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**INDIAN SCHOOL MUSCAT
FINAL EXAMINATION 2022
BUSINESS STUDIES (054)**



CLASS : XII
DATE: 28.11.2022

TIME ALLOTTED : 3 HRS.
MAXIMUM MARKS: 80

GENERAL INSTRUCTIONS:

1. This question paper contains 34 questions.
 2. Marks are indicated against each question.
 3. Answers should be brief and to the point.
 4. Answers to the questions carrying 3 marks may be from 50 to 75 words.
 5. Answers to the questions carrying 4 marks may be about 150 words.
 6. Answers to the questions carrying 6 marks may be about 200 words.
 7. Attempt all parts of the questions together.
-
1. Unlike professions such as medicine or law which require a practicing doctor or lawyer to possess valid degrees, nowhere in the world is it mandatory for a manager to possess any such professional degree. Identify the characteristic of the profession being discussed above which is not being strictly met by management. 1
 - (a) Well defined body of knowledge
 - (b) Restricted Entry
 - (c) Professional Association
 - (d) Ethical code of conduct

 2. Which level of management is responsible for the welfare and survival of the organization? 1
 - (a) Top level of management
 - (b) Middle level of management
 - (c) Supervisory level management
 - (d) First line management

 3. The Production manager of Rio Ltd. instructs a salesman to go slow in selling the product, whereas the marketing manager is insisting on fast selling to achieve the target. Which principle of management is being violated in this case? 1
 - (a) Unity of direction
 - (b) Unity of command
 - (c) Scalar chain
 - (d) Discipline

4. Business environment differs from country to country and even region to region. Which 1
characteristics of business environment are highlighted here?
(a) Relativity
(b) Complexity
(c) Uncertainty
(d) Dynamic nature
5. Teaching learning process through Google meet and Google classroom is related to which 1
dimension of business environment?
(a) Economic
(b) Technological
(c) Social
(d) Legal
6. The Coca Cola Company has on occasion introduced other cola drinks under the Coke name. 1
Which importance of business environment is highlighted here?
(a) It enables firm to identify opportunities
(b) It helps firm to identify threats
(c) It helps in coping with rapid changes
(d) It helps in tapping useful resources
7. Which of the following is not a feature of demonetization? 1
(a) Tax administration measure
(b) Channelizing savings into the formal financial system
(c) Development of less-cash economy
(d) Economic reforms aimed at liberating the industry
8. 'ONIDA INDIA Ltd.', is engaged in manufacturing of washing machines. The target of the 1
organization is to manufacture 500 washing machines a day. There is an occupational
specialization in the organization which promotes efficiency of employees. There is no
duplication of efforts in such type of organization structure. Identify the type of organization
structure described above.
(a) Divisional Organization
(b) Functional Organization
(c) Informal Organization
(d) Formal Organization
9. The main purpose of _____ is to reduce the workload of managers. 1
(a) Centralization
(b) Decentralization
(c) Delegation
(d) Functional structure

10. It is the obligation of a subordinate to properly perform the assigned duty. 1
(a) Responsibility
(b) Authority
(c) Accountability
(d) All of the above
11. Identify the type of organization which is deliberately planned and created by management. 1
(a) Formal organization
(b) Informal organisation
(c) Structured oranisation
(d) Formal communication
12. Alok is view supervisor of Ram, Rahim and Khan. He consults all his subordinates while framing work schedules, they provide suggestions and Alok consider such suggestions if they are productive. Which leadership style is followed by Alok? 1
(a) Democratic style
(b) Autocratic style
(c) Free rein style
(d) Authoritarian style
13. In a marketing firm, the Financial Manager pays more attention towards an increase of 3% in the marketing cost as compared to a 15% increase in the courier expenses. Identify the concept being used by the manager. 1
(a) Management by exception
(b) Critical point control
(c) Corrective action
(d) Setting standards
14. "₹4 crores would be raised by allotment of securities to a consortium of financial institutions, instead of inviting subscription from the public by making a direct appeal to investors to raise capital." Identify the method of floatation of new issues in the primary market being discussed above, which the company has decided to use. 1
(a) Offer for sale
(b) Private placement
(c) Right issue
(d) Offer through prospectus
15. _____ can be used for Bridge Financing. 1
(a) Commercial bill
(b) Certificate of deposit
(c) Commercial Paper
(d) Treasury Bill
16. Read the following statements- Choose one of the correct alternatives given below: 1
Assertion (A): Private Placement helps to raise capital more quickly than a public issue.

Reason(R): Some companies cannot afford a public issue and choose to use private placement.

- (a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
- (b) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A).
- (c) Assertion (A) is true but Reason (R) is false
- (d) Assertion (A) and Reason (R) both are incorrect.

17. Common name for beneficiary owner account which is to be opened by investors for trading securities is "_____ account. 1
- (a) Dematerialisation
 - (b) Rematerialisation
 - (c) Joint Savings
 - (d) Recurring deposit
18. A consumer products manufacturing company is offering a number of consumer products like toiletries, detergent powder, food products etc. Identify the element of marketing mix referred here. 1
- (a) Price
 - (b) Place
 - (c) Product
 - (d) Promotion
19. The advertisement of a travel agency states the following: 'Visit Agra-city of Love', 'Udaipur-the city of Lakes' and 'Mysore-The city of Gardens'. What is being marketed by the agency through the advertisement? 1
- (a) Idea
 - (b) Place
 - (c) Experience
 - (d) Services
20. Madhubala is planning to launch an online education portal. In order to understand the varied needs of the students, she conducted an online survey. Based on the feedback of the survey, she has decided to offer educational packages to the prospective buyers. Identify the type of marketing concept being described in the given lines. 1
- (a) Product concept
 - (b) Production concept
 - (c) Marketing concept
 - (d) Societal marketing concept
21. The manager of Sigma Ltd. is very efficient and effective and makes sure all the employees and workers in his team perform the task on time with minimum cost. His main focus is on cost cutting so he never listens to the demand of workers for increasing wages. He even gives no opportunity to worker for promotion. As a result workers started becoming frustrated and disheartened all the time. 3
1. Which objective of management could not be achieved by the manager?

