Business Studies Class 12

Sample paper (2019-20)

Duration: 3 hours | Maximum Marks: 80

Section – A

Q.N.	Question	Max marks
1	Management is a. A Science; b. An Art; c. both science and art; d. Neither.	1
2	The purchase, production and sales managers at Sharda Ltd, a firm manufacturing readymade garments are generally at a conflict, as they have their own objectives. Usually each thinks that only they are qualified to evaluate, judge and decide on any matter, according to their professional criteria. Name the concept which will be required by the CEO Mr. Raman, to reconcile the differences in approach, interest or opinion in the organisation.	1
3	Principles of management are NOT: a. Applicable only in large firms; b. Formed by practice and experience of managers; c. Flexible; d. Contingent	1
4	_____ is considered a major element of the political environment: a. The extent and nature of government intervention in business; b. planned outlay in public and private sectors; c. Expectations from the work force; d. Administrative order issued by government authorities.	1
5	Name the step in the process of planning which is considered the "real point of decision making".	1
6	_____gives shape to the organisation structure. a) Extent of delegation; b) Span of Management; ;c) No of employees; d) Planning	1
7	Astra Builders has to deliver the flats to its buyers on time. Due to this there is a sudden rush of work. Therefore, the company needs to arrange workers to work at the sites at a short notice. The source of recruitment which may be used by the company to tap the casual vacancy is: a. Direct recruitment; b. Advertisement; c. Recommendation of employees; d. Employment Exchange.	1
8	SCT services CEO RajanGopinath's compensation includes salary, commission and other allowances. The company also pays for his insurance and vacations. Identify one indirect payment being made by the company to the CEO. a.Employer paid Insurance; b. Salary; c. Commission; d. Allowances.	1
9	At Support.com, there is no reward or appreciation for a good suggestion. Thus, the subordinates are not willing to offer any useful suggestions to their superiors. Identify the type of barrier to communication that has been created in the firm due to this. a. Semantic barrier; b. Personal barrier; c. Organisational barrier; d. Psychological barrier	1
10	M.R.Sarthi, the Ex-chairman of Swadesh Ltd, built up his successor before retiring. Following the norms set up by himself, he handed over the reins of the company to the co-founder Mr. Shravan, who had the potential to bring about change in the behaviour of others. Name the concept of management which was the reason why Mr. Sarthi chose Mr. Shravan to be his successor. A. Motivation; B. Leadership; C. Communication; D. Staffing.	1

11	An important project at AMB consultants is running behind schedule by a month. This has upset their clients and might affect the reputation of the company in the long run. No managerial action like assigning more workers, equipment or giving overtime has been able to solve the problem. What managerial action may now be taken by the company to avoid such a situation from arising in the future? A. Revise the schedule; B. Assigning additional workers and equipment to the project; C. Get permission for further overtime work; D. Both B&C.	1
12	A decision to acquire a new & modern plant to upgrade an old one is known as _____decision. a) Financing decision; (b) working capital decision; (c) Investment decision; (d) Dividend decision.	1
13	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. (a) Trading on equity; (b) Low risk; (c) Low cost of equity ; (d) Greater flexibility.	1
14	Vikrant joins his father's business of Organic masalas, near Kotgarh in Himachal after completing his MBA. In order to capture a major share of the market, he decided to sell the product in small attractive packages by using the latest packaging technology. His father suggested that they hire financial consultants to estimate the amount of funds that would be required for the purpose & timings when it would be required. The concept being discussed by Vikrant's father, links which financial decision with the investment decision.? a.)Dividend decision ;(b) Financial Planning; (C) capital structure decision; (d) Financing decision.	1
15	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? (a) Protective functions; (b) Regulatory functions; (c) Development functions; (d) All the above.	1
16	Large scale production done to reduce the average cost of production is the essence of _____concept of Marketing management. a) Product; b) Selling; c) Production; d) Marketing	1
17	Saumya decided to start a business of selling dress material from her house. She did various online surveys to find out about the preferences of prospective customers. Based on this, she prepared a detailed analysis of the business. She then made important decisions including deciding about the features, quality, packaging, labelling and branding of the dress material. Identify the element of Marketing Mix discussed above. (a)Promotion; (b) Market; (c) Product; (d) Place.	1
18	Tomato Ltd., a food delivery service app has recently faced criticism for the tampering of their product, by their delivery boys. Tomato Ltd. decided to put a hologram seal on the food packets in order to protect the contents from spoilage, leakage, pilferage, damage, along with a tag with a safety warning for the consumers to check the seal. Which concept of marketing discussed above is	1

	performing the important function of communicating with the potential buyer and promoting the sale. (a) Branding; (b) Product designing and development; (c) labelling; (d) packaging.	
19	Asserting oneself to ensure that one gets a fair deal, is the right of a consumer. (True/False)	1
20	Sheela went to a free eye camp & got her eyes operated for cataract. The surgery was not done properly, due to which she lost her vision. Where can she file a complaint under consumer protection act? (a) At District forum (b)State commission (c) National Commission (d) None of above	1

