

ROLL NUMBER				
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SET	1
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QP.Code:054/01/1



**INDIAN SCHOOL MUSCAT
FIRST PRE BOARD EXAMINATION 2023
BUSINESS STUDIES (054)**



CLASS : XII
DATE: 10-01-2023

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. _____ is the process by which the manager brings order out of chaos, removes conflict among people over work or responsibility sharing and creates an environment suitable for teamwork. 1
 (a) Planning (b) Organising
 (c) Staffing (d) Controlling
2. The Uttarakhand government has developed surveillance network using latest satellite technology. Under this system, the state's mining department would be in a position to check illegal mining activities across the state. The state government is also considering the use of drones in its proposed campaign against illegal mining. Identify the related dimensions of business environment. 1
 (a) Economic Dimension and Legal Dimension
 (b) Social Dimension and Economic Dimension
 (c) Technological Dimension and Political Dimension
 (d) Political Dimension and Economic Dimension
3. _____ ensures that the heads of separate business units in the organisation are responsible for profit or loss of their unit and have authority over it. 1
 (a) Span of management (b) Divisional Structure
 (c) Functional structure (d) Hierarchy of Authority.
4. Any kind of external devices, like compact discs (CD's) for computer, have become obsolete. Google, with its Google Drive service, Apple with its i-Cloud offering, enables the users store documents, photos, music and movies on web-based servers. Identify the feature of business environment being described in the above lines. 1
 (a) Relativity (b) Dynamic Nature
 (c) Uncertainty (d) Interrelatedness

5. "Anyone can be called a manager irrespective of the educational qualification possessed." Identify the characteristic of the profession that Management does not fulfil in the statement being discussed above. 1
 (a) Ethical code of Conduct (b) Professional Association
 (c) Restricted Entry (d) Service Motive
6. _____ refers to negative and unfavorable external factors that are likely to create hurdles for a firm:- 1
 (a) Opportunities (b) Warning
 (c) Threats (d) Signals
7. Which of the following is an example of social environment? 1
 (a) Money Supply in the Economy (b) Consumer Protection Act
 (c) The Constitution of India (d) Composition of Family
8. Aarav has recently started a business to sell computers. He hired a shop in Nehru Place in New Delhi, where he assembles computers and various components, supplies them as per order. He performs a series of composite but separate functions simultaneously and ensures that computers are delivered in time as per orders. These functions are performed by all managers at all times. The feature of management highlighted here is: 1
 (a) Management is a continuous process
 (b) Management is pervasive
 (c) Management is a dynamic function
 (d) Management is a group activity
9. The objective of management which consistently creates economic value for various constituents of society is : 1
 (a) Organisational Objective (b) Social Objective
 (c) Personal Objective (d) Both Social and Personal Objective
10. Identify an important principle of management control in which only significant deviations which go beyond the permissible limit should be brought to the notice of management. 1
 (a) Control of Key Result Area
 (b) Management by Exception
 (c) Critical Point Control
 (d) Management by Control & Critical Point Control
11. Which statement is not correct, with respect to 'Organisation Structure' ? 1
 (a) Ensures coordination among human and physical resources.
 (b) Ensures smooth flow of communication.
 (c) Specifies relationship between people, work and resources.
 (d) Establishes standards for controlling.
12. Match the following by choosing the correct option. 1

	Column A		Column B
1	Social Process	A	Market
2	Set of Potential Customers	B	Marketing
3	Controllable Variables	C	Functions of Marketing
4	Marketing Activities	D	Marketing Mix

- (a) 1 – D , 2 – C, 3 –A, 4- B
- (b) 1 – B , 2 – A, 3 –D, 4-C
- (c) 1 – C , 2 – D, 3 –A, 4- B
- (d) 1– D , 2 – C, 3 –B, 4- A