2. State other two objectives of management

22. Explain the following tests which can be used for selection of employees. 3
- (a) Aptitude tests
 - (b) Personality tests
 - (c) Trade test
23. Differentiate between Capital Market and Money Market on the basis of Participants, Instruments and duration. 3

OR

Explain the following money market instruments.

- (a) Commercial Paper
 - (b) Call Money
 - (c) Certificate of Deposit
24. How does controlling help in “Judging accuracy of standards” and “Ensuring order and discipline”? 3

OR

Describe the fourth step in the controlling process.

25. Rahul, a worker, is given a target of assembling two computers per day. Due to his habit of doing things differently, an idea struck him which would not only reduce the assembling time of computers but would also reduce the cost of production of the computers. Rahul’s supervisor instead of appreciating him, ordered him to complete the work as per the methods and techniques decided earlier as nothing could be changed at that stage. The above para describes one of the limitation of planning function of management. 4
- (a) Name and explain that limitation
 - (b) Though it has certain limitations, we cannot ignore its importance mention any three importance of planning.
26. Rama is working in a company on a permanent basis. As per job agreement she had to work for 8 hours a day and was free to work overtime. Rama worked overtime, due to which she fell ill and had to take leave from her work. No one showed concern and enquired about her health. She realized that she was fulfilling only some of her needs while some other needs still remained to be fulfilled. 4
- (a) By quoting the lines from the above para, identify the needs of Rama which she is able to fulfil.
 - (b) Also explain two other needs of Rama followed by the above needs, which still remained to be satisfied.

OR

Pratap Singh is the Chief Executive Officer of Nissar Enterprises. It is an automobile parts manufacturing company. The enterprise has a functional structure, in which jobs of similar nature have been grouped together as Production, Finance, Marketing and Human Resource. Nissar Enterprises has its manufacturing unit at Manesar. The factory has been plagued with many problems for a long time which was in the knowledge of the Production Manager, Varun Sharma. The workers had internal differences. Time and again, there were misunderstandings

between the management and the workers. Keeping the problems in mind, Varun Sharma appointed, Siyaram Singh who had 14 years of experience of working with the actual workforce and passing on instructions of the middle management to the workers.

Siyaram Singh met Varun Sharma to understand what the management wanted? Thereafter he met the workers and conveyed the ideas of management to them. He also promised the workers to provide a share of profits of the organization and also to provide medical facilities to them. In this way, he cleared the misunderstanding between the management and the workers.

He also sorted out internal differences and was able to unite the workers within a month of his joining. His work was acknowledged by management and he was given a certificate of good performance along with 10% increase in salary.

(i) Name and describe the incentives provided to Siyaram Singh and the employees.

27. ABC Ltd. has hired 2000 buses for the different routes for the passengers of metropolitan city. In order to fill vacancies, it advertised in the newspaper and number of applicants applied for the same. The company has to now undertake the process of selection to identify and select the best. Explain the first four steps involved in the process. 4
28. Lakhan, an expert in the area of Financial Management, sent an e-mail to his subordinate Thomas about a new project for a client in France. Though, the mail was in English, a language known to Thomas, he was not able to understand the actual meaning of many words used in the mail. He was also not a specialist in the field of Financial Management. Not only this, some portions of the mail were translated from French to English in such a manner that many mistakes crept in, causing different meaning to the message. 4
- (a) Identify two specific barriers to communication in Lakhan's e-mail.
 - (b) State any two measures which can be taken by Lakhan to overcome the barriers identified in part (a) above to improve in future the effectiveness of his communication.
29. Manoj is a renowned businessman involved in export business of leather goods. As a responsible citizen, he chooses to use jute bags for packaging instead of plastic bags. Moreover, on the advice of his friends, he decides to use jute for manufacturing aesthetic handicrafts, keeping in view the growing demand for natural goods. In order to implement his plan, after conducting a feasibility study, he decides to set up a separate manufacturing unit for producing varied jute products. 4
- In context of the above case:
- (a) Identify the type of decision taken by Manoj by deciding to set up a separate manufacturing unit for producing jute products.
 - (b) State any three factors that he is likely to consider while taking this decision.

OR

Sarah Ltd.' is a company manufacturing cotton yarn. It has been consistently earning good profits for many years. This year too, it has been able to generate enough profits. There is availability of enough cash in the company and good prospects for growth in future. It is a well-managed organization and believes in quality, equal employment opportunities and good

remuneration practices. It has many shareholders who prefer to receive a regular income from their investments.

It has taken a loan of ₹40 lakhs from IDBI and is bound by certain restrictions on the payment of dividend according to the terms of loan agreement.

The above discussion about the company leads to various factors which decide how much of the profits should be retained and how much has to be distributed by the company.

Quoting the lines from the above discussion identify and explain any four such factors.

