

SAMPLE Question Paper 11

(Unsolved)

BUSINESS STUDIES

A Highly Simulated Practice Question Paper for
CBSE Class XII Examination

Time : 3 hrs

M.M. : 80

General Instructions

1. Answer to questions carrying 1 mark may be from one word to one sentence.
2. Answer to questions carrying 3 marks may have about 50 to 75 words.
3. Answer to questions carrying 4 marks may have about 150 words.
4. Answer to questions carrying 6 marks may have about 200 words.
5. Attempt all the parts of a question together.

SECTION A : Objective Type Questions (1 Mark)

1. With the introduction of mineral water bottle in India, Visthi was able to capture the big market share in India. Identify the importance of business environment highlighted in the above lines.
 - (a) Helps in tapping resources
 - (b) Identifying threat and getting warning signals
 - (c) Help to identify opportunities and getting first mover advantage
 - (d) Helps in policy making
2. Fitgo Company is adopting a promotional tools, which plays a persuasive, service and informational role thereby link a business firm to its customers. Identify this promotional tool.
 - (a) Sales promotion
 - (b) Personal selling
 - (c) Public relations
 - (d) Advertising
3. The speculator who expects fall in price of securities is called on a stock exchange.
 - (a) bear
 - (b) bull
 - (c) elephant
 - (d) None of these
4. The function of marketing management, concerned with informing the customers about the firm's product is
 - (a) market analysis
 - (b) standardisation
 - (c) promotion
 - (d) grading

After the lockdown was eased, they adjusted their target as per the human as well as non-human resources. The team considered the impact of various policy changes towards the sector to decide the further plan of action.

17. Which step of planning is highlighted in the lines, "After the lockdown was eased they adjusted their target as per the human as well as non-human resources"?
- (a) Setting objectives (b) Developing premises
(c) Identifying alternative course of action (d) Selecting an alternative
18. Which limitation of planning is highlighted in the lines, "But suddenly due to pandemic, lockdown was imposed and they couldn't assemble TVs for 2 months thereby causing huge losses to the company"?
- (a) Planning leads to rigidity
(b) Planning involves huge costs
(c) Planning does not guarantee success
(d) Planning may not work in dynamic environment
19. Which step of planning is highlighted in the lines, "The team considered the impact of various policy changes towards the sector to decide the further plan of action"?
- (a) Selecting an alternative
(b) Evaluating alternative courses
(c) Identifying alternative courses of action
(d) Developing premises
20. Which limitation of planning is highlighted in the lines, "An idea struck Kamlesh which would reduce the assembling time of TVs but would also reduce the cost of TVs. However, his supervisor shunned him and ordered him to complete work by the suggested methods and techniques decided earlier"?
- (a) Planning leads to rigidity (b) Planning reduces creativity
(c) Planning is a time consuming process (d) Planning involves huge costs

SECTION B : Short Answer Type I Questions (3 Marks)

21. A decision in financial management is basically concerned about how much to raise and from which source. Name the type of decision. Also, explain two vital factors to be kept in mind while taking such decisions.
22. Blue Birds Ltd is a Pvt Ltd company engaged in the production and distribution of petrochemicals. Lately, due to stiff competition in the market, the profits of the company steeply dropped. On analysing deviations and finding corrective measures, the managers decided to motivate employees through incentives. Consequently, Blue Birds Ltd offers to its employees, shares at a price which is less than the market price.
- (i) Name and explain the type of incentive offered to employees.
(ii) Explain one more incentive of the same category.
23. "Is training beneficial for employees"? Explain with reasons.

Or

As per the manager of AED Ltd, recruitment is a positive process. Do you agree with the view of manager? If yes, give reasons in support of your answer.

24. Why management is considered as multi-dimensional function? Explain.

Or Reliance Trust's contributions to the community, are in the areas of health, education, infrastructure development (drinking water, improving village infrastructure, construction of school, etc.), environment (effluent treatment, tree plantation, treatment of hazardous waste), relief and assistance in the event of a natural disaster, etc. Which objective of an organisation is depicted in the above stated case?

SECTION C : Short Answer Type II Questions (4 Marks)

25. "Controlling is a pervasive and goal oriented function". Explain.

26. Discuss briefly the various forms of organisational structure.

Or

The marketing manager of Khushi Power Ltd, an organisation manufacturing generators, has been asked to achieve a target sale of 85 generators per day. He delegates the task to 12 sales managers and 4 subordinates working under him. Identify the concept used in the case and state some of its importance.