13. Raghav's friend Raman works as a Chartered Accountant in Solutions Ltd. Raman in a meeting with the Board of Directors of the Company came to know that the firm would soon be declaring a Bonus issue which would result in increase in the price of shares. Considering this, Raman advised Raghav to purchase the shares of Solutions Ltd., who acted on his advice and bought the shares before time. Which function of SEBI can control such malpractices? 1
- (a) Protective functions
 - (b) Regulatory functions
 - (c) Development functions
 - (d) Growth Function
14. Identify the correct sequence of steps to be followed in the Trading Procedure at Stock Exchange 1
- (a) Opening a Trading Account and Demat Account, Placing an Order, Settlement of Order, Execution of Order
 - (b) Settlement of Order, Opening a Trading Account and Demat Account, Placing an Order, Execution of Order
 - (c) Opening a Trading Account and Demat Account, Placing an Order, Execution of Order, Settlement of Order
 - (d) Placing an Order, Opening a Trading Account and Demat Account, Execution of Order, Settlement of order
15. In order to improve upon its competitive edge, Khushboo Ltd. has changed the packaging of its hair care products. They are now available in customer friendly design, which has a nozzle attached to the lid so that at the time of usage, the consumer doesn't need to open the cap of the bottle. Name the marketing function being explained in the given lines. 1
- (a) Product Design and Development
 - (b) Customer Support Services.
 - (c) Promotion
 - (d) Physical Distribution
16. ABC Ltd. has Debt Equity ratio of 3:1 whereas XYZ Ltd. has Debt Equity ratio of 1:1. Name the advantage ABC Ltd will have over XYZ Ltd, when the rate of interest is lower than the rate of return on investment of the company. 1
- (a) Trading on Equity
 - (b) Low Risk
 - (c) Low cost of Equity
 - (d) Greater Flexibility
17. Manmeet went to a shop and expressed her desire to buy a copper water bottle only of Prestige company. Identify the component related to branding being described in the above case. 1
- (a) Trademark
 - (b) Generic Name
 - (c) Brand Name
 - (d) Brand Mark
18. Free gifts and free samples distribution is the part of _____. 1
- (a) Advertising
 - (b) Public Relation
 - (c) Sale Promotion
 - (d) Salesmanship
19. Large scale production done to reduce the average cost of production is the essence of _____ concept of Marketing management. 1
- (a) Product
 - (b) Selling
 - (c) Production
 - (d) Marketing

20. Stock Exchange works as a mechanism for valuation of securities through the forces of demand and supply. Identify the related function performed by the stock exchanges. 1
- Providing Liquidity and Marketability to Existing Securities
 - Safety of Transaction
 - Pricing of Security
 - Spreading of Equity Cult
21. Explain three characteristics of Coordination. 3
- OR**
- Discuss three points that highlight the importance of Coordination.
22. "Controlling is an indispensable function of management. Without controlling the best of plans can go awry". Do you agree? Explain any two reasons in support of your answer. 3
23. Identify and explain the two sources of recruitment which cannot be used when the existing staff is either insufficient or does not fulfil the eligibility criteria of the jobs to be filled. 3
- OR**
- Explain the two concepts, which are part of the exercise which would reveal whether a company is understaffed, overstaffed or optimally staffed.
24. Currently, the banking sector in the Indian economy is facing lots of problems. The rates of interest that banks are paying on deposits have sharply decreased; as a result banks are able to collect lesser amounts of deposits. Due to the policies of the Reserve Bank of India, lending rates have also decreased. The automobile industry is also facing a lot of problems and thus they have also reduced the prices of cars. This has encouraged people to take car loans from banks as the interest rates on loans, along with prices of cars in the automobile sector are declining. Due to this position of tight liquidity, 'The Oberoi Bank Ltd.' decided to raise funds by issuing an unsecured, short-term instrument which could be purchased by corporations, companies and individuals. 3
- Identify and explain the money market instrument used by 'The Oberoi Bank Ltd.' to raise funds.
 - Also explain the money market instrument used by the banks to maintain Cash Reserve Ratio.
25. Discuss the last four steps in the Process of Selection. 4
26. Alka is working in the Accounts Department of 'Modern Locks Ltd'. Her mother is not well and to attend to her she wanted to take leave for one week. For this, she went to the Senior Accountant, Manoj and discussed her problem. At that time Manoj was simultaneously checking the Balance Sheet of the company. Since his mind was preoccupied in some work, he did not listen to Alka attentively and could not understand her problem. Alka was quite disappointed with the behaviour of Manoj. 4
- Identify the type of communication barrier discussed above.
 - Also explain any three barriers of the same type.
27. Pramod is a supervisor at 'Shyam Breads and Biscuits Factory'. The factory produces 20,000 packets of bread and biscuits every day. As a supervisor Pramod ensures that work goes on smoothly and there is no interruption in production. He is a good leader who gives orders only after consulting his subordinates, working out the policies with the acceptance of the group. 4
- Identify and explain the leadership style being adopted by Pramod.

(b) Name the other two Leadership Styles that managers adopt.

