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CODE NUMBER	054/1/1
SET NUMBER	1



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



CLASS : XII  
DATE: 30/11/2023

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. Akash works as a production manager in 'Elite Enterprises' manufacturing LED lights. Due to festive season, there is lot of demand for their lights. Akash was given the task of producing 100 units of LED lights @ ₹200 per unit within 5 days for an urgent order. Akash was able to achieve the target of 100 units of LED lights within 5 days @ ₹220 per unit. Identify from the following whether Akash is: 1
  - A. Efficient only
  - B. Effective only
  - C. Both efficient and effective
  - D. Neither efficient nor effective
2. As the span of management increases in an organisation, the number of levels of management in the organization 1
  - A. Increases
  - B. Decreases

*Shaw Rye*

C. Remains unaffected

D. Unified

3. India's population is expected to grow under 0.5 per cent during 2031-41 due to decline in fertility rate and increase in life expectancy. These changes in India's demography will also have implications such as the proportion of elementary school-going children will witness significant declines, lack of hospital beds and increase in retirement age. Which feature of the business environment is highlighted by this point? 1
- A. Inter-relatedness:  
B. Dynamic nature  
C. Uncertainty  
D. Complexity
4. Identify the correct sequence of steps involved in the planning process. 1
- A. Evaluating alternative courses, identifying alternative course of actions, setting objectives, Developing premises  
B. Setting objectives, identifying alternative course of actions, evaluating alternative courses, Developing premises  
C. Setting objectives, developing premises, identifying alternative course of actions, Evaluating alternative courses  
D. Setting objectives, evaluating alternative courses, developing premises, identifying alternative course of actions,
5. Indian Railways has launched a new broad gauge solar power train which is going to be a path breaking leap towards making trains greener and more environment friendly. The solar power DEMU (Diesel Electric Multiple Unit) has 6 trailer coaches and is expected to save about 21,000 liters of diesel and ensure a cost saving of ₹12, 00,000 per year. Name the objectives of management achieved by Indian Railways in the above case. 1
- A. Organisational  
B. Personal  
C. Social  
D. Marketing
6. A series of compounding issues such as rising energy and food prices, fiscal instability in the wake of the pandemic, and consumer insecurity have created a new global recession, and global inflation in 2023 is estimated to have reached 6.9 percent. This is the highest annual increase in inflation since 1996. Which dimension of business environment is projected in the sentences? 1

- A. Political
- B. Economic
- C. Social
- D. legal

7. The tool of communication used by the marketer shown in the picture below is.

1



- A. Advertising
- B. Personal Selling
- C. Public relation
- D. Sales Promotion

8.

1

Statement - I : Planning is a prescriptive which seeks consistent, integrated and articulated programs.

Statement – II: Controlling is an intellectual process involving thinking, articulation and prescribe an appropriate course of action for achieving objectives.

Choose the correct option from the options given below:

- A. Statement I is true and II is false.
- B. Statement II is true, and I is false.
- C. Both the statements are false.
- D. Both the statements are true.

9.

1

Lavanya runs a Play School from her residence. Recently, she placed an order online for 200 chalk boxes. The boxes were delivered to her in a corrugated box. Identify this level of packaging which facilitated movement of the product.

- A. Primary package
- B. Secondary packaging
- C. Transportation packaging
- D. Brand packaging

Raj

10. Match the following Method of flotation with their features and choose the correct option. 1

	Method of Flotation		Feature of Flotation
A	Offer through Prospectus	I	company approaches members of the public indirectly through intermediaries like issuing houses, stockbrokers.
B	Offer For Sale	II	Company approaches the members of the public directly.
C	Private Placement	III	company can raise finance by allotting securities to selective individuals and institutions only.
D	Rights Issue	IV	Company can raise by only to the existing shareholders to subscribe to the securities of the company as per its terms and conditions.

- A. A (I), B (II), C (III), D (IV)  
B. A (II), B (I), C (III), D (IV)  
C. A (I), B (II), C (IV), D (III)  
D. A (III), B (II), C (I), D (IV)

11. Name the process which coordinates human efforts, assembles resources, and integrates both into a unified whole to be utilised for achieving specified objectives. 1

- A. Management  
B. Planning  
C. Organising  
D. Directing

12. According to the modern marketing concept, which of the following statements is true? 1

- A. It refers to the group of people who do not have the ability but willingness to buy a Particular product.  
B. It refers to only the set of people who have the purchasing power to buy a particular product  
C. It refers to the set of actual and potential buyers for a product.  
D. It refers only to the people who show interest in a particular product.

