

Roll Number		
-------------	--	--

SET NO. 1



INDIAN SCHOOL MUSCAT FIRST TERM EXAMINATION BUSINESS STUDIES

CLASS: XII

Sub. Code: 054

Time Allotted: 3 Hrs

15.05.2018

Max. Marks: 80

General Instructions:

1. Attempt all parts of a question together.
2. Answer to questions carrying 1 mark may be from one word to one sentence
3. Answer to questions carrying 3 marks may be from 50-75 words
4. Answer to questions carrying 4-5 marks may be about 150 words
5. Answer to questions carrying 6 marks may be about 200 words.

1 What is meant by 'Liberalization'? 1

2 Why is management considered a multi-faceted concept? 1

3 Laxmi Chemicals Ltd., a soap manufacturing company wanted to increase its market share from 30% to 55% in the long run. A recent report submitted by the Research & Development Department of the company had predicted a growing trend of herbal and organic products. On the basis of this report the company decided to diversify into new variety of soaps with natural ingredients having benefits and fragrances of Jasmine, Rose, Lavender, Mogra, Lemon Grass, Green Apple, Strawberry etc. The Unique Selling Proposition (USP) was to promote eco-friendly living in the contemporary life style. The company decided to allocate Rs.30 crores to achieve the objective. 1

Identify the type of one of the functions of management mentioned above which will help the company to acquire dominant position in the market.

4 Why are rules considered to be plans? 1

5 Ms. Bharti passed her M.B.B.S examination in the first division in 2011. Later on, the year 2014 she passed her M.S examination as an eye surgeon. She was awarded a gold medal in this examination. After completing her studies, she joined a big hospital as an eye surgeon. She is performing ten operations successfully every day. 1

Now tell, what aspect of Ms. Bharti's above experience is science and what aspect is art?

6 Telco Ltd. manufactures files & folders from old clothes to discourage the use of plastic files and folders. For this, they employed people from nearby villages where very less job opportunities are available. An employee, Harish designed a plan for cost reduction but it was not welcomed by the production manager. Another employee gave some suggestions for improvements in design, but it was 1

also not appreciated by the production manager.

(a) Identify the principle of management that is violated in the above paragraph.

(b) Identify any two values that the company wants to communicate to the society.

- 7 Define Environment Scanning. 1
- 8 According to Taylor, there should be an almost equal division of work and responsibility between workers and management. All the daylong the management should work almost side by side with the workers helping, encouraging and smoothing the way for them. Name the principle of scientific management involved above. 1
- 9 Why has coordination gained more importance in the present day business concerns? 3
- 10 During partition, Kundan Lal came to Mumbai from Lahore with a lot of wealth. Keeping in view his innate ability to visualize and create things, he decided to work as a Junior Assistant in a film studio. Over a period of time, as he gained experience and his work was well acclaimed, he decided to set up his own film studio. Initially he was himself looking into every aspect of the business, but as his work increased manifolds and his own productivity reduced with age, he hired Jimmy as manager. Jimmy being immature in his work started giving booking for the studio haphazardly. He would never decide anything in advance or do any kind of forecasting of events. This led to lot of confusions and conflicts. As a result, the goodwill earned by Kundan Lal over the years began to decline. 3
- In context of the above paragraph:
- (a) Identify and explain the function of management which Jimmy failed to perform by quoting lines from the paragraph.
- (b) Describe briefly any two features of the function of management as identified in part (a).
- 11 Your Grand Father has retired as the Director of a manufacturing Company. 3
- (i) At which Level of Management was he working?
- (ii) State the two functions?
- 12 Explain any two techniques of Scientific Management. 3
- 13 Nowadays the market offers a lot of opportunities to the marketers as the customer income is rising. People have developed a taste for better quality products even though they may have to pay more. Their aspiration levels have increased. 3
- (a) Which dimension of business environment is being referred to?
- (b) Explain one more dimension of business environment with example.
- 14 Management is considered to be both an art and science. Explain. 4
- 15 A manager enhances the production target from 500 units to 700 units per month but the authority to draw raw material was not given by him. The production manager could not achieve the revised production target. 4

Which principle was violated in the above case? Explain.