28. Dheeraj wants to start a business of selling N-95 masks after the outbreak of the global pandemic of COVID-19. Due to the uncertain market conditions he wants to make a low investment in fixed capital. 4
Suggest how the decisions related to the choice of technique and financing alternatives can help Dheeraj in ensuring a low investment in fixed capital requirements.
29. Sun Industries Ltd. is a leading company in India which manufactures steel. Its plants are located in Jamshedpur and Bokaro. Currently it produces about three million tonnes of saleable steel. As the demand for steel is growing, it is planning to expand the capacity of the existing steel plants. It is estimated that it will require ₹1,800 crore of fixed capital and ₹200 crore of working capital. To raise the funds, the company is considering whether it should issue equity shares or 7% debentures of ₹2,000 crore. Presently the capital structure is comprising of equity only. The Finance Manager of the company suggested that since the stock markets are undergoing a bearish phase, it should issue debentures. 4
(a) Is it justified to raise funds by issuing debentures? Give one reason in support of your answer.
(b) Explain the impact of issue of debentures on the risk faced by the company.
(c) Explain the impact of 'cost of debt' and 'cost of equity' on the capital structure of the company

OR

Krish limited is in the business of manufacturing and exporting carpets and other home décor products. It has a share capital of ₹ 70 lakhs at the face value of ₹100 each. Company is considering a major expansion of its production facilities and wants to raise ₹50 lakhs. The finance manager of the company Mr. Prabhakar has recommended that the company can raise funds of the same amount by issuing 7% debentures.

Given that earning per share of the company after expansion is ₹35 and tax rate is 30%, did Mr. Prabhakar give a justified recommendation? Show the working.

30. Explain briefly the following rights available to consumers. 4
(a) Right to Choose/ be Assured
(b) Right to Consumer Education

OR

- (a) State any two malpractices from which consumers need protection
(b) Discuss two reasons why consumer protection is important from the consumers' point of view.

31. Define 'Organisational Structure'. 6
Differentiate between Functional Structure and Divisional Structure.
32. An Auto Company, Win Ltd. is facing a problem of declining market share due to increased competition from other new and existing players in the market. Its competitors are introducing lower priced models for mass consumers who are price sensitive. The Board of Directors of the Company announced a meeting to discuss the decisions regarding pricing and launching a new range of models, in order to increase the market share of the company. Attending the meeting was not a discretion for the directors and a penalty was announced for not attending the meeting. The following decisions were taken in the meeting: 6
(i) To define the desired future position of the company, as acquiring a dominant position in the market by increasing the market share to 10% in 1 year.
(ii) To change the criteria for choosing vendors for procuring supplies;

(iii) To invest in development of the human resources of the organisation by providing training to higher levels by holding seminars and providing on the job training for the supervisory management.

(a) What are standing plans and single use plans?

(b) Name any two types of single use plans

(c) Briefly explain the plans discussed above, which can be classified as standing plans, by quoting the lines.

33. (a) Define Scientific Management.

(b) Name and explain with a suitable example the technique of Scientific Management given by Taylor, with the objective of determining the number of workers to be employed for a task.

6

OR

(a) What do you understand by Scientific Management?

(b) Name and explain with a suitable example the technique of Scientific Management given by Taylor to differentiate between the efficient and the inefficient workers.

34. Dharam Ltd. is a company dealing in devotional products. According to a study, about 70% of India's population still lives in its 6,38, 000 villages whereas more than 55% of retailing actually happens in metros and mini-metro cities. Therefore, in order to reach out to more consumers beyond the top towns, across the smaller towns and semi-rural arrears, it has partnered with top e-commerce platforms like Amazon, Snapdeal and Flipkart among others.

6

(a) Name and explain the marketing function been highlighted in the above case.

(b) Identify and explain the component of marketing mix described in the above lines.

(c) What type of channel of distribution has been adopted by the company and why?

OR

Sankalp and Kavi, students of 12th class with 'Business Studies' as an elective subject were discussing the elements of marketing mix. Sankalp said that one of the important elements of marketing mix is related to the amount received for the goods sold or services rendered. Kavi requested Sankalp in knowing the name of that element. Sankalp also added that this element is also affected by various factors. Kavi asked Sankalp to explain these factors for which Sankalp agreed.

Name this element of marketing mix and explain any five factors which affect it as explained by Sankalp to Kavi.

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

ROLL NUMBER				
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SET	2
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QP.Code:054/01/2