13. Principles of science are based on cause-and-effect relationship. Identify the feature of science to which above statement is related? 1

- A. Systematised body of knowledge  
B. Principles based on experimentation.  
C. Universal validity  
D. Personalised application

14. As a result of major government initiatives, more and more people are going 'green'. In order to keep in line with the trend, 'Clapaway' a carpet cleaning company has advertised that they only use natural cleaners that come from renewable resources and that all their service vehicles are hybrid vehicles that use both gas and electricity. Identify one of the points related to the importance of business environment and its understanding by managers which is being highlighted in the above case. 1
- A. It helps in assisting in planning and policy formulation.
  - B. It helps in coping with rapid changes.
  - C. It helps in improving performance.
  - D. It enables the firm to identify opportunities and getting the first mover advantage.
15. Who holds and keeps securities in electronic form on behalf of the investor? 1
- A. Securities and Exchange Board of India
  - B. Depository
  - C. Depository participants
  - D. Industrial Development bank of India
16. Maya, the owner of the firms, sets production target for each day and month in consultation with the production manager and supervisors. They decided that deviations between standard production and actual production up to 5% is acceptable. Deviations beyond this, should be reported. Identify the concept mentioned above. 1
- A. Managerial by exception
  - B. Key responsibility areas
  - C. Critical Point control
  - D. Budgetary control
17. Ashan Ltd. is a natural and ethical firm that specialises in providing organic bathing items for men and women. The company uses plant-based elements in its goods and is the country's leading organic brand. It not only meets the needs of its clients, but it also believes in environmental conservation as a whole. Determine the marketing management philosophy that 'Ashan Ltd.' employs. 1
- A. Social marketing concept
  - B. Selling concept
  - C. Production concept
  - D. Product concept

18. 'The use of debt increases the financial risk of a business.' The factor determining the choice of an appropriate capital structure of a company highlighted in the above statement is: 1
- A. Debt Service Coverage Ratio
  - B. Risk consideration
  - C. Cost of debt
  - D. Flexibility
19. A tea company is attempting to expand its operations. It recognises that the function of the intermediaries will be crucial in this regard. A conference of top management is called, and the causes that are causing the distributors' potential to be underutilised are discussed. Intermediaries play a critical function in a product like tea. The company has decided to offer them discounts and to launch a robust promotional effort to entice them to participate. In the example above, which aspect of the marketing mix is highlighted? 1
- A. Product
  - B. Place
  - C. Price
  - D. Promotion
20. Arunima purchased a food processing machine for ₹3,000 from 'Kajal Machinery Pvt. Ltd.' She found that the machine was not working properly. Despite many complaints, the defect was not rectified by Kajal Machinery Pvt. Ltd. 1
- Identify the consumer right that has been violated by Kajal Machinery Pvt. Ltd.
- A. Right to safety
  - B. Right to be informed
  - C. Right to be assured.
  - D. Right to be heard
21. Human resources are the most important asset of an organisation. The ability of an organisation to achieve its goal depends upon the quality of its human resources. The General Manager of 'Allied and Sons' appointed an IIM graduate, Pawan Rai, specialised in finance as Marketing Manager. On monthly evaluation, it was found that Pawan Rai's performance was not up to expectations, and he was not able to meet the monthly targets of the organisation. The Chief Executive Officer (CEO) of the company asked for investigation into the matter. The CEO was told that Pawan Rai has specialisation in finance but was appointed as a Marketing Manager. The CEO discussed this matter with the General Manager and explained to him the importance of putting the right person at the right job. He further explained that it would not only lead to 3

higher performance but would also provide many other benefits. Besides the benefits of putting the right man at the right job, state the three other benefits which the CEO might have explained to the General Manager that are not given in the above para

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

**OR**

If anything goes wrong with the performance of key activities, the entire organisation suffers. Therefore, the organisation should focus on them.’ Explain the statement with a suitable example.

23. ABC Ltd. issued prospectus for the subscription of its shares for ₹500 crores in 2008. The issue was oversubscribed by 20 times. The company issued shares to all the applicants on pro-rata basis. Later SEBI inspected the prospectus and found some misleading statement about the management of the company in it. SEBI imposed a penalty of ₹5 crores and banned its three executive directors for dealing in securities market for three years. Identify the function and explain its type performed by SEBI in the above case. 3

**OR**

Lalita wants to buy shares of Akbar Enterprises, through her broker Kushvinder. She has a Demat Account and a bank account for cash transactions in the securities market. Discuss the subsequent steps involved in the screen-based trading for buying and selling of securities before Kushvinder issues a Contract Note.

24. Specialists usually think that they only are qualified to evaluate, judge, and decide according to their professional criteria. They do not take advice or suggestions from others in matters pertaining to their area of specialisation. This often leads to conflict amongst different specialists as well as others in the organization. Which quality of management is lacking in the above case and explain any two characteristics of the quality of management identified. 3
25. Aval Ltd. is engaged in the business of export of canvas goods and bags. In the past, the performance of the company had been up to the expectations. In line with the latest demand in the market, the company decided to venture into leather goods for which it required specialised machinery. For this, the Finance Manager Prabhu prepared a financial blueprint of the organisation’s future operations to estimate the amount of funds required and the timings with the objective to ensure that enough funds are available at right time. He also collected the relevant data about the profit estimates in the coming years. By doing this, he wanted to be sure 4



about the availability of funds from the internal sources of the business. For the remaining funds, he is trying to find out alternative sources from outside.

- a. Identify the financial concept discussed in the above paragraph.
- b. State the objectives to be achieved by the use of financial concept identified in a.