27. In order to meet the fund requirements at the time of expansion, Unilive Ltd. is planning to propose the issue of 20,000 12% Debentures of ₹ 100 each and certificate of deposit of ₹ 75,00,000.

(i) Identify the markets from where company is planning to arrange funds by quoting the lines from the question.

(ii) Distinguish between the markets so identified in point (i) above, on any two basis.

28. Mr Seth and his wife had booked business class tickets for Air Mindo Flight from New York to Mumbai on 14th October, 2011 and paid a total of ₹ 2,43,241. The complainants had paid for business class seats, but had been provided defective seats. As a result, they had to bear physical discomfort and mental harassment. Air Mindo was found guilty of deficiency in service.

The Consumer Disputes Redressal Forum, Ahmedabad (Rural), allowed Mr and Mrs Seth to file a complaint by Consumer Education and Research Society (CERS), Ahmedabad, against the Regional Manager of Air Mindo, Ahmedabad and the Commercial Director of Air Mindo, Mumbai. It was observed by the forum that the airline was guilty of deficiency in service and directed it to refund the Seth's ₹ 2,43,241 with 9% interest from the date of complaint.

(i) Is the step taken by them appreciable or not?

(ii) What are the other possible reliefs they could ask for? State any three.

Or

Amrish purchased a medicine from Mangal Medical Store for his son, who had high headache. Even after giving the medicine, his son's condition did not improve and he had to be hospitalised. Doctor informed Amrish that medicine given to his son was spurious. Amrish complained about this to Mangal Medical Store.

As a result, Medical Store decided to file a complaint against the manufacturer with the Consumer Court. Can Mangal Medical Store do this? Give reason in support of your answer. Also, mention who can be a consumer as per Consumer Protection Act, 1986.

29. "Controlling is an indispensable function of management." Do you agree? Give three reasons in support of your answer.
30. Explain the meaning of 'Web publishing' and 'Campus recruitment'.


SECTION D : Long Answer Type Questions (6 Marks)

31.

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Amount/serving	%DV*	
Total Fat	3.5g	5%
Salt Fat	2g	10%
Cholesterol	20mg	7%
Sodium	20mg	1%
Total carb.	17g	6%
Fiber	0g	0%
Sugars	7g	0%
Protein	2g	

*Per cent Daily Values (PV) are based on a 2000 calorie diet

Vitamin A 0%, Vitamin C 0%, Calcium 0%, Iron 4%

Nutrition Facts

Serving Size: 1
cookie-approx (23g 0.8 oz.)
Servings per Package: 40
Calories 100
Fat Calories 3C

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It is the label of a biscuit. As per the reader's understanding, what are the information which are not mentioned in the label. Which right is violated here?

32. It is deciding in advance what to do and how to do? It is one of the basic managerial functions. It requires that before doing something, the manager must formulate an idea of how to work on a particular task. This function is also closely connected with creativity and innovation.

In spite of this, the function of management referred above has number of limitations. Explain any four such limitations.

Or

What do you mean by functional structure? Explain its any two advantages and any two disadvantages.

33. Pawell Corporation, a large diversified manufacturer of aircraft components, is trying to determine the initial investment required to replace an old machine with a new, more sophisticated model. The present machine is working correctly but in order to upgrade it with new technology, they purchased a new machine for ₹ 8 lakh and an additional ₹ 2 lakh will be required to install it.

After the depreciation, the value of the machine becomes zero but the owner is not ready to analyse the situation. Finally, the firm has found that a buyer is willing to pay ₹ 5 lakh for the present machine and the firm refused it.

- (i) Find out the decision taken by him and define it.
 - (ii) State the factors affecting such decision.
34. Explain the work study techniques of scientific management given by FW Taylor.

Or

With the help of a diagram, explain 'functional foremanship' as a technique of scientific management.

