



**INDIAN SCHOOL MUSCAT
SECOND PRE - BOARD EXAMINATION
BUSINESS STUDIES (054)**

CLASS: XII

TERM 2

Time Allotted: 2 hrs

13.04.2022

Max. Marks: 40

GENERAL INSTRUCTIONS:

1. This is a Subjective Question Paper containing 12 questions.
2. This paper contains 4 questions of 2 marks each, 4 questions of 3 marks each and 4 questions of 5 marks each.
3. 2 marks questions are Short Answer Type Questions and are to be answered in 30-50 words.
4. 3 marks questions are Short Answer Type Questions and are to be answered in 50-80 words.
5. 5 marks questions are Long Answer Type Questions and are to be answered in 80-120 words.
6. This question paper contains Case/Source Based Questions

- 1 Gaint Pvt. Ltd. is a publishing company. Its book on Business Studies for class XII is in great demand. As a result, the employees in the marketing department are always racing against time. The employees have to work overtime and on holidays to cater to the demand. Managers in the marketing department are under stress as they have to handle more than two territories. The work stress has led to dissatisfaction among the employees and managers. Name and explain the step of staffing process which has not been performed properly. 2
- 2 Give any two standards that can be used by a company to evaluate the performance of its Marketing department. 2
- 3 Mission Coach Ltd. is a large creditworthy company that manufactures coaches for the Indian Railways. It now wants to export these coaches to other countries and decides 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. Name and explain the money-market instrument the company can use for the above purpose. 2
- 4 Explain briefly 'transfers' and 'promotions' as internal sources of recruitment. 2
- 5 Ayasha Ltd. assured their employees that in spite of the recession, no workers will be retrenched from their jobs. 3
 1. Name and explain the type of incentive offered to the employees.
 2. Explain one more incentive of the same category.

- 6 Explain briefly styles of leadership based on the use of authority. 3
- 7 When the deviations go beyond the acceptable range, it demands immediate managerial attention. Discuss any three examples of causes of deviation and corrective action to be taken? 3
- 8 Sanjay Ltd. is dealing in import of organic food items in bulk. The company sells the items in smaller quantities in attractive packages. Performance of the company has been up to the expectations in the past. Keeping up with the latest packaging technology, the company decided to upgrade its machinery. For this, the Finance Manager of the company, Mr. Vikas Sharma, estimated the amount of funds required and the timings. This will help the company in linking the investment and the financing decisions on a continuous basis. Therefore, Mr. Vikas Sharma began with the preparation of a sales forecast for the next four years. He also collected the relevant data about the profit estimates in the coming years. By doing this, he wanted to be sure about the availability of funds from the internal sources. For the remaining funds he is trying to find out alternative sources. 3
- Identify the financial concept discussed in the above paragraph. Also, state any two points of importance of the financial concept, so identified
- 9 Yellow Heavens Ltd. purchased new machinery from Germany for manufacturing some auto components. It was a cost-effective and quality production machine but during the production process, manager observed that the quality of the production was not as per standards. On investigation, it was found that there was lack of knowledge of using these hi-tech machines. So, frequent visits by engineers were required from Germany but this resulted in high overhead charges. 5
- Suggest what can be done to develop the skills and abilities of employees for producing quality products by using these hi-tech machines. Also state how the employees or the organisation will be benefited by your suggestion.
- 10 Lay Ltd. is a company manufacturing textiles. It has a share capital of ₹60 lakhs. In the previous year, its earnings per share were ₹0.50. For diversification, the company requires an additional capital of ₹40 lakhs. The company raised funds by issuing 10% debentures for the same. During the year, the company earned a profit of ₹8 lakhs on the capital employed. It paid tax @ 40%. 5
- (Assume nominal value of a share is ₹10)
1. State whether the shareholders gained or lost, in respect of earning per share on diversification. Show your calculations clearly.
 2. Also state any three factors that favour the issue of debentures by the company as part of its capital structure.
- OR**
- Tata International Ltd. earned a net profit of ₹50 crores. Ankit, the finance manager of Tata International Ltd. wants to decide how to appropriate these profits. Discuss any five factors which will help him in taking this decision
- 11 “Unicon Securities Pvt. Ltd” was established to deal in securities. It was registered as a stock broker with National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) to trade in securities listed at these exchanges. It is also a depository participant with CDSL and NSDL. In 5

the first three years, it developed its business successfully. After that the composition of Board of Directors changed. Some customers complained to the customer care centre of the company that shares purchased by them and for which the payment has been duly made, were not transferred to their Demat Accounts by “Unicon securities Pvt. Ltd”. The executive of customer care centre promised the aggrieved customers that their shares will be transferred to their respective Demat Accounts very soon. But the company delayed the matter and didn’t transfer the shares of the customers to their Demat Accounts. This eroded investors’ confidence and multiplied their grievances.

a) Identify the step of trading procedure in a stock exchange which has not been followed by “Unicon Securities Pvt. Ltd”.

b) Name the Apex statutory body of capital market to whom customer can complain to redress their grievances.

c) Explain any three functions of Apex statutory body you identified in Point (b)

- 12 On Sonika’s birthday, her mother gave her a pair of gold earrings. After one month, Sonika observed that the earrings were losing their shine. She checked the mark on the earrings and found that it was not a proper Hallmark and her mother had been cheated by the shopkeeper. So, she filed a complaint in the District Forum which rejected it. Not satisfied by the decision of the district Forum, she was very much disturbed and after two months, she decided to appeal further. Can Sonika appeal against the decision of the district forum? Give reason in support of your answer. Also discuss any three rights of a consumer under the Consumer Protection Act, 2019. 5

OR

Enumerate any five responsibilities of a Consumer Protection Act, 2019.