30. 'Viyo Ltd.' is a company manufacturing textiles. It has a share capital of ₹60 lakhs. The earning per share in the previous year was ₹0.50. For diversification, the company requires additional capital of ₹40 lakhs. The company raised funds by issuing 10% debentures for the same. During the current year the company earned profit of Rs 8 lakhs on capital employed. It paid tax @ 40%. 4
- (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 favor the issue of debentures by the company as part of its capital structure.
31. Raj and Simran are both qualified eye surgeons and good friends. After obtaining a certificate of practice, they decide to pursue a career of their own choice. Raj starts an eye care centre in the city whereas Simran joins a government hospital in a small village. They meet after a long time in a party. Raj invites Simran to visit his eye care centre and she accepts his invitation. She observes at his clinic that there is a fixed place for everything and everyone and it is present there so that there is no hindrance in the activities of the clinic. Also, Raj always tends to replace 'I' with 'We' in all his conversations with the staff members. She also notices that there is a formal flow of communication between the management and the workers. Later on Raj shares with her that he always deals with lazy staff sternly to send the message that everyone is equal in his eyes. 6
- In context of the above case: Identify and explain the various principles of management that Raj is applying for the successful management of his eye care centre.
32. Two years ago, Meena completed her degree in food technology. She worked for some time in a company that manufactured chutneys, pickles and murabbas. She was not happy in the company and decided to have her own organic food processing unit for the same. She set the objectives and the targets and formulated an action plan to achieve the same. One of her objectives was to earn 10% profit on the amount invested in the first year. It was decided that raw materials like fruits, vegetables, spices, etc. will be purchased on three months' credit from farmers cultivating only organic crops. She also decided to follow the steps required for marketing of the products through her own outlets. She appointed Mohan as the Production Manager who decided the exact manner in which the production activities were to be carried out. Mohan also prepared a statement showing the number of workers that will be required in the factory throughout the year. Meena informed Mohan about her area wise sales target for different products for the forthcoming quarter. While working on the production table, a penalty of ₹100 per day for not wearing caps, gloves and apron was announced. 6
- Quoting lines from the above paragraph, identify and explain the different types of plans discussed.

OR

Suhasini 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 satttu milk shakes. Then, they both weighed the pros and cons of both the shortlisted options.

(a) Name the function of management being discussed above and give any one of its characteristics.

(b) Also briefly discuss first five steps of the functions.

33. A company X limited manufacturing cosmetics, which has enjoyed a pre-eminent position in business, has grown in size. Its business was very good till 1991. But after that, new liberalized environment has seen entry of many MNC's in the sector. With the result the market shares of X limited has declined. The company had followed a very centralized business model with directors and divisional heads making even minor decisions. Before 1991, this business model had served the company very well as consumers has no choice. But now the company is under pressure to reform. 6

(a) What major organizational change should the company bring about in order to retain its market share?

(b) How will the changes suggested by you help the firm?

34. XYZ Ltd. Had the business of manufacturing large varieties of FMCG products including biscuits, squashes, rice, flour, shampoo, oil, nutritional supplements, etc. To differentiate its product from that of its competitors, it decided to put a unique symbol on all of its products and also got it registered. It also classified its various products on the basis of use, quality, contents, etc. ch of any new product, the company also undertakes market survey for the product's feasibility. Explain the three functions of marketing with reference to the above paragraph. 6

OR

Identify and explain the marketing concepts used from the following statements:

- (i.) Identify needs and wants and fill them.
- (ii.) Create products and sell them.
- (iii.) Earn profit through volume.
- (iv.) Trading of herbal products with due care of the environment.
- (v.) Introduction of silver wash technology in Samsung washing machines.

****END OF THE QUESTION PAPER****

ROLL NUMBER				
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**INDIAN SCHOOL MUSCAT
FINAL EXAMINATION 2022
BUSINESS STUDIES (054)**



CLASS : XII
DATE: 28.11.2022

TIME ALLOTTED : 3 HRS.
MAXIMUM MARKS: 80

GENERAL INSTRUCTIONS:

1. This question paper contains 34 questions.
 2. Marks are indicated against each question.
 3. Answers should be brief and to the point.
 4. Answers to the questions carrying 3 marks may be from 50 to 75 words.
 5. Answers to the questions carrying 4 marks may be about 150 words.
 6. Answers to the questions carrying 6 marks may be about 200 words.
 7. Attempt all parts of the questions together.
-
1. "What distinguishes a successful manager from a less successful one is the ability to put the principles into practice." Which aspect of the nature of management is highlighted in the above statement? 1
 - a) Management as a science
 - b) Management as an art
 - c) Management as a profession
 - d) Management is an intangible force.

 2. The target of Shera Enterprises is to produce 10,000 shirts per month at a cost of ₹100 per shirt. The production manager could produce 10,000 shirts at a cost of ₹90 per shirt. The production manager was _____. 1
 - (a) Effective and efficient
 - (b) Effective but not efficient
 - (c) Efficient but not effective
 - (d) Neither efficient nor effective

 3. Rohit, a manager expects his subordinates to adapt to the new environment and working conditions without giving them time to settle down, due to which there is high labour turnover. Which principle of management is being overlooked? 1
 - (a) Discipline
 - (b) Equity
 - (c) Stability of personnel
 - (d) Initiative