26. Ms. Jayshree recently completed her Post Graduate Diploma in Human Resource Management. A few months from now a large steel manufacturing company appointed her as its human resource manager. She is aware that the staffing function in the management process is the timely fulfillment of the manpower requirements within an organization. At present Jayshree is busy in the process of choosing the right candidate from among the pool of prospective job candidates developed. 4

A. Identify the step that is performed by Ms. Jayasree as a human resource manager.

B. Explain the next two steps that Jaysree has to follow after the step identified in A

**OR**

Identify and explain two Internal sources of recruitment when the present employees are insufficient to fulfil the specifications of the job to be filled.

27. (a) State any four 'Semantic barriers' to communication. 4

**OR**

(b) State any four measures to overcome barriers to communication.

28. Zenith Mall is a famous shopping mall in Mumbai, owned by Pinnacle Group. It is very popular for its international and national brands of fashionable clothes, restaurants, cinema halls and food courts. 4

The management of Pinnacle Group has decided to open a new branch of the mall in Pune. This decision was very crucial to the management as it involved huge amounts.

(i) Identify and explain the financial decision involved in the above case.

(ii) State any two factors affecting the decision identified in (i) above.

29. Tata Ltd offers its employees car allowance, housing, medical aid, and education to the children, etc. over and above the salary. 4

a. Identify the incentive offered by the company and state the type of incentive discussed above.

b. State and explain two other incentives of the type of incentive identified in (a) above.

30. As the markets are globalizing, the direct link between the manufacturer and the final user getting distant, post purchase grievances have to be heard through a strong redressal system. For this, Consumer disputes redressal agencies are set up under the Consumer Protection Act 4



at different level to provide simple and inexpensive quick redressal against consumer complaints. Explain the redressal mechanism available to consumers under the Consumer Protection Act, 2019.

31. Two years ago, Madhu 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. Madhu 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.

**OR**

After completing a diploma in Bakery and Patisserie, Della sets up a small outlet at Goa Airport to provide a healthy food option to the travelers. To begin with, she has decided to sell five types of patties, three types of pizzas and low sugar muffins in four flavours. Thus, by deciding in advance what to do and how to do, she is able to reduce the risk of uncertainty and avoid overlapping and wasteful activities. But sometimes her planning does not work due to some unavoidable circumstances like cancellation of flights due to bad weather conditions, government alert etc. which adversely affects her clientele.

In context of the above case:

1. Identify and explain the points highlighting the importance of planning mentioned in the above paragraph.
  2. Describe briefly the limitation of planning which adversely affects Della's business.
32. Explain the technique of 'Functional Foremanship' and the concept of 'Mental Revolution' as enunciated by Taylor.

**OR**

Explain the following Principles of management given by Fayol with examples:

- a. Unity of direction
- b. Equity
- c. Espirit de corps
- d. Order

33. Due to spread of COVID-19 pandemic, employees of almost all the companies were working online from their homes. In 2022 when most of the companies called them back to their office and started working offline, 'UiPath Solution Ltd' still asked their employees to work from home. Because of this, employees of 'UiPath Solution Ltd' were feeling bored, hence for recreation they formed a cricket-club. They started meeting every Saturday and Sunday on a ground near their office building. 6
- (i) Identify and state the type of organization formed by the employees of 'UiPath Solution Ltd.'
- (ii) State any two advantages and two limitations of the type of organisation identified in (i) above.
34. 'Smart Watch Ltd.' is a watch manufacturing company marketing smartwatches for adults. The company now wants to manufacture smart watches for children also. For this it gathered and analysed market information, did marketing planning, product designing and development, standardisation and also decided about the packaging, labelling, branding, pricing, warehousing of these smart watches. Even after doing all the above stated activities the company is not picking up the sales. The Chief Executive Officer of the company asked the Marketing Manager to find out the reason. The Marketing Manager investigated the matter and found out that his marketing team had not performed the three important functions of marketing which may help the company not only in boosting the sales but also in getting repeat sales. Identify and explain the functions of marketing which were not performed by the marketing team. 6

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

ROLL NUMBER				
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CODE NUMBER	054/1/2
SET NUMBER	2



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



CLASS : XII  
DATE: 30/11/2023

TIME ALLOTTED : 3 HRS.  
MAXIMUM MARKS: 80

**GENERAL INSTRUCTIONS:**

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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.
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7. Attempt all parts of the questions together

1. Indian Railways has launched a new broad gauge solar power train which is going to be a path breaking leap towards making trains greener and more environment friendly. The solar power DEMU (Diesel Electric Multiple Unit) has 6 trailer coaches and is expected to save about 21,000 liters of diesel and ensure a cost saving of ₹12, 00,000 per year. Name the objectives of management achieved by Indian Railways in the above case. 1
  - A. Organisational
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  - C. Social
  - D. Marketing
2. Identify the correct sequence of steps involved in the planning process. 1
  - A. Evaluating alternative courses, identifying alternative course of actions, setting objectives, Developing premises