- 16 Name and explain the principle of Henri Fayol, which suggests that communication from top to bottom should follow the official lines of command. 4
- 17 What is meant by Business Environment? Explain, with examples, the difference between general and specific environment. 4
- 18 The CEO of XYZ limited, Mr. Rajaram, after consultation with his Department heads, declared the target of One million units of the product. The financial department was asked to prepare a detailed plan with expected cash flow to ensure the achievement of the target. The sales & production department were asked to coordinate the development of routine steps to be followed to achieve the given target. The team leaders in the sales team and supervisors in production team briefed their team members on the manner in which the activities had to be performed to have a good qualitative and quantitative control. Due to the coordinated efforts of all the members the target was easily achieved by the company. 4

Quoting lines from the above, explain the various types of plans.

- 19 'F' limited was engaged in the business of food processing and selling its products under a popular brand. Lately the business was expanding due to good quality and reasonable prices. Also with more people working the market for processed food was increasing. New players were also coming to cash in on the new trend. In order to keep its market share in the short run the company directed its existing workforce to work overtime. But this resulted in many problems. Due to increased pressure of work the efficiency of the workers declined. Sometimes the subordinates had to work for more than one superior resulting in declining efficiency. The divisions that were previously working on one product were also made to work on two or more products. This resulted in a lot of overlapping and wastage. The workers were becoming indiscipline. The spirit of teamwork, which had characterized the company, previously was beginning to wane. Workers were feeling cheated and initiative was declining. The quality of the products was beginning to decline and market share was on the verge of decrease. Actually the company had implemented changes without creating the required infrastructure. 4

Questions:

1. Identify the Principles of Management (out of 14 given by Henry Fayol) that were being violated by the company.
 2. Explain these principles in brief.
 3. What steps should the company management take in relation to the above principles to restore the company to its past glory?
- 20 Naman and Govind after finishing their graduation under vocational stream decided to start their own travel agency which will book Rail Tickets and Air Tickets on commission basis. They also thought of providing tickets within ten minutes through the use of internet. They discussed the idea with their Professor Mr. Mehta who liked the idea and suggested them to first analyse the business environment which consists of investors, competitors and other forces like social, political etc. that may affect their business directly or indirectly. He further told them about the technological improvements and shifts in consumer preferences that were taking place and hence they should be aware of the environmental trends and changes which may hinder their business performance. He emphasized on making plans keeping in mind the threat posed by the competitors, so that they can deal with the situation effectively. This alignment of business operations with the business environment will result in better performance. 5

(i) Identify and state the component of business environment highlighted in the above Para.

(ii) State any two features of business environment as discussed by Professor Mehta with Naman and Govind.

(iii) Also state two points of importance of business environment as stated by Professor Mehta in the above situation.

21 Explain any five points regarding significance of Principles of management. 5

22 Ajay and Sanjay are childhood friends. Sanjay had lost his right hand in an accident in childhood. They meet after a long time in a restaurant. On being asked, Sanjay tells Ajay that he feels very discontented in managing his family business after the death of his father as it doesn't match with his area of interest. Ajay knows that Sanjay possess extra ordinary skills in management although he hasn't acquired any professional degree in management. Therefore, he asks Sanjay to wind up his business in India and join him in his hotel business in Dubai as an Assistant Manager in Sales and Marketing division. 5

In context of the above case:

(a) Can Sanjay be deployed at the post of Assistant Manager in Sales and Marketing division though he hasn't acquired any professional degree in management? Explain by giving suitable justifications in support of your answer.

(b) List any two values that are reflected in this act of Ajay.

23 Define Coordination. Discuss the features of coordination. 6

24 "A good understanding of environment by business managers enables them not only to identity and evaluate but also to react to the forces external to their firm." 6

In the light of the above statement explain the importance of understanding business environment by a manager.

25 An auto company C Ltd. is facing a problem of declining market share due to increased competition from other new and existing players in the market. Its competitors are introducing lower priced models for mass consumers who are price sensitive. For quality conscious consumers, the company is introducing new models with added features and new technological advancements. 6

Questions:

1. Identify the limitations of such plans.

2. How will you seek to remove these limitations?

End of the Question Paper