4. Looking at the severe pandemic situation of Covid-19, the entire education system has adjusted itself with online teaching, online examination, developing creative way of teaching etc. Which point of importance of business environment does it reflect? 1
- (a) It enables firm to identify opportunities
 - (b) It helps firm to identify threats
 - (c) It helps in coping with rapid changes
 - (d) It helps in tapping useful resources
5. 'ONIDA INDIA Ltd.', is engaged in manufacturing of washing machines. The target of the organization is to manufacture 500 washing machines a day. There is an occupational specialization in the organization which promotes efficiency of employees. There is no duplication of efforts in such type of organization structure. Identify the type of organization structure described above. 1
- (a) Divisional Organization
 - (b) Functional Organization
 - (c) Informal Organization
 - (d) Formal Organization
6. Teaching learning process through Google meet and Google classroom is related to which dimension of business environment? 1
- (a) Economic
 - (b) Technological
 - (c) Social
 - (d) Legal
7. The main purpose of _____ is to reduce the workload of managers. 1
- (a) Centralization
 - (b) Decentralization
 - (c) Delegation
 - (d) Functional structure
8. Business environment differs from country to country and even region to region. Which characteristics of business environment are highlighted here? 1
- (a) Relativity
 - (b) Complexity
 - (c) Uncertainty
 - (d) Dynamic nature
9. Which of the following is not a feature of demonetization? 1
- (a) Tax administration measure
 - (b) Economic reforms aimed at liberating the industry
 - (c) Channelizing savings into the formal financial system
 - (d) Development of less-cash economy
10. 'Lack of proper incentive' is a barrier to communication. Identify the type of barrier to which it belongs 1

- (a) Personal barrier
 - (b) Organizational barrier
 - (c) Psychological barrier
 - (d) Semantic barrier
11. "₹4 crores would be raised by allotment of securities to a consortium of financial institutions, instead of inviting subscription from the public by making a direct appeal to investors to raise capital." Identify the method of floatation of new issues in the primary market being discussed above, which the company has decided to use. 1
- (a) Offer for sale
 - (b) Private placement
 - (c) Right issue
 - (d) Offer through prospectus
12. Read the following statements- Assertion (A) and Reason (R). Choose one of the correct alternatives given below: 1
- Assertion (A): Private Placement helps to raise capital more quickly than a public issue.
Reason(R): Some companies cannot afford a public issue and choose to use private placement.
- (a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
 - (b) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A).
 - (c) Assertion (A) is true but Reason (R) is false
 - (d) Assertion (A) and Reason (R) both are incorrect.
13. _____ can be used for Bridge Financing. 1
- (a) Commercial bill
 - (b) Certificate of deposit
 - (c) Commercial Paper
 - (d) Treasury Bill
14. Identify the type of organization which is deliberately planned and created by management. 1
- (a) Formal organization
 - (b) Informal organisation
 - (c) Structured organisation
 - (d) Formal communication
15. Common name for beneficiary owner account which is to be opened by investors for trading securities is "_____ account. 1
- (a) Dematerialisation
 - (b) Rematerialisation
 - (c) Joint Savings
 - (d) Recurring deposit
16. A consumer products manufacturing company is offering a number of consumer products like toiletries, detergent powder, food products etc. Identify the element of marketing mix referred here. 1

- (a) Price
- (b) Place
- (c) Product
- (d) Promotion

17. It is the obligation of a subordinate to properly perform the assigned duty. 1
- (a) Responsibility
 - (b) Authority
 - (c) Accountability
 - (d) Centralization
18. In a marketing firm, the Financial Manager pays more attention towards an increase of 3% in the marketing cost as compared to a 15% increase in the courier expenses. 1
Identify the concept being used by the manager.
- (a) Management by exception
 - (b) Critical point control
 - (c) Corrective action
 - (d) None of the above
19. Madhubala is planning to launch an online education portal. In order to understand the varied needs of the students, she conducted an online survey. Based on the feedback of the survey, she has decided to offer educational packages to the prospective buyers. 1
Identify the type of marketing concept being described in the given lines.
- (a) Product concept
 - (b) Production concept
 - (c) Marketing concept
 - (d) Societal marketing concept
20. The advertisement of a travel agency states the following: 1
'Visit Agra-city of Love',
'Udaipur-the city of Lakes' and
'Mysore-The city of Gardens'.
What is being marketed by the agency through the advertisement?
- (a) Idea
 - (b) Place
 - (c) Experience
 - (d) Services
21. Arogya Ltd. was engaged in the Ayurvedic medicines. The revenue earned by the company was sufficient to cover the costs and the risks. The demand for Ayurvedic medicines was increasing day by day, so the company decided to increase production to meet higher sales. For this the firm decided to employ people from the nearby villages as very few job opportunities were available in that area. 3
Quoting the lines from the above, explain the objectives of management discussed in the above case.

22. The IT major GIPRA 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 analyst say a large portion of the employees may become irrelevant unless they learn new skills and apply the knowledge to work on emerging technologies. GIPRA is ready to facilitate employee learning, through its in-house centers. 3
- (a) Name the function of management performed by GIPRA to maintain a satisfactory work force.
- (b) Identify the two steps in the process of the function of management discussed above.
23. How does controlling help in “Judging accuracy of standards” and “Ensuring order and discipline”? 3
- OR
- Describe the fourth step in the controlling process.
24. Differentiate between Capital Market and Money Market on the basis of Participants, Instruments and duration. 3
- OR
- Explain the following money market instruments.
- (a) Commercial Paper
- (b) Call Money
- (c) Certificate of Deposit
25. “It is very difficult to assess future trends in the environment if economic policies are modified or political conditions are not stable. Intense competition in the market can also upset financial plans, then sales target may have to be revised”. 4
- (a) Identify the limitation of function of management described here.
- (b) Though it has certain limitations, we cannot ignore its importance. Mention and explain any three importance of planning.
26. ABC Ltd. has hired 2000 buses for the different routes for the passengers of metropolitan city. In order to fill vacancies, it advertised in the newspaper and number of applicants applied for the same. The company has to now undertake the process of selection to identify and select the best. 4
- Explain the first four steps involved in the process.
27. Rama is working in a company on a permanent basis. As per job agreement she had to work for 8 hours a day and was free to work overtime. Rama worked overtime, due to which she fell ill and had to take leave from her work. No one showed concern and enquired about her health. She realized that she was fulfilling only some of her needs while some other needs still remained to be fulfilled. 4
- (a) By quoting the lines from the above para, identify the needs of Rama which she is able to fulfil.
- (b) Also explain two other needs of Rama followed by the above needs, which still remained to be satisfied.