End of the Question Paper

Roll Number

SET B



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6. This question paper contains Case/Source Based Questions

- 1 Mission Coach Ltd. is a large creditworthy company that manufactures coaches for the Indian Railways. It now wants to export these coaches to other countries and decides 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.
Name and explain the money-market instrument the company can use for the above purpose. 2
- 2 Explain briefly 'employment exchange' and 'casual callers' as external sources of recruitment. 2
- 3 Gaint Pvt. Ltd. is a publishing company. Its book on Business Studies for class XII is in great demand. As a result, the employees in the marketing department are always racing against time. The employees have to work overtime and on holidays to cater to the demand. Managers in the marketing department are under stress as they have to handle more than two territories. The work stress has led to dissatisfaction among the employees and managers.
Name and explain the step of staffing process which has not been performed properly. 2
- 4 Give any two standards that can be used by a company to evaluate the performance of its Production department. 2
- 5 Ayasha Ltd. assured their employees that in spite of the recession, no workers will be retrenched from their jobs. 3
 1. Name and explain the type of incentive offered to the employees.
 2. Explain one more incentive of the same category.

- 6 Sanjay Ltd. is dealing in import of organic food items in bulk. The company sells the items in smaller quantities in attractive packages. Performance of the company has been up to the expectations in the past. Keeping up with the latest packaging technology, the company decided to upgrade its machinery. For this, the Finance Manager of the company, Mr. Vikas Sharma, estimated the amount of funds required and the timings. This will help the company in linking the investment and the financing decisions on a continuous basis. 3
- Therefore, Mr. Vikas Sharma began with the preparation of a sales forecast for the next four years. He also collected the relevant data about the profit estimates in the coming years. By doing this, he wanted to be sure about the availability of funds from the internal sources. For the remaining funds he is trying to find out alternative sources.
- Identify the financial concept discussed in the above paragraph. Also, state any two points of importance of the financial concept, so identified
- 7 When the deviations go beyond the acceptable range, it demands immediate managerial attention. Discuss any three examples of causes of deviation and corrective action to be taken? 3
- 8 Explain briefly styles of leadership based on the use of authority. 3
- 9 On Sona's birthday, her mother gave her a pair of gold earrings. After one month, Sona observed that the earrings were losing their shine. She checked the mark on the earrings and found that it was not a proper Hallmark and her mother had been cheated by the shopkeeper. So, she filed a complaint in the District Forum which rejected it. Not satisfied by the decision of the district Forum, she was very much disturbed and after two months, she decided to appeal further. Can Sona appeal against the decision of the district forum? Give reason in support of your answer. Also discuss any three rights of a consumer under the Consumer Protection Act, 2019. 5

OR

Enumerate any five responsibilities of a Consumer Protection Act, 2019.

- 10 Lay Ltd. is a company manufacturing textiles. It has a share capital of ₹30 lakhs. In the previous year, its earnings per share were ₹0.50. For diversification, the company requires an additional capital of ₹20 lakhs. The company raised funds by issuing 10% debentures for the same. During the year, the company earned a profit of ₹4 lakhs on the capital employed. It paid tax @ 40%. 5
- (Assume nominal value of a share is ₹10)
1. State whether the shareholders gained or lost, in respect of earning per share on diversification. Show your calculations clearly.
 2. Also state any three factors that favour the issue of debentures by the company as part of its capital structure.

OR

Tata International Ltd. earned a net profit of ₹25 crores. Ankit, the finance manager of Tata International Ltd. wants to decide how to appropriate these profits. Discuss any five factors which will help him in taking this decision

- 11 "Unicon Securities Pvt. Ltd" was established to deal in securities. It was registered as a stock broker with National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) to trade in securities listed at these exchanges. It is also a depository participant with CDSL and NSDL. In the first three years, it developed its business successfully. After that the composition of Board of 5

Directors changed. Some customers complained to the customer care centre of the company that shares purchased by them and for which the payment has been duly made, were not transferred to their Demat Accounts by “Unicon securities Pvt. Ltd”. The executive of customer care centre promised the aggrieved customers that their shares will be transferred to their respective Demat Accounts very soon. But the company delayed the matter and didn’t transfer the shares of the customers to their Demat Accounts. This eroded investors’ confidence and multiplied their grievances.