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- B. Setting objectives, identifying alternative course of actions, evaluating alternative courses, Developing premises
- C. Setting objectives, developing premises, identifying alternative course of actions, Evaluating alternative courses
- D. Setting objectives, evaluating alternative courses, developing premises, identifying alternative course of actions,
3. As the span of management increases in an organisation, the number of levels of management in the organization 1
- A. Increases
- B. Decreases
- C. Remains unaffected
- D. Unified
4. Akash works as a production manager in 'Elite Enterprises' manufacturing LED lights. Due to festive season, there is lot of demand for their lights. Akash was given the task of producing 100 units of LED lights @ ₹200 per unit within 5 days for an urgent order. Akash was able to achieve maximum of 90 units of LED lights within 5days @ ₹200 per unit. Identify from the following whether Akash is: 1
- A. Efficient only
- B. Effective only
- C. Both efficient and effective
- D. Neither efficient nor effective
5. According to a report by the India Staffing Federation (ISF), India has emerged as the fifth largest market worldwide in flexi-staffing in 2018 and the country would have 6.1 million flexi-workforce by 2021. It showed that Haryana, Gujarat, Karnataka, Madhya Pradesh and Telangana are the states with high growth potential for flexi- staffing but Andhra Pradesh tops the list of states with favourable business environment. Which feature of the business environment is highlighted by this point? 1
- A. Interrelatedness
- B. Dynamic nature
- C. Relativity
- D. Complexity
6. Statement - I : Planning is a prescriptive which seeks consistent, integrated and articulated 1

programs.

Statement – II: Controlling is an intellectual process involving thinking, articulation and prescribe an appropriate course of action for achieving objectives.

Choose the correct option from the options given below:

- A. Statement I is true and II is false.
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7. Match the following Method of flotation with their features and choose the correct option.

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- A. A (I), B (II), C (III), D (IV)
- B. A (II), B (I), C (III), D (IV)
- C. A (I), B (II), C (IV), D (III)
- D. A (III), B (II), C (I), D (IV)

8. A series of compounding issues such as rising energy and food prices, fiscal instability in the wake of the pandemic, and consumer insecurity have created a new global recession, and global inflation in 2023 is estimated to have reached 6.9 percent. This is the highest annual increase in inflation since 1996. Which dimension of business environment is projected in the sentences?

1

- A. Political
- B. Economic
- C. Social
- D. legal

9. Lavanya runs a Play School from her residence. Recently, she placed an order online for 200 chalk boxes. The boxes were delivered to her in a corrugated box. Identify this level of packaging which facilitated movement of the product. 1
- A. Primary package
  - B. Secondary packaging
  - C. Transportation packaging
  - D. Brand packaging

10. The tool of communication used by the marketer shown in the picture below is. 1



- A. Advertising
  - B. Personal Selling
  - C. Public relation
  - D. Sales Promotion
11. Who holds and keeps securities in electronic form on behalf of the investor? 1
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13. Name the process which coordinates human efforts, assembles resources, and integrates both into a unified whole to be utilised for achieving specified objectives. 1

- A. Management
- B. Planning
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14. As a result of major government initiatives, more and more people are going 'green'. In order to keep in line with the trend, 'Clapaway' a carpet cleaning company has advertised that they only use natural cleaners that come from renewable resources and that all their service vehicles are hybrid vehicles that use both gas and electricity. Identify one of the points related to the importance of business environment and its understanding by managers which is being highlighted in the above case. 1
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- A. It refers to the group of people who do not have the ability but willingness to buy a Particular product.
  - B. It refers to only the set of people who have the purchasing power to buy a particular product
  - C. It refers to the set of actual and potential buyers for a product.
  - D. It refers only to the people who show interest in a particular product.
16. Roshan Oberoi, a marketing manager is a patient of diabetes for which he takes medicines regularly. One day, on his tour to Patna, he met with an accident and was hospitalised. Due to doctor's negligence a delicate nerve of his right leg was cut rendering him crippled throughout his life. Identify the consumer right that has been violated by the doctors under the Consumer Protection Act, 2019 in the above situation. 1
- A. Right to safety
  - B. Right to be informed
  - C. Right to be assured.
  - D. Right to be heard
17. Maya, the owner of the firms, sets production target for each day and month in consultation with the production manager and supervisors. They decided that deviations between standard 1

production and actual production up to 5% is acceptable. Deviations beyond this, should be reported. Identify the concept mentioned above.

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19. A tea company is attempting to expand its operations. It recognises that the function of the intermediaries will be crucial in this regard. A conference of top management is called, and the causes that are causing the distributors' potential to be underutilised are discussed. Intermediaries play a critical function in a product like tea. The company has decided to offer them discounts and to launch a robust promotional effort to entice them to participate. In the example above, which aspect of the marketing mix is highlighted? 1
- A. Product
  - B. Place
  - C. Price
  - D. Promotion
20. 'The use of debt increases the financial risk of a business.' The factor determining the choice of an appropriate capital structure of a company highlighted in the above statement is: 1
- A. Debt Service Coverage Ratio
  - B. Risk consideration
  - C. Cost of debt
  - D. Flexibility
21. How does controlling help in "Judging accuracy of standards" and "Ensuring order and discipline"? 3



OR

If anything goes wrong with the performance of key activities, the entire organisation suffers. Therefore, the organisation should focus on them.' Explain the statement with a suitable example.