**INDIAN SCHOOL MUSCAT
FIRST PRE BOARD EXAMINATION 2023
BUSINESS STUDIES (054)**



CLASS : XII
DATE: 10-01-2023

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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. ----- ensures that the heads of separate business units in the organisation are responsible for profit or loss of their unit and have authority over it. 1
 (a) Span of management (b) Divisional Structure
 (c) Functional structure (d) Hierarchy of Authority.
2. In order to boost and double India's export of goods and services to over USD 1,000 billion by 2025, it is important to lower effective corporate tax rate, bring down cost of capital and simplify regulatory and tax framework. Identify the related dimension of business environment. 1
 (a) Social Dimension and Legal Dimension
 (b) Technological Dimension and Political Dimension
 (c) Political Dimension and Social Dimension
 (d) Economic Dimension and Legal Dimension
3. ----- is the process by which the manager brings order out of chaos, removes conflict among people over work or responsibility sharing and creates an environment suitable for teamwork. 1
 (a) Planning (b) Organising
 (c) Staffing (d) Controlling
4. The growing awareness about healthcare has led to an increase in the demand for healthcare products and services in the country. Identify the feature of business environment being described in the above case. 1
 (a) Dynamic Nature (b) Uncertainty
 (c) Relativity (d) Interrelatedness
5. ----- refers to negative and unfavorable external factors that are likely to create hurdles for a firm:- 1
 (a) Opportunities (b) Warning

(c) Threats

(d) Signals

6. "Anyone can be called a manager irrespective of the educational qualification possessed." Identify the characteristic of the profession that Management does not fulfil in the statement being discussed above. 1
(a) Ethical code of Conduct (b) Professional Association
(c) Restricted Entry (d) Service Motive
7. The objective of management which consistently creates economic value for various constituents of society is : 1
(a) Organisational Objective (b) Social Objective
(c) Personal Objective (d) Both Social and Personal Objective
8. "Every member of an organisation has a different purpose for joining the organisation but as members of the organisation they work towards fulfilling the common organisational goal. This requires team work and coordination of individual effort in a common direction." Identify the characteristic of management highlighted above. 1
(a) Management is a goal-oriented process
(b) Management is a group activity
(c) Management is multi-dimensional
(d) Management is a dynamic function
9. Which of the following is an example of social environment? 1
(a) Money Supply in the Economy (b) Consumer Protection Act
(c) The Constitution of India (d) Composition of Family
10. Which statement is not correct, with respect to 'Organisation Structure'? 1
(a) Ensures coordination among human and physical resources.
(b) Ensures smooth flow of communication.
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11. Identify an important principle of management control in which only significant deviations which go beyond the permissible limit should be brought to the notice of management. 1
(a) Control of Key Result Area
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12. Identify the correct sequence of steps to be followed in the Trading Procedure at Stock Exchange 1
(a) Opening a Trading Account and Demat Account, Placing an Order, Settlement of Order, Execution of Order
(b) Settlement of Order, Opening a Trading Account and Demat Account, Placing an Order, Execution of Order
(c) Opening a Trading Account and Demat Account, Placing an Order, Execution of Order, Settlement of Order
(d) Placing an Order, Opening a Trading Account and Demat Account, Execution of Order, Settlement of order

13. Match the following by choosing the correct option.

1

	Column A		Column B
1	Social Process	A	Market
2	Set of Potential Customers	B	Marketing
3	Controllable Variables	C	Functions of Marketing
4	Marketing Activities	D	Marketing Mix

- (a) 1 – D , 2 – C, 3 –A, 4- B
(b) 1 – B , 2 – A, 3 –D, 4-C
(c) 1 – C , 2 – D, 3 –A, 4- B
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14. Raghav's friend Raman works as a Chartered Accountant in Solutions Ltd. Raman in a meeting with the Board of Directors of the Company came to know that the firm would soon be declaring a Bonus issue which would result in increase in the price of shares. Considering this, Raman advised Raghav to purchase the shares of Solutions Ltd., who acted on his advice and bought the shares before time. Which function of SEBI can control such malpractices?

1

- (a) Protective functions
(b) Regulatory functions
(c) Development functions
(d) Growth Function

15. In order to get feedback about its recently launched immunity booster ayurvedic medicine, Atulya Ltd. Conducted online survey using a questionnaire, to gather consumers view and opinions. Identify the marketing function being used by Atulya limited.

1

- (a) Standardization and Grading
(b) Product Designing
(c) Consumers Support Service
(d) Gathering and Analysing Market Information

16. Large scale production done to reduce the average cost of production is the essence of _____ concept of Marketing management.

1

- (a) Product
(b) Selling
(c) Production
(d) Marketing

17. Stock Exchange works as a mechanism for valuation of securities through the forces of demand and supply. Identify the related function performed by the stock exchanges.

1

- (a) Providing Liquidity and Marketability to Existing Securities
(b) Safety of Transaction
(c) Pricing of Security
(d) Spreading of Equity Cult

18. ABC Ltd. has Debt Equity ratio of 3:1 whereas XYZ Ltd. has Debt Equity ratio of 1:1. Name the advantage ABC Ltd will have over XYZ Ltd, when the rate of interest is lower than the rate of return on investment of the company.