a) Identify the step of trading procedure in a stock exchange which has not been followed by “Unicon Securities Pvt. Ltd”.

b) Name the Apex statutory body of capital market to whom customer can complain to redress their grievances.

c) Explain any three functions of Apex statutory body you identified in Point (b)

- 12 Blue Heavens Ltd. purchased new machinery from France for manufacturing some auto components. It was a cost-effective and quality production machine but during the production process, manager observed that the quality of the production was not as per standards. On investigation, it was found that there was lack of knowledge of using these hi-tech machines. So, frequent visits by engineers were required from France but this resulted in high overhead charges. Suggest what can be done to develop the skills and abilities of employees for producing quality products by using these hi-tech machines. Also state how the employees or the organisation will be benefited by your suggestion. 5

End of the Question Paper

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SET C



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6. This question paper contains Case/Source Based Questions

- 1 Give any two standards that can be used by a company to evaluate the performance of its Finance & Accounting department. 2
- 2 Mission Coach Ltd. is a large creditworthy company that manufactures coaches for the Indian Railways. It now wants to export these coaches to other countries and decides 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. Name and explain the money-market instrument the company can use for the above purpose. 2
- 3 Comment any TWO merits of external sources of recruitment. 2
- 4 Gaint Pvt. Ltd. is a publishing company. Its book on Business Studies for class XII is in great demand. As a result, the employees in the marketing department are always racing against time. The employees have to work overtime and on holidays to cater to the demand. Managers in the marketing department are under stress as they have to handle more than two territories. The work stress has led to dissatisfaction among the employees and managers. Name and explain the step of staffing process which has not been performed properly. 2
- 5 When the deviations go beyond the acceptable range, it demands immediate managerial attention. Discuss any three examples of causes of deviation and corrective action to be taken? 3
- 6 Explain briefly styles of leadership based on the use of authority. 3

- 7 Ayasha Ltd. assured their employees that in spite of the recession, no workers will be retrenched from their jobs. 3
1. Name and explain the type of incentive offered to the employees.
 2. Explain one more incentive of the same category.
- 8 Sanjay Ltd. is dealing in import of organic food items in bulk. The company sells the items in smaller quantities in attractive packages. Performance of the company has been up to the expectations in the past. Keeping up with the latest packaging technology, the company decided to upgrade its machinery. For this, the Finance Manager of the company, Mr. Vikas Sharma, estimated the amount of funds required and the timings. This will help the company in linking the investment and the financing decisions on a continuous basis. Therefore, Mr. Vikas Sharma began with the preparation of a sales forecast for the next four years. He also collected the relevant data about the profit estimates in the coming years. By doing this, he wanted to be sure about the availability of funds from the internal sources. For the remaining funds he is trying to find out alternative sources. 3
- Identify the financial concept discussed in the above paragraph. Also, state any two points of importance of the financial concept, so identified
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- a) Identify the step of trading procedure in a stock exchange which has not been followed by “Unicon Securities Pvt. Ltd”.
 - b) Name the Apex statutory body of capital market to whom customer can complain to redress their grievances.
 - c) Explain any three functions of Apex statutory body you identified in Point (b)
- 10 Lay Ltd. is a company manufacturing textiles. It has a share capital of ₹120 lakhs. In the previous year, its earnings per share were ₹0.50. For diversification, the company requires an additional capital of ₹80 lakhs. The company raised funds by issuing 10% debentures for the same. During the year, the company earned a profit of ₹16 lakhs on the capital employed. It paid tax @ 40%. 5
- (Assume nominal value of a share is ₹10)
- a) State whether the shareholders gained or lost, in respect of earning per share on diversification. Show your calculations clearly.

- b) Also state any three factors that favour the issue of debentures by the company as part of its capital structure.

OR

Tata International Ltd. earned a net profit of ₹100 crores. Ankit, the finance manager of Tata International Ltd. wants to decide how to appropriate these profits. Discuss any five factors which will help him in taking this decision.

- 11 On Mona's birthday, her mother gave her a pair of gold earrings. After one month, Mona observed that the earrings were losing their shine. She checked the mark on the earrings and found that it was not a proper Hallmark and her mother had been cheated by the shopkeeper. So, she filed a complaint in the District Forum which rejected it. Not satisfied by the decision of the district Forum, she was very much disturbed and after two months, she decided to appeal further. Can Mona appeal against the decision of the district forum? Give reason in support of your answer. Also discuss any three rights of a consumer under the Consumer Protection Act, 2019. 5

OR

Enumerate any five responsibilities of a Consumer Protection Act, 2019.

- 12 Green Heavens Ltd. purchased new machinery from Japan for manufacturing some auto components. It was a cost-effective and quality production machine but during the production process, manager observed that the quality of the production was not as per standards. On investigation, it was found that there was lack of knowledge of using these hi-tech machines. So, frequent visits by engineers were required from Japan but this resulted in high overhead charges. Suggest what can be done to develop the skills and abilities of employees for producing quality products by using these hi-tech machines. Also state how the employees or the organisation will be benefited by your suggestion. 5

End of the Question Paper