22. Human resources are the most important asset of an organisation. The ability of an organisation to achieve its goal depends upon the quality of its human resources. The General Manager of 'Allied and Sons' appointed an IIM graduate, Pawan Rai, specialised in finance as Marketing Manager. On monthly evaluation, it was found that Pawan Rai's performance was not up to expectations, and he was not able to meet the monthly targets of the organisation. The Chief Executive Officer (CEO) of the company asked for investigation into the matter. The CEO was told that Pawan Rai has specialisation in finance but was appointed as a Marketing Manager. The CEO discussed this matter with the General Manager and explained to him the importance of putting the right person at the right job. He further explained that it would not only lead to higher performance but would also provide many other benefits. Besides the benefits of putting the right man at the right job, state the three other benefits which the CEO might have explained to the General Manager that are not given in the above para 3
23. Specialists usually think that they only are qualified to evaluate, judge, and decide according to their professional criteria. They do not take advice or suggestions from others in matters pertaining to their area of specialisation. This often leads to conflict amongst different specialists as well as others in the organization. Which quality of management is lacking in the above case and explain any two characteristics of the quality of management identified. 3
24. Recently Financial services company Bajaj Finserv announced that the capital market regulator Securities and Exchange Board of India (SEBI) has given a license to the company for starting its mutual fund business. "The Company informed the Stock Exchanges that it had received an in-principle approval from the Securities and Exchange Board of India (SEBI) for sponsoring a Mutual Fund," the financial services company said in a filing. 3

OR

Lalita wants to buy shares of Akbar Enterprises, through her broker Kushvinder. She has a Demat Account and a bank account for cash transactions in the securities market. Discuss the subsequent steps involved in the screen-based trading for buying and selling of securities before Kushvinder issues a Contract Note.

25. (a) State any four 'Semantic barriers' to communication. 4

OR

(b) State any four measures to overcome barriers to communication.

26. Ms. Jayshree recently completed her Post Graduate Diploma in Human Resource Management. A few months from now a large steel manufacturing company appointed her as its human resource manager. She is aware that the staffing function in the management process is the timely fulfillment of the manpower requirements within an organization. At present Jayshree is busy in the process of choosing the right candidate from among the pool of prospective job candidates developed. 4
- a. Identify the step that is performed by Ms. Jayasree as a human resource manager.
- b. Explain the next two steps that Jaysree has to follow after the step identified in (a)

OR

Identify and explain two Internal sources of recruitment when the present employees are insufficient to fulfil the specifications of the job to be filled.

27. Aval Ltd. is engaged in the business of export of canvas goods and bags. In the past, the performance of the company had been up to the expectations. In line with the latest demand in the market, the company decided to venture into leather goods for which it required specialised machinery. For this, the Finance Manager Prabhu prepared a financial blueprint of the organisation's future operations to estimate the amount of funds required and the timings with the objective to ensure that enough funds are available at right time. He also collected the relevant data about the profit estimates in the coming years. By doing this, he wanted to be sure about the availability of funds from the internal sources of the business. For the remaining funds, he is trying to find out alternative sources from outside. 4
- a. Identify the financial concept discussed in the above paragraph.
- b. State the objectives to be achieved by the use of financial concept identified in (a)
28. As the markets are globalizing, the direct link between the manufacturer and the final user getting distant, post purchase grievances have to be heard through a strong redressal system. For this, Consumer disputes redressal agencies are set up under the Consumer Protection Act at different level to provide simple and inexpensive quick redressal against consumer complaints. Explain the redressal mechanism available to consumers under the Consumer Protection Act, 2019 4
29. Tata Ltd offers its employees shares at a set price which is lower than market price. 4
- a. Identify the incentive offered by the company and state the type of incentive discussed above.

- b. State and explain two other incentives of the type of incentive identified in (a) above.
30. Zenith Mall is a famous shopping mall in Mumbai, owned by Pinnacle Group. It is very popular for its international and national brands of fashionable clothes, restaurants, cinema halls and food courts. 4

The management of Pinnacle Group has decided to distribute a portion of the profit to their shareholders. This decision was very crucial to the management as it involved the objective of maximising shareholder's wealth.

- (i) Identify and state the financial decision involved in the above case.
- (ii) State any two factors affecting the decision identified in (i) above.
31. Explain the technique of 'Functional Foremanship' and the concept of 'Mental Revolution' as enunciated by Taylor. 6

OR

Explain the following Principles of management given by Fayol with examples:

- a. Unity of direction                      b. Equity
- c. Espirit de corps                      d. Order
32. Two years ago, Madhu 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. Madhu 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

After completing a diploma in Bakery and Patisserie, Della sets up a small outlet at Goa Airport to provide a healthy food option to the travelers. To begin with, she has decided to sell five types of patties, three types of pizzas and low sugar muffins in four flavours. Thus, by deciding

in advance what to do and how to do, she is able to reduce the risk of uncertainty and avoid overlapping and wasteful activities. But sometimes her planning does not work due to some unavoidable circumstances like cancellation of flights due to bad weather conditions, government alert etc. which adversely affects her clientele. In context of the above case:

1. Identify and explain the points highlighting the importance of planning mentioned in the above paragraph.
2. Describe briefly the limitation of planning which adversely affects Della's business.