OR

Pratap Singh is the Chief Executive Officer of Nissar Enterprises. It is an automobile parts manufacturing company. The enterprise has a functional structure, in which jobs of similar nature have been grouped together as Production, Finance, Marketing and Human Resource. Nissar Enterprises has its manufacturing unit at Manesar. The factory has been plagued with many problems for a long time which was in the knowledge of the Production Manager, Varun Sharma. The workers had internal differences. Time and again, there were misunderstandings between the management and the workers. Keeping the problems in mind, Varun Sharma appointed, Siyaram Singh who had 14 years of experience of working with the actual workforce and passing on instructions of the middle management to the workers.

Siyaram Singh met Varun Sharma to understand what the management wanted? Thereafter he met the workers and conveyed the ideas of management to them. He also promised the workers to provide a share of profits of the organization and also to provide medical facilities to them. In this way, he cleared the misunderstanding between the management and the workers.

He also sorted out internal differences and was able to unite the workers within a month of his joining. His work was acknowledged by management and he was given a certificate of good performance along with 10% increase in salary.

(i) Name and describe the incentives provided to Siyaram Singh and the employees.

28. Sakshi Ltd. is a company manufacturing electronic goods. It has a share capital of ₹120 lakhs. The earning per share in the previous years was ₹0.5. For diversification, the company requires additional capital of ₹80 lakhs. The company raised funds by issuing 10% debentures for the same. During the current year, the company earned a profit of Rs. 16 lakhs on capital employed. It paid a tax of 40 %.
- (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.

29. Radha is an enterprising businesswoman who has been running a fishery for the past ten years. She has saved ₹10 Lakhs from her business. She shared with her family her desire to utilize this money to expand her business. Her family members gave her different suggestions like buying new machinery to replace the existing one, acquiring altogether new equipment with latest technology, opening a new branch of the fishery in another village and so on. Since these decisions are crucial for her business, involve huge amount of money and are irreversible except at huge cost, Radha wants to analyse all aspects of the decision, before taking any step.
- (i) Identify and explain the financial decision to be taken by Radha.
- (ii) Also explain briefly any two factors that affect this decision.

OR

Sarah Ltd.' is a company manufacturing cotton yarn. It has been consistently earning good profits for many years. This year too, it has been able to generate enough profits. There is availability of enough cash in the company and good prospects for growth in future. It is a well-managed organization and believes in quality, equal employment opportunities and good remuneration practices. It has many shareholders who prefer to receive a regular income from their investments.

It has taken a loan of ₹ 40 lakhs from IDBI and is bound by certain restrictions on the payment of dividend according to the terms of loan agreement.

The above discussion about the company leads to various factors which decide how much of the profits should be retained and how much has to be distributed by the company.

Quoting the lines from the above discussion identify and explain any four such factors.

30. A company has employees from different countries. They speak different languages. Once the management decided to draft the message of congratulating the employees of the New York in their native languages. For this they had to translate the same message in different languages. On the 5th of January there was a strike by people belonging to a particular country showing resentment on the wrong language used in the greetings. 4
- (a) Identify and state the communication barrier discussed above.
 - (b) State the category of this communication barrier.
 - (c) Explain any two other communication barriers of the same category.

31. XYZ Ltd. Had the business of manufacturing large varieties of FMCG products including biscuits, squashes, rice, flour, shampoo, oil, nutritional supplements, etc. To differentiate its product from that of its competitors, it decided to put a unique symbol on all of its products and also got it registered. It also classified its various products on the basis of use, quality, contents, etc. On the launch of any new product, the company also undertakes market survey for the product's feasibility. 6

Explain the three functions of marketing with reference to the above paragraph.

OR

Identify and explain the marketing concepts used from the following statements:

- (i.) Identify needs and wants and fill them.
- (ii.) Create products and sell them.
- (iii.) Earn profit through volume.
- (iv.) Trading of herbal products with due care of the environment.
- (v.) Introduction of silver wash technology in Samsung washing machines.

32. A company X limited manufacturing cosmetics, which has enjoyed a pre-eminent position in business, has grown in size. Its business was very good till 1991. But after that, new liberalized environment has seen entry of many MNC's in the sector. With the result the market shares of X limited has declined. The company had followed a very centralized business model with directors and divisional heads making even minor decisions. Before 1991, this business model had served the company very well as consumers has no choice. But now the company is under pressure to reform. 6
- What major organizational change should the company bring about in order to retain its market share? How will the changes suggested by you help the firm?

33. Radhika opens a jewelry showroom in Jaipur after completing a course in jewelry designing. She has employed eleven persons in her showroom. For greater productivity, she divides the work into small tasks and each employee is trained to perform his/her specialized job. The sales persons are allowed to close a deal with a buyer by giving a maximum of 10% discount, whereas 6

the decision to give any further discount rests with Radhika as the final authority. In the earlier days of starting of the business, five of her employees were asked to put in extra hours of work. In return she had promised to give them a special incentive within a year. Therefore, after six months when the business was doing well, she awarded a cash bonus to each of these employees to honour her commitment. However, when it comes to settling the conflicts among her employees, she tends to be more biased towards her female employees. In context of the above case:

- (a) Identify and explain the various principles of management that are being applied by Radhika by quoting lines from the paragraph.
- (b) Identify and explain the principle of management which is being violated by Radhika by quoting lines from the paragraph.

