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SET C



**INDIAN SCHOOL MUSCAT
FIRST PRE-BOARD EXAMINATION
BUSINESS STUDIES**

CLASS: XII	Sub. Code: 054	Time Allotted: 3 Hrs.
14.03.2021		Max. Marks: 80

General Instructions:

1. This question paper contains 34 questions.
2. Marks are indicated against each question.
3. Answer 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 | The objective of management which consistently creates economic value for various constituents of society is : | 1 |
| | <ol style="list-style-type: none"> a) Organizational objective b) Social objective c) Personal objective d) Both Social and Personal objective | |
| 2 | The principles of management are said to be flexible as : | 1 |
| | <ol style="list-style-type: none"> a) They aim at influencing behavior of human beings. b) They are general guidelines to action, but do not provide readymade solutions to management problems. c) They can be modified by the manager when the situation so demands. d) Their application is dependent upon the prevailing situation at a particular point of time | |
| 3 | Which of the following is not a step in the process of planning? | 1 |
| | <ol style="list-style-type: none"> a) Making assumptions about the future. b) Evaluating different proposals in light of the objectives to be achieved. c) Allocation of jobs to members of each department. d) Seeing whether activities are performed as per schedule or not. | |
| 4 | For delegation to be effective, it is necessary that authority granted must be commensurate with assigned _____ | 1 |
| | <ol style="list-style-type: none"> a) Responsibility b) Accountability c) Freedom d) Discipline | |
| 5 | -----will be a futile exercise if it is not acted upon or implemented. | 1 |

- 6 Which statement is not correct, with respect to 'Organization Structure'? 1
- Ensures coordination among human and physical resources.
 - Ensures smooth flow of communication.
 - Specifies relationship between people, work and resources.
 - Establishes standards for controlling.

- 7 Match the following based on the Planning function 1

A. Follow-up action	i) Monitoring the plans
B. Evaluating alternative	ii) Assumption about future
C. Developing Premises	iii) Weigh the pros and cons

- A-ii B- iii C- i
 - A-i B – iii C – ii
 - A – iii B – ii C – i
 - A –ii B – i C - iii
- 8 Arnav has recently started a business to sell computers. He hired a shop in Nehru Place in New Delhi, where he assembles various components to make computers and 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 above is : 1
- Management is a continuous process.
 - Management is pervasive.
 - Management is dynamic.
 - Management is a group activity.

Read the following text and answer question no.9-11 on the basis of the same:

Samita had been working as an assistant manager with Johnson Enterprises for the last ten years. She was very popular amongst her colleagues because of her commitment and dedication towards work. When the manager senior to her retired, all her colleagues thought that now Samita would be promoted. But to everyone's surprise, the vacant post was filled by an outsider, Mrs. Rita. Samita felt demoralized and her performance started declining. She would absent herself often and could not meet her targets.

Mrs. Rita was a good leader who would not only instruct her subordinates but would also guide and inspire them. She notices Samita's behaviour and felt that her performance could be improved. She started involving Samita in the decision-making issues related to the organization and made her a part of a high level joint-management committee. Samita was now punctual in office and her performance started improving.

- 9 Mrs. Rita is an example of Free – reign leader. (True / False) 1
- 10 Identify the element of the function mentioned in the passage. 1
- 11 Promotion is ----- type of incentive. 1

- 12 Sunita took her niece, Aishwarya for shopping to 'Benetton' to buy her a dress on the occasion of her birthday. She was delighted when on payment for the dress she got a discount voucher to get 20% off for a meal of ₹ 500 or above at a famous eating joint. 1
Identify the technique of sales promotion used by the company in the above situation.
- a) Discount.
 - b) Rebate.
 - c) Usable benefit.
 - d) Product combination.
- 13 'Temptations' is a food joint in Imperial Mall in Bengaluru. It is becoming popular among students and working people due to healthy, on-the-go dishes on its menu like 'Paneer Wrap', 'Chickpeas Salad', 'Grilled Sandwiches', etc. It has now decided to open two new branches in other parts of Bengaluru. 1
Which financial decision has been discussed in the above case?
- a) Long-term investment decision
 - b) Short-term investment decision
 - c) Dividend decision
 - d) Financing decision
- 14 While the product _____ sets the lower limit of the price, the utility provided by the product sets the upper limit of price, which a buyer would be prepared to pay. 1
- a) Quality
 - b) Cost
 - c) Differentiation
 - d) Availability
- 15 Using external sources for filling vacant positions: 1
- (i) Gives a wider choice.
 - (ii) Simplifies the process of selection.
 - (iii) Instils a competitive spirit among the existing employees.
 - (iv) Does not infuse fresh talent in the organisation.
- Choose the correct option from the following :
- a) (i) and (ii)
 - b) (i) and (iii)
 - c) (i), (iii) and (iv)
 - d) (ii) and (iv)
- 16 Who among the following is not considered a consumer under the Consumer Protection Act? 1
- a) A person who buys any goods for a consideration which has been paid.
 - b) A person who avails of any service for a consideration which has been promised.
 - c) A person who avails of a service for a commercial purpose.
 - d) Any user of goods when such use is made with the approval of the buyer.
- 17 -----test is a measure of an individual's potential for learning new skills. 1

Read the following text and answer question no.18-20 on the basis of the same:

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.

