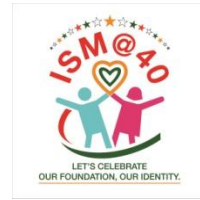




INDIAN SCHOOL MUSCAT
SENIOR SECTION
DEPARTMENT OF COMMERCE AND HUMANITIES
CLASS XII
BUSINESS STUDIES
SAMPLE PAPER 6 UNSOLVED



MARKS: 80

Date:

TIME ALLOWED: 3 Hrs.

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.
6. All questions are compulsory.

Q. No.	QUESTIONS	Marks
1	“Recruitment’ is one of the specialized activity performed by human resource management. Mention any two other specialized activities of human resource management.	1
2	Give an example of ‘Employee Recognition Programmes’ as a non-financial incentive.	1
3	Government is planning to construct a ware house in remote area to store necessary goods. So as to make them available even at the time of bad weather regularly. Which values are being considered here to be achieved by the government?	1
4	In an organization, informal communication is stressed instead of formal communication which results in non reaching of proper communication to proper person in proper time. It results in either non completion or delay in work. Which values have been violated here?	1
5	What is the objective of ‘Method Study’ as a technique of scientific management?	1
6	Give the meaning of ‘Authority’ as an element of delegation.	1
7	An electronic company manufacturing TV and Refrigerator wants to bring two new	1

products Washing Machines and AC's in the market. For each product separate division are to be set up. In charge of working machine division and AC's division will be female and disabled person respectively. Which values have been considered here?

- 8 Amit is running an 'Advertising agency' and earning a lot by providing this service to big industries. State whether the working capital requirement of the firm will be 'less' or 'more'. Give reason in support of your answer. 1
- 9 How does 'Inflation' affect the working capital requirements of a company? State. 3
- 10 XYZ Ltd. Co., manufacturing cosmetics and enjoying a predominant position in the industry has grown in size. Its business was very good till 1991. But after the new liberalized environment has been the entry of many MNCs in this sector with the result that market share of XYZ has declined. The company followed a very centralised business model with directors and divisional heads making even minor decisions. 3
- (i) Which function of management is being indicated here?
 - (ii) What dimension of environment is implicit in this case? Indicate by quoting the lines from above para.
- 11 Q. Explain the following rights of consumers: 3
- (i) Right to seek redressal;
 - (ii) Right to consumer education.
- 12 Hero Ltd.'s target is to produce 10,000 shirts per month at a cost of Rs. 150 per shirt. The production manager could achieve this target at a cost of Rs. 160 per shirt. Do you think the production manager is 'effective'? Give reason in support of your answer. 3
- 13 All commercial banks have to maintain a minimum cash balance which is known as Cash Reserve Ratio. Amount of fund available with commercial banks to be given as loans increases or decreases whenever RBI changes the CRR. In order to maintain the CRR, all banks borrow from each other on which interest rate is also paid by the respective banks. 3
- (a) Which money market investment is discussed above?
 - (b) Give the term for interest rate on money borrowed by the banks from each other. Does it remain fixed?
 - (c) If interest rate given above rises, then what will happen to other sources of finance such as commercial paper and certificate of deposit? Is there any relation between them?
- 14 Crackers Ltd., a fire cracker manufacturing company launched some new products on eve of Diwali which attracted many buyers. To meet the increased demand, the company employed children from nearby villages. Although the product was in great demand, appropriate safety warnings were not mentioned on the packets that led to many accidents. 4
- (i) Identify and explain the important product related decision that was not taken into consideration by the company
 - (ii) Also, identify any two values which were violated by the company.
- 15 How directing helps in efficient and effective functioning of the organisation? Explain by giving any three points. 4

- 16 Rahim was working in an enterprise on daily wages basis. It was difficult for him to fulfill the basic needs of his family. His daughter fell ill. He had no money for his daughter's treatment. To meet the expenses of her treatment, he participated in a cycle race and won the prize money. The cycle company offered him a permanent pensionable job which he happily accepted. 4
- (i) By quoting the lines from the above para identify the needs of Rahim that are satisfied by the offer of cycle company.
 - (ii) Also, explain two other needs of Rahim followed by above that are still to be satisfied.
- 17 State any three responsibilities that a consumer should keep in mind while purchasing, using and consuming goods and services. 4
- 18 You are the Financial Manager of a newly established company. The directors have asked you to determine the amount of working capital requirement for the company. Explain any four factors that you will consider while determining the working capital requirement for the company. 4
- 19 Explain any four points that highlight the importance of financial planning. 4
- 20 Joseph Bros. was a firm manufacturing jute lamp shades. It uses left over jute pieces from various jute factories to manufacture economical lamp shades which are supplied to various hotels in nearby towns. It employs men and women from nearby villages as workers for creating good lamp shade designs. Joseph Bros., is not able to meet its targets. Namish, the supervisor of the company, was told to analyse the reasons for the poor performance. Namish found following problems and suggested certain solutions in the working of the business. The number of workers employed was less than what was required for the work. As a result, the existing workers were overburdened. The firm decided to search for new workers and it asked the present employees to introduce candidates or recommend their friends and relatives to the firm. This enabled the firm in "putting people to jobs" and assured attainment of objectives according to plans. 5
- a) Identify the functions of management being performed by the firm in the above situation.
 - b) Name the concept and its source used by the firm to attract more workers for the firm.
 - c) State any two values being followed by Jacob Bros.
- 21 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 5

emphasised 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.

(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.

22 XYZ Power Ltd. set up a factory for manufacturing solar lanterns in a remote village as there was no reliable supply of electricity in rural areas. The revenue earned by the company was sufficient to cover the costs and the risks. The demand of lanterns was increasing day by day, so the company decided to increase production to generate higher sales. For this, they decided to employ people from nearby villages as very few job opportunities were available in that area. The company also decided to open schools and crèches for the children of its employees.

(i) Identify and explain the objectives of management discussed above.

(ii) State any two values which the company wanted to communicate to the society.

23 Differentiate between ‘capital-market’ and ‘money-market’ on the following basis:

(i) Participants;

(ii) Instruments;

(iii) Investment outlay;

(iv) Duration and

(v) Liquidity.

24 Principles of Taylor and Fayol are mutually complementary. One believed that the management should not close its ears to constructive suggestions made by the employees while the other suggested that a good company should have an employee suggestion system whereby suggestions which result in substantial time or cost reduction should be rewarded. Identify and explain the principles of Taylor and Fayol referred in the above para.

25 State any five points of importance of planning. 6