1

- (a) Trading on Equity
(b) Low Risk
(c) Low cost of Equity
(d) Greater Flexibility

19. Manmeet went to a shop and expressed her desire to buy a copper water bottle only of Prestige company. Identify the component related to branding being described in the above case.

1

- (a) Trademark
(b) Generic Name
(c) Brand Name
(d) Brand Mark

20. Free gifts and free samples distribution is the part of _____. 1
 (a) Advertising (b) Public Relation
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 (a) Identify and explain the money market instrument used by 'The Oberoi Bank Ltd.' to raise funds.
 (b) Also explain the money market instrument used by the banks to maintain Cash Reserve Ratio.
22. Explain three characteristics of Coordination. 3
OR
 Discuss three points that highlight the importance of Coordination.
23. "Controlling is an indispensable function of management. Without controlling the best of plans can go awry". Do you agree? Explain any two reasons in support of your answer. 3
24. Identify and explain the two sources of recruitment which cannot be used when the existing staff is either insufficient or does not fulfil the eligibility criteria of the jobs to be filled. 3
OR
 Explain the two concepts which are part of the exercise which would reveal whether a company is understaffed, overstaffed or optimally staffed.
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 (a) Is it justified to raise funds by issuing debentures? Give one reason in support of your answer.
 (b) Explain the impact of issue of debentures on the risk faced by the company.
 (c) Explain the impact of 'cost of debt' and 'cost of equity' on the capital structure of the company
OR
 Krish limited is in the business of manufacturing and exporting carpets and other home décor products. It has a share capital of ₹ 70 lakhs at the face value of ₹100 each. Company is considering a major expansion of its production facilities and wants to raise ₹50 lakhs. The finance manager of the company Mr. Prabhakar has recommended that the company can raise funds of the same amount by issuing 7% debentures.

Given that earning per share of the company after expansion is ₹35 and tax rate is 30%, did Mr. Prabhakar give a justified recommendation? Show the working.

26. Discuss the last four steps in the Process of Selection. 4
27. Alka is working in the Accounts Department of 'Modern Locks Ltd'. Her mother is not well and to attend to her she wanted to take leave for one week. For this, she went to the Senior Accountant, Manoj and discussed her problem. At that time Manoj was simultaneously checking the Balance Sheet of the company. Since his mind was preoccupied in some work, he did not listen to Alka attentively and could not understand her problem. Alka was quite disappointed with the behaviour of Manoj. 4
- (a) Identify the type of communication barrier discussed above.
- (b) Also explain any three barriers of the same type.
28. Pramod is a supervisor at 'Shyam Breads and Biscuits Factory'. The factory produces 20,000 packets of bread and biscuits every day. As a supervisor Pramod ensures that work goes on smoothly and there is no interruption in production. He is a good leader who gives orders only after consulting his subordinates, working out the policies with the acceptance of the group. 4
- (a) Identify and explain the leadership style being adopted by Pramod.
- (b) Name the other two Leadership Styles that managers adopt.
29. Dheeraj wants to start a business of selling N-95 masks after the outbreak of the global pandemic of COVID-19. Due to the uncertain market conditions he wants to make a low investment in fixed capital. 4
- Suggest how the decisions related to the choice of technique and financing alternatives can help Dheeraj in ensuring a low investment in fixed capital requirements.
30. Explain briefly the following rights available to consumers. 4
- (a) Right to Safety
- (b) Right to Seek Redressal
- OR**
- (a) State two responsibilities consumers can keep in mind while purchasing, using and consuming goods and services
- (b) Discuss two reasons why consumer protection is important from the view point of business.
31. Define 'Formal Organisation'. State its advantages. 6
32. Dharam Ltd. is a company dealing in devotional products. According to a study, about 70% of India's population still lives in its 6,38, 000 villages whereas more than 55% of retailing actually happens in metros and mini-metro cities. Therefore, in order to reach out to more consumers beyond the top towns, across the smaller towns and semi-rural arrears, it has partnered with top e-commerce platforms like Amazon, Snapdeal and Flipkart among others. 6
- (a) Name and explain the marketing function been highlighted in the above case.
- (b) Identify and explain the component of marketing mix described in the above lines.
- (c) What type of channel of distribution has been adopted by the company and why?
- OR**
- Sankalp and Kavi, students of 12th class with 'Business Studies' as an elective subject were discussing the elements of marketing mix. Sankalp said that one of the important elements of marketing mix is related to the amount received for the goods sold or services rendered. Kavi requested Sankalp in knowing the name of that element. Sankalp also added that this element

is also affected by various factors. Kavi asked Sankalp to explain these factors for which Sankalp agreed.

Name this element of marketing mix and explain any five factors which affect it as explained by Sankalp to Kavi.