- 18 Identify the money market instrument used by 'The Oberoi Bank Ltd.' to raise funds. 1
- 19 The money market instrument used by the banks to maintain Cash Reserve Ratio is ----- (call money / commercial paper). 1
- 20 Reserve bank of India is a participant of money market and capital market. (True / False) 1
- 21 'Stay Fit', a probiotic drink was launched in the market by Dabal India Ltd. and is available in various cities across the country. Doctors are recommending it as it is very useful for the stomach. The company is also using various tools to inform and persuade customers about its product. It has recently started free distribution of its samples to encourage the customers to know about its benefits to buy this probiotic drink in future. The company has also appointed a large number of salespersons, who contact the prospective buyers and communicate with them to make sales. This way, the company is able to develop personal rapport with its customers. This way the company is using a combination of communication tools to inform and persuade customers about their firm's product.
Identify and explain these tools. 3
- 22 Explain any two Limitations of Planning. 3
23. With changes in the consumption habits of people, Neelesh, who was running a sweet shop, shifted to the chocolate business. On the eve of Diwali, he offered chocolates in attractive packages at reasonable prices. He anticipated huge demand and created a website chocolate.com for taking orders online. He got a lot of orders online and earned huge profits by selling the chocolate. 3
- Identify and explain the dimensions of business environment discussed in the above case.
- 24 Explain the following steps in the process of staffing : 3
- a) Performance Appraisal
 - b) Promotion and Career Planning
 - c) Compensation
- 25 Is management an Art? Explain. 4
- OR**
- Explain the importance of coordination. (Any four points)
- 26 After completing his studies, Mahesh started working in a Non-Governmental Organization (NGO) as an Administrative Officer. The organization is engaged in activities related to consumer welfare. One day when his mother returned home after shopping, she gave him the mixed fruit juice which she had bought. After consuming the juice, Mahesh started feeling uneasy. On checking, he found that the juice packet purchased was without FPO mark. He realized that there is a strong need to educate consumers about rights, responsibilities and relief available to the consumer. 4
- a) Identify the type of quality mark assigned to Industrial products.
 - b) State any three relief available to the consumer as per the consumer protection Act.
- 27 State any four benefits of training to the Employee. 4

- 28 Briefly explain the Maslow's hierarchy of needs with example. 4
- 29 Aditya owns a factory manufacturing motor spare parts. He planned a quarterly production of 500 units. In the first quarter, the workers achieved the target but from the second quarter, the production dropped to 400 - 450 units. Aditya tried his best to motivate his workers and announced overtime for extra hours of work and provided them all facilities which were required for better working conditions, but the workers could not achieve the target. He did not know which factor was demanding more managerial attention. 4
- i) From the following, identify which function of management will help Aditya in finding out the factors responsible for non-achievement of targets
 - ii) Explain three features of the function identified (i)
- 30 These days, the development of a country is also judged by its system of transferring finance from the sector where it is in surplus to the sector where it is needed the most. To give strength to the economy, SEBI is undertaking measures to develop the capital market. In addition to this, there is another market in which unsecured and short-term debt instruments are actively traded every day. These markets together help the savers and investors in directing the available funds into their most productive investment opportunity. 4
- Name the market segment other than the capital market segment in which unsecured and short-term debt instruments are traded. Also, give any three points of difference between the two.
- 31 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 tons 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 less than 2,000 crore. Presently the capital structure comprises equity only. The Finance Manager of the company suggested that since the stock markets are undergoing a bearish phase, it should issue debentures. 6
- a) Is it justified to raise funds by issuing debentures? Give 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.
- 32 Explain the following principles of management : 6
- a) Harmony Not discord
 - b) Division of work
- 33 Explain the following as significance of 'organizing' function of management : 6
- a) Benefits of specialization
 - b) Clarity in working relationships
 - c) Development of personnel

OR

Explain the steps in the process of organizing as a function of management.

34 A company was marketing water purifiers which were very popular due to their quality and after sales services provided to the customers. The company was a leading company in the market and earning huge profits. Because of huge profits, the company ignored the after sales services. As a result, its relations with customers got spoiled and the image of the company was damaged in the public. The top management became concerned when the profits for the current quarter fell steeply. On analysis, it was revealed that ignoring the after sales services was its reason. Therefore, the company took all possible measures to protect and promote its favourable image in the eyes of the public. As a result, the goodwill of the company improved in the society. 6

- a) Name and state the communication tool used by the marketer in the above case to improve its image.
- b) Also explain role of the tool as identified in part (a)

End of the Question Paper