33. 'Smart Watch Ltd.' is a watch manufacturing company marketing smartwatches for adults. The company now wants to manufacture smart watches for children also. For this it gathered and analysed market information, did marketing planning, product designing and development, standardisation and also decided about the packaging, labelling, branding, pricing, warehousing of these smart watches. Even after doing all the above stated activities the company is not picking up the sales. The Chief Executive Officer of the company asked the Marketing Manager to find out the reason. The Marketing Manager investigated the matter and found out that his marketing team had not performed the three important functions of marketing which may help the company not only in boosting the sales but also in getting repeat sales. Identify and explain the functions of marketing which were not performed by the marketing team. 6
34. "Shan Spices Ltd." are the manufacturer of different food specific spices like Rajmaa Masala, Cholley Masala, Aaloo Parantha Masala etc. Mr. Raghav, the owner of the company has created different departments for purchase, production, marketing, finance and human resource. There are thirty employees working in the organisation. Planning is of paramount importance to the company as Mr. Raghav believes that effective planning leads to achievement of organisational objectives. So in order to make employees focus on objectives, he issued instructions that during working hours only official matters will be discussed. He made certain rules and code of conduct for the employees to follow, according to which employees are not allowed to visit and talk to the employees of other departments except for official work. He emphasised on work performance which resulted in smooth functioning of the organisation.. 6
- (i) Identify and state the type of organization formed by the employees of 'Shan Spices Ltd.'
  - (ii) State any two advantages and two limitations of the type of organisation identifies in (i) above.

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

ROLL NUMBER				
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CODE NUMBER	054/1/3
SET NUMBER	3



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



CLASS : XII  
DATE: 30/11/2023

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.

1

Statement - I : Planning is a prescriptive which seeks consistent, integrated and articulated programs.

Statement – II: Controlling is an intellectual process involving thinking, articulation and prescribe an appropriate course of action for achieving objectives.

Choose the correct option from the options given below:

- A. Statement I is true and II is false.
- B. Statement II is true, and I is false.
- C. Both the statements are false.
- D. Both the statements are true.

*Shai* *log*

2. Match the following Method of flotation with their features and choose the correct option.

1

	Method of Flotation		Feature of Flotation
A	Offer through Prospectus	I	Company approaches members of the public indirectly through intermediaries like issuing houses, stockbrokers.
B	Offer For Sale	II	Company approaches the members of the public directly.
C	Private Placement	III	Company can raise finance by allotting securities to selective individuals and institutions only.
D	Rights Issue	IV	Company can raise by only to the existing shareholders to subscribe to the securities of the company as per its terms and conditions.

- A. A (I), B (II), C (III), D (IV)  
B. A (II), B (I), C (III), D (IV)  
C. A (I), B (II), C (IV), D (III)  
D. A (III), B (II), C (I), D (IV)

3. A series of compounding issues such as rising energy and food prices, fiscal instability in the wake of the pandemic, and consumer insecurity have created a new global recession, and global inflation in 2023 is estimated to have reached 6.9 percent. This is the highest annual increase in inflation since 1996. Which dimension of business environment is projected in the sentences?

1

- A. Political  
B. Economic  
C. Social  
D. legal

4. Akash works as a production manager in 'Elite Enterprises' manufacturing LED lights. Due to festive season, there is lot of demand for their lights. Akash was given the task of producing 100 units of LED lights @ ₹200 per unit within 5 days for an urgent order. Akash was able to achieve the target of 100 units of LED lights within 5 days @ ₹198 per unit. Identify from the following whether Akash is:

1

- A. Efficient only  
B. Effective only  
C. Both efficient and effective  
D. Neither efficient nor effective

5. As the span of management increases in an organisation, the number of levels of management in the organization 1
- A. Increases
  - B. Decreases
  - C. Remains unaffected
  - D. Unified
6. Identify the correct sequence of steps involved in the planning process. 1
- A. Evaluating alternative courses, identifying alternative course of actions, setting objectives, Developing premises
  - B. Setting objectives, identifying alternative course of actions, evaluating alternative courses, Developing premises
  - C. Setting objectives, developing premises, identifying alternative course of actions, Evaluating alternative courses
  - D. Setting objectives, evaluating alternative courses, developing premises, identifying alternative course of actions,
7. Indian Railways has launched a new broad gauge solar power train which is going to be a path breaking leap towards making trains greener and more environment friendly. The solar power DEMU (Diesel Electric Multiple Unit) has 6 trailer coaches and is expected to save about 21,000 liters of diesel and ensure a cost saving of ₹12, 00,000 per year. Name the objectives of management achieved by Indian Railways in the above case. 1
- A. Organisational
  - B. Personal
  - C. Social
  - D. Marketing
8. Lavanya runs a Play School from her residence. Recently, she placed an order online for 200 chalk boxes. The boxes were delivered to her in a corrugated box. Identify this level of packaging which facilitated movement of the product. 1
- A. Primary package
  - B. Secondary packaging
  - C. Transportation packaging
  - D. Brand packaging
9. The decision by the United Kingdom to leave the European Union in December 2020 has caused economic ambivalence, particularly for UK businesses that trade with the EU. There 1

are concerns about the impact on trade and investment, as well as the possibility of increased regulation and tariffs.