33. An Auto Company, Win Ltd. is facing a problem of declining market share due to increased competition from other new and existing players in the market. Its competitors are introducing lower priced models for mass consumers who are price sensitive. The Board of Directors of the Company announced a meeting to discuss the decisions regarding pricing and launching a new range of models, in order to increase the market share of the company. Attending the meeting was not a discretion for the directors and a penalty was announced for not attending the meeting. The following decisions were taken in the meeting: 6
- (i) To define the desired future position of the company, as acquiring a dominant position in the market by increasing the market share to 10% in 1 year.
 - (ii) To change the criteria for choosing vendors for procuring supplies;
 - (iii) To invest in development of the human resources of the organisation by providing training to higher levels by holding seminars and providing on the job training for the supervisory management.
- (a) What are standing plans and single use plans?
 - (b) Name any two types of single use plans
 - (c) Briefly explain the plans discussed above, which can be classified as standing plans, by quoting the lines.

34. (a) Define Scientific Management. 6
- (b) Name and explain with a suitable example the technique of Scientific Management given by Taylor, with the objective of determining the number of workers to be employed for a task.

OR

- (a) (a) What do you understand by Scientific Management?
- (b) Name and explain with a suitable example the technique of Scientific Management given by Taylor to differentiate between the efficient and the inefficient workers.

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

ROLL
NUMBER

SET

3

QP.Code:054/01/3



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 7. Attempt all parts of the questions together.
-
1. "Anyone can be called a manager irrespective of the educational qualification possessed." 1
Identify the characteristic of the profession that Management does not fulfil in the statement being discussed above.
(a) Ethical code of Conduct (b) Professional Association
(c) Restricted Entry (d) Service Motive
 2. The Economic Survey, 2019 suggests that the psychological biases can be used in the realm of 1
tax compliance. It is in favour of using religious norms such "dying in debt is a sin" to improve
tax compliance. Identify the related dimensions of business environment.
(a) Legal Dimension and Social Dimension
(b) Social Dimension and Economic Dimension
(c) Technological Dimension and Political Dimension
(d) Political Dimension and Economic Dimension
 3. _____ refers to negative and unfavorable external factors that are likely to create hurdles 1
for a firm:-
(a) Opportunities (b) Warning
(c) Threats (d) Signals
 4. Since more number of people have become more beauty and health conscious, our economy 1
has witnessed an unprecedented surge in the number of health and beauty spas and wellness
clinics. Related feature of business environment being described in the above lines is —
(a) Interrelatedness (b) Dynamic Nature
(c) Totality of External Forces (d) Relativity

5. _____ is the process by which the manager brings order out of chaos, removes conflict among people over work or responsibility sharing and creates an environment suitable for teamwork. 1
- (a) Planning (b) Organising
(c) Staffing (d) Controlling
6. _____ ensures that the heads of separate business units in the organisation are responsible for profit or loss of their unit and have authority over it. 1
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(c) Functional structure (d) Hierarchy of Authority.
7. Identify an important principle of management control in which only significant deviations which go beyond the permissible limit should be brought to the notice of management. 1
- (a) Control of Key Result Area
(b) Management by Exception
(c) Critical Point Control
(d) Management by Control & Critical Point Control
8. "An organisation interacts with its external environment which consists of various social, economic and political factors. In order to be successful, an organisation must change itself and its goals according to the needs of the environment." Identify the characteristic of management highlighted here. 1
- (a) Management is a goal-oriented process
(b) Management is a group activity
(c) Management is multi-dimensional
(d) Management is a dynamic function
9. Which statement is not correct, with respect to 'Organisation Structure' ? 1
- (a) Ensures coordination among human and physical resources.
(b) Ensures smooth flow of communication.
(c) Specifies relationship between people, work and resources.
(d) Establishes standards for controlling.
10. Which of the following is an example of social environment? 1
- (a) Money Supply in the Economy (b) Consumer Protection Act
(c) The Constitution of India (d) Composition of Family
11. The objective of management which consistently creates economic value for various constituents of society is : 1
- (a) Organisational Objective (b) Social Objective
(c) Personal Objective (d) Both Social and Personal Objective
12. Raghav's friend Raman works as a Chartered Accountant in Solutions Ltd. Raman in a meeting with the Board of Directors of the Company came to know that the firm would soon be declaring a Bonus issue which would result in increase in the price of shares. Considering this, Raman advised Raghav to purchase the shares of Solutions Ltd., who acted on his advice and bought the shares before time. Which function of SEBI can control such malpractices? 1
- (a) Protective functions (b) Regulatory functions
(c) Development functions (d) Growth Function