34. Two years ago, Meena completed her degree in food technology. She worked for some-time in a company that manufactured chutneys, pickles and murabbas. She was not happy in the company and decided to have her own organic food processing unit for the same. She set the objectives and the targets and formulated an action plan to achieve the same. One of her objectives was to earn 10% profit on the amount invested in the first year. It was decided that raw materials like fruits, vegetables, spices, etc. will be purchased on three months' credit from farmers cultivating only organic crops. She also decided to follow the steps required for marketing of the products through her own outlets. She appointed Mohan as the Production Manager who decided the exact manner in which the production activities were to be carried out. Mohan also prepared a statement showing the number of workers that will be required in the factory throughout the year. Meena informed Mohan about her area wise sales target for different products for the forthcoming quarter. While working on the production table, a penalty of ₹100 per day for not wearing caps, gloves and apron was announced. Quoting lines from the above paragraph, identify and explain the different types of plans discussed. 6

OR

Suhasini 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 sattur milk shakes. Then, they both weighed the pros and cons of both the shortlisted options.

- (a) Name the function of management being discussed above and give any one of its characteristics.
- (b) Also briefly discuss first five steps of the function.

******END OF THE QUESTION PAPER******

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**INDIAN SCHOOL MUSCAT
FINAL EXAMINATION 2022
BUSINESS STUDIES (054)**



CLASS : XII
DATE: 28.11.2022

TIME ALLOTTED : 3 HRS.
MAXIMUM MARKS: 80

GENERAL INSTRUCTIONS:

1. This question paper contains 34 questions.
2. Marks are indicated against each question.
3. Answers should be brief and to the point.
4. Answers to the questions carrying 3 marks may be from 50 to 75 words.
5. Answers to the questions carrying 4 marks may be about 150 words.
6. Answers to the questions carrying 6 marks may be about 200 words.
7. Attempt all parts of the questions together.

1. In an organization, employees are happy and satisfied, there is no chaos and the effort of management is noticeable". Which characteristic of management is highlighted here? 1
 - (a) Management is an intangible force
 - (b) Management is a dynamic function
 - (c) Management is a group activity
 - (d) Management is a continuous process
2. The target of Shera Enterprises is to produce 10,000 shirts per month at a cost of ₹100 per shirt. The production manager achieved this target at a cost of ₹130 per shirt. The production manager was _____. 1
 - (a) Effective and efficient
 - (b) Effective but not efficient
 - (c) Efficient but not effective
 - (d) Neither efficient nor effective
3. Identify the technique of Taylor which is the highest motivator for workers to reach standard performance. 1
 - (a) Functional foremanship
 - (b) Differential Piece wage system
 - (c) Standardisation and simplification
 - (d) Time study
4. The Coca Cola Company has on occasion introduced other cola drinks under the Coke name. Which importance of business environment is highlighted here? 1
 - (a) It enables firm to identify opportunities

- (b) It helps firm to identify threats
 - (c) It helps in coping with rapid changes
 - (d) It helps in tapping useful resources
5. The main purpose of _____ is to reduce the workload of managers. 1
- (a) Centralization
 - (b) Decentralization
 - (c) Delegation
 - (d) Functional structure
6. It is the obligation of a subordinate to properly perform the assigned duty. 1
- (a) Responsibility
 - (b) Authority
 - (c) Accountability
 - (d) Centralization
7. Which of the following is not a feature of demonetization? 1
- (a) Tax administration measure
 - (b) Channelizing savings into the formal financial system
 - (c) Development of less-cash economy
 - (d) Economic reforms aimed at liberating the industry
8. 'ONIDA INDIA Ltd.', is engaged in manufacturing of washing machines. The target of the organization is to manufacture 500 washing machines a day. There is an occupational specialization in the organization which promotes efficiency of employees. There is no duplication of efforts in such type of organization structure. Identify the type of organization structure described above. 1
- (a) Divisional Organization
 - (b) Functional Organization
 - (c) Informal Organization
 - (d) Formal Organization
9. Identify the type of organization which is deliberately planned and created by management. 1
- (a) Formal organization
 - (b) Informal organisation
 - (c) Structured organisation
 - (d) Formal communication
10. Teaching learning process through Google meet and Google classroom is related to which dimension of business environment? 1
- (a) Economic
 - (b) Technological
 - (c) Social
 - (d) Legal
11. Rakesh is working under his superior Neeraj. He always communicates useful ideas and suggestions to his superior regarding reduction of cost, improvement in the product, etc. Neeraj 1

implements his suggestions and has always found favorable results, but he never appreciates Rakesh for his suggestions. Now Rakesh decided not to communicate any suggestion or idea to Neeraj. Identify the communication barrier.