Which feature of the business environment is highlighted by this point?

- A. Uncertainty
- B. Dynamic nature
- C. Relativity
- D. Complexity

10. The tool of communication used by the marketer shown in the picture below is.

1



- A. Advertising
- B. Personal Selling
- C. Public relation
- D. Sales Promotion

11. Who holds and keeps securities in electronic form on behalf of the investor?

1

- A. Securities and Exchange Board of India
- B. Depository
- C. Depository participants
- D. Industrial Development bank of India

12. Suhasini bought a box of cheese of a reputed brand from a local shopkeeper. On opening the box, she found a piece of stone in the cheese. She reported the matter to the shopkeeper who forwarded her complaint to the concerned company. Within a week, the representative of the company visited Suhasini's residence with an apology and as a replacement offered her a new cheese pack with four other varieties of cheese as compensation for the inconvenience to her. State the consumer right with Suhasini exercised.

1

- A. Right to safety
- B. Right to be informed





- C. Right to seek redressal.
- D. Right to be heard
13. Principles of science are based on cause-and-effect relationship. Identify the feature of science to which above statement is related? 1
- A. Systematised body of knowledge
- B. Principles based on experimentation.
- C. Universal validity
- D. Personalised application
14. Name the process which coordinates human efforts, assembles resources, and integrates both into a unified whole to be utilised for achieving specified objectives. 1
- A. Management
- B. Planning
- C. Organising
- D. Directing
15. Maya, the owner of the firms, sets production target for each day and month in consultation with the production manager and supervisors. They decided that deviations between standard production and actual production up to 5% is acceptable. Deviations beyond this, should be reported. Identify the concept mentioned above. 1
- A. Managerial by exception
- B. Key responsibility areas
- C. Critical Point control
- D. Budgetary control
16. Ashan Ltd. is a natural and ethical firm that specialises in providing organic bathing items for men and women. The company uses plant-based elements in its goods and is the country's leading organic brand. It not only meets the needs of its clients, but it also believes in environmental conservation as a whole. Determine the marketing management philosophy that 'Ashan Ltd.' employs. 1
- A. Social marketing concept
- B. Selling concept
- C. Production concept
- D. Product concept
17. As a result of major government initiatives, more and more people are going 'green'. In order to keep in line with the trend, 'Clapaway' a carpet cleaning company has advertised that they 1

only use natural cleaners that come from renewable resources and that all their service vehicles are hybrid vehicles that use both gas and electricity. Identify one of the points related to the importance of business environment and its understanding by managers which is being highlighted in the above case.

- A. It helps in assisting in planning and policy formulation.
- B. It helps in coping with rapid changes.
- C. It helps in improving performance.
- D. It enables the firm to identify opportunities and getting the first mover advantage.

18. According to the modern marketing concept, which of the following statements is true? 1

- A. It refers to the group of people who do not have the ability but willingness to buy a Particular product.
- B. It refers to only the set of people who have the purchasing power to buy a particular product
- C. It refers to the set of actual and potential buyers for a product.
- D. It refers only to the people who show interest in a particular product.

19. A tea company is attempting to expand its operations. It recognises that the function of the intermediaries will be crucial in this regard. A conference of top management is called, and the causes that are causing the distributors' potential to be underutilised are discussed. Intermediaries play a critical function in a product like tea. The company has decided to offer them discounts and to launch a robust promotional effort to entice them to participate. In the example above, which aspect of the marketing mix is highlighted? 1

- A. Product
- B. Place
- C. Price
- D. Promotion

20. 'The use of debt increases the financial risk of a business.' The factor determining the choice of an appropriate capital structure of a company highlighted in the above statement is: 1

- A. Debt Service Coverage Ratio
- B. Risk consideration
- C. Cost of debt
- D. Flexibility



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

**OR**

If anything goes wrong with the performance of key activities, the entire organisation suffers. Therefore, the organisation should focus on them.’ Explain the statement with a suitable example.

22. Human resources are the most important asset of an organisation. The ability of an organisation to achieve its goal depends upon the quality of its human resources. The General Manager of 'Allied and Sons' appointed an IIM graduate, Pawan Rai, specialised in finance as Marketing Manager. On monthly evaluation, it was found that Pawan Rai's performance was not up to expectations, and he was not able to meet the monthly targets of the organisation. The Chief Executive Officer (CEO) of the company asked for investigation into the matter. The CEO was told that Pawan Rai has specialisation in finance but was appointed as a Marketing Manager. The CEO discussed this matter with the General Manager and explained to him the importance of putting the right person at the right job. He further explained that it would not only lead to higher performance but would also provide many other benefits. Besides the benefits of putting the right man at the right job, state the three other benefits which the CEO might have explained to the General Manager that are not given in the above para 3
23. SEBI proposed the introduction of a system of testing and certification of persons working in the securities markets and for those intending to take up employment with securities markets intermediaries. An extensive training programme has also been commenced by the National Securities Depository Limited (NSDL) for training employees of depository participants in the software that has been developed for use by participants and in the other aspects of depository operations. 3

**OR**

Lalita wants to buy shares of Akbar Enterprises, through her broker Kushvinder. She has a Demat Account and a bank account for cash transactions in the securities market. Discuss the subsequent steps involved in the screen-based trading for buying and selling of securities before Kushvinder issues a Contract Note.