13. Identify the correct sequence of steps to be followed in the Trading Procedure at Stock Exchange 1
- Opening a Trading Account and Demat Account, Placing an Order, Settlement of Order, Execution of Order
 - Settlement of Order, Opening a Trading Account and Demat Account, Placing an Order, Execution of Order
 - Opening a Trading Account and Demat Account, Placing an Order, Execution of Order, Settlement of Order
 - Placing an Order, Opening a Trading Account and Demat Account, Execution of Order, Settlement of order
14. Match the following by choosing the correct option. 1
- | | Column A | | Column B |
|---|----------------------------|---|------------------------|
| 1 | Social Process | A | Market |
| 2 | Set of Potential Customers | B | Marketing |
| 3 | Controllable Variables | C | Functions of Marketing |
| 4 | Marketing Activities | D | Marketing Mix |
- 1 – D , 2 – C, 3 –A, 4- B
 - 1 – B , 2 – A, 3 –D, 4-C
 - 1 – C , 2 – D, 3 –A, 4- B
 - 1– D , 2 – C, 3 –B, 4- A
15. Raman is a wholesaler of food grains. He categorises his stock into different groups on the basis of their quality and also fixes up the prices accordingly. Identify the type of marketing function being mentioned in the given lines. 1
- Physical Distribution
 - Transportation
 - Standardization and Grading
 - Warehousing
16. Manmeet went to a shop and expressed her desire to buy a copper water bottle only of Prestige company. Identify the component related to branding being described in the above case. 1
- Trademark
 - Generic Name
 - Brand Name
 - Brand Mark
17. Free gifts and free samples distribution is the part of _____. 1
- Advertising
 - Public Relation
 - Sale Promotion
 - Salesmanship
18. Stock Exchange works as a mechanism for valuation of securities through the forces of demand and supply. Identify the related function performed by the stock exchanges. 1
- Providing Liquidity and Marketability to Existing Securities
 - Safety of Transaction
 - Pricing of Security
 - Spreading of Equity Cult
19. ABC Ltd. has Debt Equity ratio of 3:1 whereas XYZ Ltd. has Debt Equity ratio of 1:1. Name the advantage ABC Ltd will have over XYZ Ltd, when the rate of interest is lower than the rate of return on investment of the company. 1
- Trading on Equity
 - Low Risk
 - Low cost of Equity
 - Greater Flexibility

20. Large scale production done to reduce the average cost of production is the essence of _____ concept of Marketing management. 1
- (a) Product (b) Selling
(c) Production (d) Marketing
21. Identify and explain the two sources of recruitment which cannot be used when the existing staff is either insufficient or does not fulfil the eligibility criteria of the jobs to be filled. 3
- OR
- Explain the two concepts which are part of the exercise which would reveal whether a company is understaffed, overstaffed or optimally staffed.
22. Currently, the banking sector in the Indian economy is facing lots of problems. The rates of interest that banks are paying on deposits have sharply decreased; as a result banks are able to collect lesser amounts of deposits. Due to the policies of the Reserve Bank of India, lending rates have also decreased. The automobile industry is also facing a lot of problems and thus they have also reduced the prices of cars. This has encouraged people to take car loans from banks as the interest rates on loans, along with prices of cars in the automobile sector are declining. Due to this position of tight liquidity, 'The Oberoi Bank Ltd.' decided to raise funds by issuing an unsecured, short-term instrument which could be purchased by corporations, companies and individuals. 3
- (a) Identify and explain the money market instrument used by 'The Oberoi Bank Ltd.' to raise funds.
(b) Also explain the money market instrument used by the banks to maintain Cash Reserve Ratio.
23. Explain three characteristics of Coordination. 3
- OR
- Discuss three points that highlight the importance of Coordination.
24. "Controlling is an indispensable function of management. Without controlling the best of plans can go awry". Do you agree? Explain any two reasons in support of your answer. 3
25. Pramod is a supervisor at 'Shyam Breads and Biscuits Factory'. The factory produces 20,000 packets of bread and biscuits every day. As a supervisor Pramod ensures that work goes on smoothly and there is no interruption in production. He is a good leader who gives orders only after consulting his subordinates, working out the policies with the acceptance of the group. 4
- (a) Identify and explain the leadership style being adopted by Pramod.
(b) Name the other two Leadership Styles that managers adopt.
26. Dheeraj wants to start a business of selling N-95 masks after the outbreak of the global pandemic of COVID-19. Due to the uncertain market conditions he wants to make a low investment in fixed capital. 4
- Suggest how the decisions related to the choice of technique and financing alternatives can help Dheeraj in ensuring a low investment in fixed capital requirements.
27. Discuss the last four steps in the Process of Selection. 4
28. Sun Industries Ltd. is a leading company in India which manufactures steel. Its plants are located in Jamshedpur and Bokaro. Currently it produces about three million tonnes of saleable steel. As the demand for steel is growing, it is planning to expand the capacity of the existing steel plants. It is estimated that it will require ₹1,800 crore of fixed capital and ₹ 200 crore of 4

working capital. To raise the funds, the company is considering whether it should issue equity shares or 7% debentures of ₹ 2,000 crore. Presently the capital structure is comprising of equity only. The Finance Manager of the company suggested that since the stock markets are undergoing a bearish phase, it should issue debentures.

