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**INDIAN SCHOOL MUSCAT**  
**SECOND PRELIMINARY EXAMINATION**  
**BUSINESS STUDIES**

Sub. Code: 054

**CLASS: XII**

**06.02.2019**

**Time Allotted: 3 Hrs.**

**Max. Marks: 80**

**General Instructions:**

- (i) All questions in both the sections 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) Question Nos. 20 – 22 are long-answer questions carrying 5 marks each. Answers to them should normally not exceed 150 words each.
- (vii) Question 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 Define coordination.

**OR**

How does management help in achieving personal objectives?

2 What do you mean by Supervision?

1

1

- (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.

**OR**

Discuss the elements of Delegation.

- 10 Explain different financial and non-financial incentives used to motivate employees of a company? 3

**OR**

Discuss the elements of Communication process with the help of a diagram.

- 11 Excellent Ltd. is engaged in the business of export of garments. In the past, the performance of the company had been up to the expectations. In line with the latest technology, the company decided to upgrade its machinery. For this the Finance Manager Dalmia estimated the amount of funds required and the timings. This will help the company in linking the investment and the financial decisions on a continuous basis. Dalmia therefore, 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 of the business. For the remaining funds he is trying to find out alternative sources from outside. 3
  - (i) Identify the financial concept discussed in the above para.
  - (ii) Also state the two objectives to be achieved by the use of financial concept, so identified.

- 12 How do you differentiate selling and marketing on the basis of scope, aim and strategies? 3
- 13 Who can file a complaint under Consumer Protection Act 1986? 3

### SECTION C

- 14 "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." In the light of the above statement explain any four points of importance of understanding business environment by a manager. 4
- 15 Planning cannot foresee or assess future trends in the environment and thus there may be obstacles to effective planning. Mention the limitation of planning referred here. Give reasons. 4
- 16 What is meant by Leadership? Explain the qualities of a good leader? 4

**OR**

Pramod was a supervisor at 'Annapurna Atta' factory. The factory was producing 200 quintals of atta every day. His job was to make sure that the work goes on smoothly and there was no interruption in production. He was a good leader who would give orders only after consulting his subordinates and work out the policies with the acceptance of the group. Identify and describe the leadership style being adopted by Pramod.

- 17 Mr. Navin, Director of PQR Ltd. desires to modernize its factory by making a public issue of shares. He wishes to approach stock exchange, while his financial Advisor, Mr. Harish prefers to approach JMD Consultants for the new public issue of shares. Please advise Mr. Navin whether to 4

set targets, explain what further steps a manager has to take.

- 21 'A business that doesn't grow dies', says Mr. Shah, the owner of Shah Marble Ltd. with glorious 36 months of its grand success having a capital of Rs.80 crore. Within a short span of time, the company could generate cash flow which not only covered fixed cash payment obligations but also create sufficient buffer. The company is on the growth path and a new breed of consumers is eager to buy the Italian marble sold by Shah Marble Ltd. To meet the increasing demand, Mr. Shah decided to expand his business by acquiring a mine. This required an investment of Rs.120 crore. To seek advice in this matter, he called his financial advisor Mr. Seth who advised him about the judicious mix of equity (40%) and Debt (60%). Mr. Seth also suggested him to take loan from a financial institution as the cost of raising funds from financial institutions is low. Though this will increase the financial risk but will also raise the return to equity shareholders. He also apprised him that issue of debt will not dilute the control of equity shareholders. At the same time, the interest on loan is a tax deductible expense for computation of tax liability. After due deliberations with Mr. Seth, Mr. Shah decided to raise funds from a financial institution. 5
- (a) Identify and explain the concept of Financial Management as advised by Mr. Seth in the above situation.
- (b) State the four factors affecting the concept as identified in part 'a' above which have been discussed between Mr. Shah and Mr. Seth.
- 22 Midhun is the Chairman of Teaching Point Pvt. Ltd. Name the managerial level at which he is working. State any four functions he will perform as chairman in this company. 5

### SECTION E

- 23 Taylor was an ardent supporter of the use of scientific method of production in business. Explain the technique of 'Functional Foremanship' as enunciated by Taylor. 6
- 24 Define 'Organising'. Distinguish between Delegation and Decentralisation in the function of Organising. 6

### OR

What is Organising? Distinguish between Functional Structure and Divisional Structure in the function of Organising.