- (a) Semantic barriers
- (b) Personal Barriers
- (c) Organizational barriers
- (d) psychological barriers

12. In a marketing firm, the Financial Manager pays more attention towards an increase of 3% in the marketing cost as compared to a 15% increase in the courier expenses. Identify the concept being used by the manager. 1
- (a) Management by exception
 - (b) Critical point control
 - (c) Corrective action
 - (d) Setting standards
13. Business environment differs from country to country and even region to region. Which characteristics of business environment are highlighted here? 1
- (a) Relativity
 - (b) Complexity
 - (c) Uncertainty
 - (d) Dynamic nature
14. Read the following statements- Assertion (A) and Reason (R). Choose one of the correct alternatives given below: 1
- Assertion (A): Private Placement helps to raise capital more quickly than a public issue.
Reason(R): Some companies cannot afford a public issue and choose to use private placement.
- (a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
 - (b) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A).
 - (c) Assertion (A) is true but Reason (R) is false
 - (d) Assertion (A) and Reason (R) both are incorrect.
15. A consumer products manufacturing company is offering a number of consumer products like toiletries, detergent powder, food products etc. 1
- Identify the element of marketing mix referred here.
- (a) Price
 - (b) Place
 - (c) Product
 - (d) Promotion
16. In a popular advertisement on Radio and Television, a famous Bollywood actress talks about cleanliness and hygiene. Idea behind is to create awareness regarding child education. Identify what is being marketed here. 1
- (a) Idea

- (b) Place
- (c) Experience
- (d) Services

17. Common name for beneficiary owner account which is to be opened by investors for trading securities is "_____ account. 1
- (a) Dematerialisation
 - (b) Rematerialisation
 - (c) Joint Savings
 - (d) Recurring deposit
18. Madhubala is planning to launch an online education portal. In order to understand the varied needs of the students, she conducted an online survey. Based on the feedback of the survey, she has decided to offer educational packages to the prospective buyers. Identify the type of marketing concept being described in the given lines. 1
- (a) Product concept
 - (b) Production concept
 - (c) Marketing concept
 - (d) Societal marketing concept
19. _____ is issued by RBI on behalf of the Central Government. 1
- (a) Commercial bill
 - (b) Certificate of deposit
 - (c) Commercial Paper
 - (d) Treasury Bill
20. "₹4 crores would be raised by allotment of securities to a consortium of financial institutions, instead of inviting subscription from the public by making a direct appeal to investors to raise capital." Identify the method of floatation of new issues in the primary market being discussed above, which the company has decided to use. 1
- (a) Offer for sale
 - (b) Private placement
 - (c) Right issue
 - (d) Offer through prospectus
21. Differentiate between Capital Market and Money Market on the basis of Participants, Instruments and duration. 3

OR

Explain the following money market instruments.

- (a) Commercial Paper
 - (b) Call Money
 - (c) Certificate of Deposit
22. 'Entertainment India Ltd. has been incorporated with the objective of entertaining people by organizing festivals, programmes and other similar events depicting the rich cultural heritage of the country. The 3

company management has renowned personalities from the field of art, literature and culture. They decided to give a platform to young budding musicians, poets and artists. The company decided its organizational structure by grouping similar jobs together. Thereafter, the heads of different departments were also appointed. Nisha, one of the heads, did an analysis of the number, type and qualification necessary for people to be appointed. The information generated in the process of writing the job description and the candidate profile was used to develop Situations vacant advertisement. This was published in print media and flashed in electronic media. This brought in a flood of response.

Explain the next three steps which Nisha has to perform to complete the process being discussed above.

23. How does controlling help in “Judging accuracy of standards” and “Ensuring order and discipline”? 3

OR

Describe the fourth step in the controlling process.

24. Aman, Ahmad and Ally are partners in a firm engaged in the distribution of dairy products in Maharashtra state. Aman is a holder of Senior Secondary School Certificate from Central Board of Secondary Education with Business Studies as one of his elective subjects. Ahmad had done his post-graduation in History and Ally in dairy farming. One day there was a serious discussion between Ahmad and Ally regarding the nature of management. Ahmad argued that management was a profession whereas Ally argued against it saying that the legal and medical professions are the only professions because they fulfill all the conditions of profession. Aman on the basis of his knowledge of business studies explained the nature of management as a profession to Ahmad and Ally. 3

Explain how Aman would have satisfied both Ahmad and Ally.

25. ABC Ltd. has hired 2000 buses for the different routes for the passengers of metropolitan city. In order to fill vacancies, it advertised in the newspaper and number of applicants applied for the same. The company has to now undertake the process of selection to identify and select the best. 4

Explain the first four steps involved in the process.

26. A company has employees from different countries. They speak different languages. Once the management decided to draft the message of congratulating the employees of the New York in their native languages. For this they had to translate the same message in different languages. On the 5th of January there was a strike by people belonging to a particular country showing resentment on the wrong language used in the greetings. 4

(a) Identify and state the communication barrier discussed above.

(b) State the category of this communication barrier.

(c) Explain any two other communication barriers of the same category.

27. Kay Ltd. is a company manufacturing textiles. It has a share capital of ₹60 lakh. In the previous year, its earnings per share was ₹0.50. For diversification, the company requires additional capital of ₹40 lakh. The company raised funds by issuing 10% Debentures for the same. During the year the company earned profit of ₹8 lakh on capital employed. It paid tax @40%. 4

(a) State whether the shareholders gained or lost, in respect of earning per share on diversification.

- (b) Show your calculations clearly. Also, state any three factors that favor the issue of debentures by, the company as part of its capital structure.

28. Rama is working in a company on a permanent basis. As per job agreement she had to work for 8 hours a day and was free to work overtime. Rama worked overtime, due to which she fell ill and had to take leave from her work. No one showed concern and enquired about her health. She realized that she was fulfilling only some of her needs while some other needs still remained to be fulfilled. 4

(a) By quoting the lines from the above para, identify the needs of Rama which she is able to fulfil.

(b) Also explain two other needs of Rama followed by the above needs, which still remained to be satisfied.