- (a) Is it justified to raise funds by issuing debentures? Give one reason in support of your answer.
- (b) Explain the impact of issue of debentures on the risk faced by the company.
- (c) Explain the impact of 'cost of debt' and 'cost of equity' on the capital structure of the company

OR

Krish limited is in the business of manufacturing and exporting carpets and other home décor products. It has a share capital of ₹ 70 lakhs at the face value of ₹100 each. Company is considering a major expansion of its production facilities and wants to raise ₹50 lakhs. The finance manager of the company Mr. Prabhakar has recommended that the company can raise funds of the same amount by issuing 7% debentures.

Given that earning per share of the company after expansion is ₹35 and tax rate is 30%, did Mr. Prabhakar give a justified recommendation? Show the working.

29. Alka is working in the Accounts Department of 'Modern Locks Ltd'. Her mother is not well and to attend to her she wanted to take leave for one week. For this, she went to the Senior Accountant, Manoj and discussed her problem. At that time Manoj was simultaneously checking the Balance Sheet of the company. Since his mind was preoccupied in some work, he did not listen to Alka attentively and could not understand her problem. Alka was quite disappointed with the behaviour of Manoj. 4
 - (a) Identify the type of communication barrier discussed above.
 - (b) Also explain any three barriers of the same type.

30. Explain briefly the following rights available to consumers. 4
 - (a) Right to be Heard
 - (b) Right to be Informed

OR

- (a) State two directives that can be issued by the consumer court to the opposite party in case of genuineness of the complaint.
- (b) Discuss in detail how consumer grievances are redressed by the District Forum.

31. Define 'Functional Structure'. State its advantages. 6

32.
 - (a) Define Scientific Management.
 - (b) Name and explain with a suitable example the technique of Scientific Management given by Taylor, with the objective of determining the number of workers to be employed for a task.6

OR

- (a) What do you understand by Scientific Management?
- (b) Name and explain with a suitable example the technique of Scientific Management given by Taylor to differentiate between the efficient and the inefficient workers.

33. Dharam Ltd. is a company dealing in devotional products. According to a study, about 70% of India's population still lives in its 6,38,000 villages whereas more than 55% of retailing actually happens in metros and mini-metro cities. Therefore, in order to reach out to more consumers beyond the top towns, across the smaller towns and semi-rural arrears, it has partnered with top e-commerce platforms like Amazon, Snapdeal and Flipkart among others. 6

- (a) Name and explain the marketing function been highlighted in the above case.
- (b) Identify and explain the component of marketing mix described in the above lines.
- (c) What type of channel of distribution has been adopted by the company and why?

OR

Sankalp and Kavi, students of 12th class with 'Business Studies' as an elective subject were discussing the elements of marketing mix. Sankalp said that one of the important elements of marketing mix is related to the amount received for the goods sold or services rendered. Kavi requested Sankalp in knowing the name of that element. Sankalp also added that this element is also affected by various factors. Kavi asked Sankalp to explain these factors for which Sankalp agreed.

Name this element of marketing mix and explain any five factors which affect it as explained by Sankalp to Kavi.

34. An Auto Company, Win Ltd. is facing a problem of declining market share due to increased competition from other new and existing players in the market. Its competitors are introducing lower priced models for mass consumers who are price sensitive. The Board of Directors of the Company announced a meeting to discuss the decisions regarding pricing and launching a new range of models, in order to increase the market share of the company. Attending the meeting was not a discretion for the directors and a penalty was announced for not attending the meeting. The following decisions were taken in the meeting: 6
- (i) To define the desired future position of the company, as acquiring a dominant position in the market by increasing the market share to 10% in 1 year.
 - (ii) To change the criteria for choosing vendors for procuring supplies;
 - (iii) To invest in development of the human resources of the organisation by providing training to higher levels by holding seminars and providing on the job training for the supervisory management.
- (a) What are standing plans and single use plans?
 - (b) Name any two types of single use plans
 - (c) Briefly explain the plans discussed above, which can be classified as standing plans, by quoting the lines.

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

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2/1/23