur started 'Cat's Eye', a company for providing cyber security solutions to businesses. Its objective is to prevent, detect, respond to cyber attacks and protect critical data. He was a hardworking software engineer and also expert in cyber security. His reputation grew by leaps and bounds as he was not only a person of integrity but also did his work with utmost honesty and sincerity. The business started growing day-by-day. He was delighted when he was offered a big project by the Ministry of Science and Technology. While working on the project he found that the volume of work made it impractical for him to handle all the work by himself. Therefore, he decided to expand the team. The company maintained a close liaison with an engineering college in the State. During a campus placement, Aarav and Pranshi were appointed to work for the new project. 5

He found the new employees capable, enthusiastic and trustworthy. Anoop Gaur was thus, able to focus on the objectives and with the help of Aarav and Pranshi, the project was completed on time. Not only this, Anoop Gaur was also able to extend his area of operations. On the other hand, Aarav and Pranshi also got opportunities to develop and exercise initiative.

(a) Identify and explain briefly the concept used by Anoop Gaur in the above case which helped him in focusing on the objectives.

(b) Also, explain any four points of importance of the concept identified in part (a).

SECTION - E

- 23 R&T Reality, the property development arm of the construction and engineering giant R&T in a recent report to the media shared that it is betting on bigger and better projects providing greater benefits to the customers, lower prices and faster execution to boost its growth. The spokesperson of the company informed the media that besides the innovative features, quality and brand, the fair pricing followed by the company is also a hit with the buyers. He said that the company is also focusing on accurate, speedy and timely delivery. Proper communication with the market was being maintained through advertising. Even dealers were to be offered incentives to boost the sales. The above para describes the combination of variables used by R&T Reality to prepare its market offering. Identify and explain the variables. 6

OR

Identify the method of sales promotion in the following cases;

(a) Offering an electric iron at a discount of Rs.200 for a limited period.

- (b) Off season sales offering up to 70% discount on selected items.
- (c) Buy one & get one free offer on garments.
- (d) Purchase goods worth Rs. 10,000 and get a gift voucher of Rs. 2500.
- (e) Test drive a car, scratch a card and get an assured gift.
- (f) Buy a Samsung smart TV and get a home theatre system free.

- 24 Discuss Maslow's Need Hierarchy theory of motivation with the diagram. 6
- 25 Ashish, the Marketing Head, Raman, the Assistant Manager and Jyoti, the Human Resource Manager of 'Senor Enterprises Ltd.' decided to leave the company. The Chief Executive Officer of the company called Jyoti the Human Resource Manager and requested her to fill up the vacancies before leaving the organisation. Informing that her subordinate Miss Alka Pandit was very competent and trustworthy, Jyoti suggested that if she could be moved up in the hierarchy, she would do the needful. The Chief Executive Officer agreed for the same. Miss Alka Pandit contacted 'Keith Recruiters', who advertised for the post of marketing head for 'Senor Enterprises Ltd'. They were able to recruit a suitable candidate for the company. Raman's vacancy was filled up by screening the database of unsolicited applications lying in the office. 6
- (a) Name the internal/external sources of recruitment used by 'Senor Enterprises Ltd.' to fill up the above stated vacancies.
- (b) Also state two merits of each of the above identified source of recruitment.

End of the Question Paper