OR

Pratap Singh is the Chief Executive Officer of Nissar Enterprises. It is an automobile parts manufacturing company. The enterprise has a functional structure, in which jobs of similar nature have been grouped together as Production, Finance, Marketing and Human Resource. Nissar Enterprises has its manufacturing unit at Manesar. The factory has been plagued with many problems for a long time which was in the knowledge of the Production Manager, Varun Sharma. The workers had internal differences. Time and again, there were misunderstandings between the management and the workers. Keeping the problems in mind, Varun Sharma appointed, Siyaram Singh who had 14 years of experience of working with the actual workforce and passing on instructions of the middle management to the workers.

Siyaram Singh met Varun Sharma to understand what the management wanted? Thereafter he met the workers and conveyed the ideas of management to them. He also promised the workers to provide a share of profits of the organization and also to provide medical facilities to them. In this way, he cleared the misunderstanding between the management and the workers.

He also sorted out internal differences and was able to unite the workers within a month of his joining. His work was acknowledged by management and he was given a certificate of good performance along with 10% increase in salary.

(i) Name and describe the incentives provided to Siyaram Singh and the employees.

29. 'G. Motors is the manufacturer of sophisticated cranes. The Production manager of the company, reported to the Chief Executive Officer, Ashish Jain that one of the machines used in manufacturing sophisticated cranes had to be replaced to compete in the market, as other competitors were using automatic machines for manufacturing cranes. After a detailed analysis, it was decided to purchase a new automatic machine having the latest technology. It was also decided to finance this machine through long term sources of finance. Ashish Jain compared various machines and decided to invest in the machine which would yield the maximum returns to its investors. 4

(a) Identify the financial decision taken by Ashish Jain.

(b) Explain any three factors affecting the decision identified in (a) above.

OR

Sarah Ltd.' is a company manufacturing cotton yarn. It has been consistently earning good profits for many years. This year too, it has been able to generate enough profits. There is availability of enough cash in the company and good prospects for growth in future. It is a well-

managed organization and believes in quality, equal employment opportunities and good remuneration practices. It has many shareholders who prefer to receive a regular income from their investments.

It has taken a loan of ₹40 lakhs from IDBI and is bound by certain restrictions on the payment of dividend according to the terms of loan agreement.

the above discussion about the company leads to various factors which decide how much of the profits should be retained and how much has to be distributed by the company. Quoting the lines from the above discussion identify and explain any four such factors.

30. Rahul, a worker, is given a target of assembling two computers per day. Due to his habit of doing things differently, an idea struck him which would not only reduce the assembling time of computers but would also reduce the cost of production of the computers. Rahul's supervisor instead of appreciating him, ordered him to complete the work as per the methods and techniques decided earlier as nothing could be changed at that stage. The above para describes one of the limitation of planning function of management. 4
- (a) Name and explain that limitation
 - (b) Though it has certain limitations, we cannot ignore its importance mention any three importance of planning.
31. A company X limited manufacturing cosmetics, which has enjoyed a pre-eminent position in business, has grown in size. Its business was very good till 1991. But after that, new liberalized environment has seen entry of many MNC's in the sector. With the result the market shares of X limited has declined. The company had followed a very centralized business model with directors and divisional heads making even minor decisions. Before 1991, this business model had served the company very well as consumers has no choice. But now the company is under pressure to reform. 6
- (a) What major organizational change should the company bring about in order to retain its market share?
 - (b) How will the changes suggested by you help the firm?
32. XYZ Ltd. Had the business of manufacturing large varieties of FMCG products including biscuits, squashes, rice, flour, shampoo, oil, nutritional supplements, etc. To differentiate its product from that of its competitors, it decided to put a unique symbol on all of its products and also got it registered. It also classified its various products on the basis of use, quality, contents, etc. of any new product, the company also undertakes market survey for the product's feasibility. Explain the three functions of marketing with reference to the above paragraph. 6

OR

Identify and explain the marketing concepts used from the following statements:

- (i.) Identify needs and wants and fill them.
- (ii.) Create products and sell them.
- (iii.) Earn profit through volume.
- (iv.) Trading of herbal products with due care of the environment.
- (v.) Introduction of silver wash technology in Samsung washing machines.

33. Two years ago, Meena completed her degree in food technology. She worked for some-time in a company that manufactured chutneys, pickles and murabbas. She was not happy in the company and decided to have her own organic food processing unit for the same. She set the objectives and the targets and formulated an action plan to achieve the same. One of her objectives was to earn 10% profit on the amount invested in the first year. It was decided that raw materials like fruits, vegetables, spices, etc. will be purchased on three months' credit from farmers cultivating only organic crops. She also decided to follow the steps required for marketing of the products through her own outlets. She appointed Mohan as the Production Manager who decided the exact manner in which the production activities were to be carried out. Mohan also prepared a statement showing the number of workers that will be required in the factory throughout the year. Meena informed Mohan about her area wise sales target for different products for the forthcoming quarter. While working on the production table, a penalty of Rs.100 per day for not wearing caps, gloves and apron was announced. Quoting lines from the above paragraph, identify and explain the different types of plans discussed. 6

OR

Suhasini 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 sattv milk shakes. Then, they both weighed the pros and cons of both the shortlisted options.

- (a) Name the function of management being discussed above and give any one of its characteristics.
- (b) Also briefly discuss first five steps of the functions.

34. '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 undisciplined. The spirit of teamwork, which had characterized the company, previously was beginning to decline and market share. Actually the company had implemented changes without creating the required infrastructure. Identify and explain any four principles of Management (out of 14 given by Henry Fayol) that were being violated by the company. 6

****END OF THE QUESTION PAPER****