- 25 The IT major CYPLA is terminating the employment of its senior managers, if after evaluating their performance against pre-determined standards if it is found lacking. With this disruption analysts say a large portion of the employees may become irrelevant unless they learn new skills and apply the knowledge to work on emerging technologies. CYPLA is ready to facilitate employee learning, through its in-house centers. 6
- A. Name the function of management performed by CYPLA to maintain a satisfactory work force.
- B. Identify and explain the two steps in the process of the function of management discussed above.
- C. Also state any three steps of the function of management discussed, that the firm had to perform before performing the above steps.

**End of the Question Paper**

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B



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- (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 Himesh after completing his graduation working with a multinational company in Delhi. But due to ill health of his parents he had to go back to his village. There he noticed that the villagers were literate but ignorant about their rights. Many vegetable vendors were using stones as weights to sell their vegetables. Some shopkeepers were selling food items without having 'FPO mark'. Villagers did not find anything wrong with these practices. So to create awareness among villagers Himesh decided to publish a weekly Journal 'Jan Jagriti'. State the 'Right' which Himesh has exercised by doing so. 1

**OR**

On the eve of Diwali Kalpana purchased two kilogram of sweets from Koyal sweets. On consumption of sweets her two children and husband fell sick and where to be hospitalised.

- (i) Identify the financial concept discussed in the above para.
- (ii) Also state the two objectives to be achieved by the use of financial concept, so identified.
- 10 Discuss the factors affecting price of a product. 3
- 11 Who can file a complaint under Consumer Protection Act, 1986? 3
- 12 Explain different financial and non-financial incentives used to motivate employees of a company? 3

**OR**

Discuss the elements of Communication process with the help of a diagram.

- 13 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.

**OR**

Discuss the elements of Delegation.

### **SECTION C**

- 14 What is meant by Leadership? Explain the qualities of a good leader? 4

**OR**

Pramod was a supervisor at 'Annapurna Atta' factory. The factory was producing 200 quintals of atta every day. His job was to make sure that the work goes on smoothly and there was no interruption in production. He was a good leader who would give orders only after consulting his subordinates and work out the policies with the acceptance of the group. Identify and describe the leadership style being adopted by Pramod.

- 15 Mr. Navin, Director of PQR Ltd. desires to modernize its factory by making a public issue of shares. He wishes to approach stock exchange, while his financial Advisor, Mr. Harish prefers to approach JMD Consultants for the new public issue of shares. Please advise Mr. Navin whether to approach stock exchange or a consultant for new public issue of shares and why? Also advice about any two methods which the company may adopt for new public issue of shares. 4

**OR**

Differentiate between 'capital-market' and 'money-market' on the following basis:

- (i) Participants; (ii) Instruments; (iii) Duration and (iv) Liquidity.

- 22 'Dreams Ltd.' is a large company engaged in assembly of air-conditioners. Recently the company had conducted the 'Time' and 'Motion' study and concluded that on an average a worker can assemble ten air-conditioners in a day. The target volume of the company in a day is assembling of 1,000 units of air-conditioners. The company is providing attractive allowances to reduce labour turnover and absenteeism. All the workers are happy. Even then the assembly of air-conditioners per day is 800 units only. To find out the reason the company compared actual performance of each worker and observed through C.C.T.V. that some of the workers were busy in gossiping. 5

(a) Identify the function of Management discussed above.

(b) Explain the steps in the process of the function identified.

**OR**

Sita, Geeta and Babita Ltd. is engaged in manufacturing machine components. The target of production is 250 units per day per worker. The company had been successfully attaining this target until two months ago. Over the last two months it has been observed that daily production varies between 200-210 units per worker.

(i) Name the function of management and identify the step in the process of this function which helped in finding out that the actual production of a worker is less than the set target.

(ii) To complete the process of the function identified in (i) and to ensure the performance as per set targets, explain what further steps a manager has to take.