24. Specialists usually think that they only are qualified to evaluate, judge, and decide according to their professional criteria. They do not take advice or suggestions from others in matters pertaining to their area of specialisation. This often leads to conflict amongst different 3

specialists as well as others in the organization. Which quality of management is lacking in the above case and explain any two characteristics of the quality of management identified.

25. As the markets are globalizing, the direct link between the manufacturer and the final user getting distant, post purchase grievances have to be heard through a strong redressal system. For this, Consumer disputes redressal agencies are set up under the Consumer Protection Act at different level to provide simple and inexpensive quick redressal against consumer complaints. Explain the redressal mechanism available to consumers under the Consumer Protection Act, 2019 4
26. Aval Ltd. is engaged in the business of export of canvas goods and bags. In the past, the performance of the company had been up to the expectations. In line with the latest demand in the market, the company decided to venture into leather goods for which it required specialised machinery. For this, the Finance Manager Prabhu prepared a financial blueprint of the organisation's future operations to estimate the amount of funds required and the timings with the objective to ensure that enough funds are available at right time. He also collected the relevant data about the profit estimates in the coming years. By doing this, he wanted to be sure about the availability of funds from the internal sources of the business. For the remaining funds, he is trying to find out alternative sources from outside. 4
- a. Identify the financial concept discussed in the above paragraph.
  - b. State the objectives to be achieved by the use of financial concept identified in (a)
27. Ms. Jayshree recently completed her Post Graduate Diploma in Human Resource Management. A few months from now a large steel manufacturing company appointed her as its human resource manager. She is aware that the staffing function in the management process is the timely fulfillment of the manpower requirements within an organization. At present Jayshree is busy in the process of choosing the right candidate from among the pool of prospective job candidates developed. 4
- a. Identify the step that is performed by Ms. Jayasree as a human resource manager.
  - b. Explain the next two steps that Jaysree has to follow after the step identified in (a)

**OR**

Identify and explain two Internal sources of recruitment when the present employees are insufficient to fulfil the specifications of the job to be filled.

28. (a) State any four 'Semantic barriers' to communication. 4
- OR**
- (b) State any four measures to overcome barriers to communication.

29. Tata Ltd offers its employees an incentive over and above the wages/ salary. 4
- Identify the incentive offered by the company and state the type of incentive discussed above.
  - State and explain two other incentives of the type of incentive identified in (a) above.
30. Zenith Mall is a famous shopping mall in Mumbai, owned by Pinnacle Group. It is very popular for its international and national brands of fashionable clothes, restaurants, cinema halls and food courts. 4
- The management of Pinnacle Group is planning to raise funds for further requirements of the business. This decision was very crucial to the management as it determines the overall cost of capital.
- Identify and state the financial management decision involved in the above case.
- State any two factors affecting the decision identified in (i) above.
31. 'Smart Watch Ltd.' is a watch manufacturing company marketing smartwatches for adults. The company now wants to manufacture smart watches for children also. For this it gathered and analysed market information, did marketing planning, product designing and development, standardisation and also decided about the packaging, labelling, branding, pricing, warehousing of these smart watches. Even after doing all the above stated activities the company is not picking up the sales. The Chief Executive Officer of the company asked the Marketing Manager to find out the reason. The Marketing Manager investigated the matter and found out that his marketing team had not performed the three important functions of marketing which may help the company not only in boosting the sales but also in getting repeat sales. Identify and explain the functions of marketing which were not performed by the marketing team. 6
32. Explain the technique of 'Functional Foremanship' and the concept of 'Mental Revolution' as enunciated by Taylor. 6

**OR**

Explain the following Principles of management given by Fayol with examples:

- Unity of direction
  - Equity
  - Espirit de corps
  - Order
33. Kiran Industries is a company dealing in office furniture. The company chose to diversify its operations to improve its growth potential and increase market share. As the project was important, many alternatives were generated for the purpose and were thoroughly discussed 6

amongst the members of the organisation. After evaluating the various alternatives, Sukhvinder, the Managing Director of the company, decided that they should add 'Home Interiors and Furnishings' as a new line of business activity.

(i) Name the framework, which the diversified organisation should adopt, to enable it to cope with the emerging complexity? Give one reason in support of your answer.

(ii) State any two advantages and two limitations of the type of framework identifies in (i) above.

34. Two years ago, Madhu 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. Madhu 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.

### OR

After completing a diploma in Bakery and Patisserie, Della sets up a small outlet at Goa Airport to provide a healthy food option to the travelers. To begin with, she has decided to sell five types of patties, three types of pizzas and low sugar muffins in four flavours. Thus, by deciding in advance what to do and how to do, she is able to reduce the risk of uncertainty and avoid overlapping and wasteful activities. But sometimes her planning does not work due to some unavoidable circumstances like cancellation of flights due to bad weather conditions, government alert etc. which adversely affects her clientele.

In context of the above case:

1. Identify and explain the points highlighting the importance of planning mentioned in the above paragraph.
2. Describe briefly the limitation of planning which adversely affects Della's business.

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