Section – B

Q.N.	Question	Max marks
21	List any three tasks that Mr. Armstrong needs to do, as a production manager, in his firm, to carry out the plans laid down by the top managers. Or Enumerate the three economic objectives of management.	3
22	"Delegation of authority, undoubtedly empowers an employee to act for his superior, but the superior would still be accountable for the outcome. Explain the elements of delegation of authority discussed above.	3
23	Banwari Lal is a cloth merchant in Karol Bagh. His grandsons are requesting him to let them diversify the business into bridal wear. Banwari Lal has agreed but on the condition that they will follow the function of management he has always followed, which helps an organisation in keeping track of the progress of activities and ensures that the activities conform to the standards set in advance so that the organisational goals are achieved. Name the function of management which Banwari Lal is asking his grandsons to follow. List any two reasons why it is considered an indispensable function of management.	3
24	The Research & Development department of Healthy Production Ltd. has decided to diversify from manufacturing health drinks to cereals made from millets. They are well aware of the fact that the company will have to communicate to the people the benefits of eating millets. For this purpose, they plan to sponsor various events like marathons and encourage people to switch to healthy eating through newsletters. a) Identify and briefly explain the promotional tool being discussed above. b) Also explain any two other promotional tool that can be used by the company, apart from the one discussed above.	3
25	Rita Sharma who works as a guard in a school, purchased two shirts for ₹460 each for her son. When she went back home, she realised that the shirt was small in size for her son. She decided to ask for return of money or exchange of the shirt with an appropriate size. But the store owner refused to return the money or exchange the shirt. Rita Sharma was disheartened. Her friend advised her to go to 'Seva Sadan', an autonomous voluntary organisation working for the protection of consumer	3

	welfare. The organisation helped her by explaining to her the legal procedure, as well as educated her about her rights as a consumer and helped her in filing the complaint and getting relief. With the help of the organisation Rita was able to get her money back from the store. Enumerate the rights of a consumer which Rita Sharma was able to exercise with the help of the voluntary organisation.	

Section - C

Q.N.	Question	Max marks
26	The Government is considering a pioneer proposal to launch a single debit-cum-credit card to increase the ease and usage for the consumers. The card which will be called the "National Mobility Card" will have unique advantages for making payments in metro, buses, parking and making transactions during visits abroad. After hearing this news, Mega Bank decided to launch a "Mega Mobility Card" on similar lines , so that they could be the first to exploit the opportunity, arising due to the increasing trend of digitization. In order to improve their performance, they laid down a plan to hire more people in their marketing department and prepared guidelines to train their sales force to market the new card facility being launched by the bank. By quoting the lines, identify and explain any two points of importance of understanding Business Environment discussed above.	4
27	Infocom has diversified itself into several product lines: Telecommunications, Engineering, financial services. Each subsidiary is self-sufficient with their-own administrative functions, propagating the belief that people can assume the responsibility for the effective implementation of their decisions and should be given autonomy. This has reduced the need for direct supervision by superiors, has promoted flexibility, initiative and faster decision making. The orders of customers are never delayed, as a result of good policy decisions of top management. (a). Identify and explain any two points of importance of the concept being discussed above. (b). Name and briefly explain a suitable framework for the company within which the managerial and operating task are to be performed.	4
28	State any four factors which affect the determination of the price of the product. OR State the four components of physical distribution?	4

Section – D

Q.N.	Question	Max marks
29	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 Name and explain with a suitable example the technique of Scientific Management given by Taylor to differentiate between the efficient and the inefficient workers.	5

30	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: a) 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. b) to change the criteria for choosing vendors for procuring supplies; c) 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. What are standing plans and single use plans? Briefly explain the plans discussed above, which can be classified as standing plans, by quoting the lines.	5
31	What is meant by Capital Budgeting? State any four factors affecting fixed capital requirement of a firm. **OR** Enumerate any five points of importance of financial planning.	5

Section - E

Q.N.	Question	Max marks
32	Ali Mohammad the CEO of Super Ltd believes that human resource is the most important asset of the firm. He believes that no organisation can be successful unless it can fill and keep filled the various positions provided for in the structure with the right kind of people. Identify the function of management being discussed above and state the benefits to the organisation that its proper application in the firm will ensure.	6
33	What is the meaning of Directing? State any four points of importance of Directing as a function of management. OR What is the meaning of motivation? State the features of motivation as an element of Directing.	6
34	Kynaa, a beauty products e-commerce company, is diversifying into men's grooming. It is also tapping the demand for beauty products in the fashion industry and amid professionals such as make-up artists. As it diversifies its online presence, Kynaa is also expanding its physical presence. They have 41 outlets across 18 cities presently and plan to expand to 180 outlets. Each store requires a capital expenditure of 60-80 lakh rupees. The company has decided to raise funds by issuing equity shares but not directly to the public, rather by offering them for sale through brokers. Identify and briefly explain the method of floatation followed by the company. Also name & explain the other methods of floatation that can be used by the company for raising funds from the public, in the primary market.	6

	OR Radhika got 10, 00,000 rupees after selling her parental property which she had got as a gift from her grandmother. Her friend advised her to invest in securities in the stock market. Radhika was unaware of the procedure for the same. Her friend introduced her to a stock broker, who was registered with the National Stock Exchange. Radhika approached the broker. The broker guided her to open a DEMAT account with a Depository, as well as a Bank account. Radhika opened a Bank account & DEMAT account with Exin Bank. (a) Identify the steps in the trading procedure for buying and selling of securities which have been discussed above. (b) State the next four steps of the trading procedure.	