### **SECTION E**

- 23 Define 'Organising'. Distinguish between Delegation and Decentralisation in the function of Organising. 6

**OR**

What is Organising? Distinguish between Functional Structure and Divisional Structure in the function of Organising.

- 24 The IT major CYPLA is terminating the employment of its senior managers, if after evaluating their performance against pre-determined standards it is found lacking. With this disruption analysts say a large portion of the employees may become irrelevant unless they learn new skills and apply the knowledge to work on emerging technologies. CYPLA is ready to facilitate employee learning, through its in-house centers. 6

A. Name the function of management performed by CYPLA to maintain a satisfactory work force.

B. Identify and explain the two steps in the process of the function of management discussed above.

C. Also state any three steps of the function of management discussed, that the firm had to perform before performing the above steps.

- 25 What is Management? Explain the points that highlight the importance of principles of management. 6

**End of the Question Paper**

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**SECTION A**

- 1 Reshu's father has gifted her shares of a large cement company, with which he had been working. The securities were in physical form. She already has a bank account and does not possess any other forms of securities. She wished to sell the shares and approached a registered broker for the purpose. Mention one mandatory detail which she will have to provide with the broker. 1
- 2 Himesh after completing his graduation working with a multinational company in Delhi. But due to ill health of his parents he had to go back to his village. There he noticed that the villagers were literate but ignorant about their rights. Many vegetable vendors were using stones as weights to sell their vegetables. Some shopkeepers were selling food items without having 'FPO mark'. Villagers did not find anything wrong with these practices. So to create awareness among villagers Himesh decided to publish a weekly Journal 'Jan Jagriti'. State the 'Right' which Himesh has exercised by doing so. 1

(ii) What dimension of environment is implicit in this case? Indicate by quoting the lines from above para.

**OR**

Discuss the elements of Delegation.

- 11 What is Packaging? Explain the functions of Packaging. 3
- 12 Somnath Ltd. is engaged in the business of export of garments. In the past, the performance of the company had been up to the expectations. In line with the latest technology, the company decided to upgrade its machinery. For this the Finance Manager Dalmia estimated the amount of funds required and the timings. This will help the company in linking the investment and the financial decisions on a continuous basis. Dalmia therefore, 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 of the business. For the remaining funds he is trying to find out alternative sources from outside. 3
- (i) Identify the financial concept discussed in the above para.
- (ii) Also state the two objectives to be achieved by the use of financial concept, so identified.
- 13 Who can file a complaint under Consumer Protection Act, 1986? 3

### **SECTION C**

- 14 Planning cannot foresee or assess future trends in the environment and thus there may be obstacles to effective planning. Mention the limitation of planning referred here. Give reasons. 4
- 15 A recent rate cut in the interest on loans announced by the Banks encouraged Amit, a science student of Progressive School, to take a loan from State Bank of India to experiment and develop cars to be powered by fuel produced from garbage. He developed such a car and exhibited it in the Science Fair organised by the Directorate of Education. He was awarded first ' prize for his invention. Identify and explain the dimensions of business environment discussed in the above case. 4
- 16 Mr. Navin, Director of PQR Ltd. desires to modernize its factory by making a public issue of shares. He wishes to approach stock exchange, while his financial Advisor, Mr. Harish prefers to approach JMD Consultants for the new public issue of shares. Please advise Mr. Navin whether to approach stock exchange or a consultant for new public issue of shares and why? Also advice about any two methods which the company may adopt for new public issue of shares. 4

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- B. Identify and explain the two steps in the process of the function of management discussed above.
- C. Also state any three steps of the function of management discussed, that the firm had to perform before performing the above steps.
- 24 Management is essential for all organisations big or small, profit or non-profit, services or manufacturing. Management is necessary so that individuals make their best contribution towards group objectives. Discuss the characteristics of Management. 6
- 25 Define 'Organising'. Distinguish between Delegation and Decentralisation in the function of Organising. 6

OR

What is Organising? Distinguish between Functional Structure and Divisional Structure in the function of Organising.

**End of the Question Paper**