Question Paper 12

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SECTION A : Objective Type Questions

(1 Mark)

1. Reet, Preet and Geet decided to set-up a paper manufacturing unit, dividing its operations in three regional zones, each managed and controlled by one of them. Suggest the type of organisational structure suitable for them.
(a) Functional (b) Divisional
(c) Zonal (d) Both (a) and (b)
2. In spite of many advantages, state how planning can be detrimental?
(a) Planning is detrimental as it involves zero cost
(b) Planning is detrimental as it leads to rigidity
(c) Planning is detrimental as it increases creativity
(d) None of the above
3. Alokik Ltd is engaged in manufacturing plastic containers. The objective of the company is to manufacture 150 containers a day. To achieve this, the efforts of all departments are coordinated and interlinked and authority-responsibility relationship is established among various job positions. There is a clarity on who is to report to whom. Identify the function of management highlighted in the given case.
(a) Planning (b) Directing
(c) Organising (d) Controlling

4. 'Shirt Up' is a company engaged in the production of men's shirt. The company follows Taylor's differential wage rate payment method and has the following piece rate wages

- (i) ₹15 per shirt to every worker who is able to produce the standard output of 8 shirts or more, per day.
- (ii) ₹12 per shirt to every worker who is not able to produce the standard output.

Calculate the wages payable to Satish, who produced 11 shirts.

- (a) ₹ 132
- (b) ₹ 165
- (c) ₹ 33
- (d) None of these

5. Ravi is a supervisor at 'Dhyan Medicos Ltd'. The company manufactures cancer related medicines. Ravi's job is to make sure that the work goes on smoothly and there is no interruption in production. He is a good leader who give orders only after consulting his subordinates and work out the policies with the acceptance of the group. Identify the leadership style adopted by Ravi.

- (a) Autocratic leadership
- (b) Democratic leadership
- (c) Free-rein leadership
- (d) None of these

Or Which is the second need as per Maslow's Theory?

- (a) Physiological needs
- (b) Psychological needs
- (c) Esteem needs
- (d) Security needs

6. Plans are made for a specific time period. At the end of such time period, new plans have to be drawn. Identify the feature of planning.

- (a) Planning is pervasive
- (b) Planning is futuristic
- (c) Planning is continuous
- (d) Planning involves decision-making

7. There is a board meeting going on for the Perfect Solutions Ltd. Two of the top level managers, Mr. Kunal and Mr. Ankit are of a different view when it comes to the kind of working structure of the organisation. Mr. Kunal says that the organisation deals in variety of products, the growth prospects of the organisation are high and that it wants to expand to different territories. Which structure is he fighting for?

- (a) Functional structure
- (b) Matrix structure
- (c) Line structure
- (d) Divisional structure

8. Kalash Dairy Products Ltd is a successful business of making milk. They decided to put a hologram seal on the packet to ensure that product is not tampered with. Which decision is taken here?

- (a) Labelling
- (b) Branding
- (c) Standardising
- (d) Packaging

9. From the following conversation, identify the right highlighted

M/s X : I want to buy a pressure cooker.

Shopkeeper : Ma'am, you can buy this one.

M/s X : Hmm. No, give me that one with on ISI mark.

- (a) Right to safety
- (b) Right to choose
- (c) Right to consumer education
- (d) Right to be informed

Or

"They don't sell what they can make, but they make what they can sell". Which marketing concept is being highlighted in the given statement?

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

10. Match the Column I with appropriate options in Column II.

Column I	Column II
A Commercial papers	(i) Assumes all settlement risks
B Cleaning houses	(ii) Unsecured promissory notes
C SENSEX	(iii) Reflects day-to-day fluctuations in share prices

Codes

A B C

(a) (ii) (i) (iii)

(c) (ii) (iii) (i)

A B C

(b) (i) (ii) (iii)

(d) (iii) (ii) (i)

11. Organisation leads to optimal utilisation of resources which helps in

(a) prevention of confusion

(c) increased project timeline

(b) minimisation of wastage

(d) Both (a) and (b)

12. Financial decisions impacts which of the following items of profit and loss account?

(a) Interest

(c) Tax

(b) Profit

(d) All of these

Read the following text and answer question no. 13-16 on the basis of the same.

MJ Khan was the cost management head of a company in power sector. He has the knack to do tasks very innovatively due to which he is able to increase the productivity. The company has to keep updated with the government regulations and policies, so whenever there is any government circular or notice, he holds meetings to ensure that his department adapts to these changes effectively.

He motivates the team in such a manner that individuals achieve their personal goals and contribute to organisational goals as well in the best possible manner. He helps in adopting new technological changes, generate multiple employment opportunities, provide competitive service to the general public at large. All this makes him a great leader.

13. Which importance of management is highlighted in the lines, "He has the knack to do tasks very innovatively due to which he is able to increase the productivity"?

(a) Helps in achieving group goals

(c) Creates a dynamic organisation

(b) Increases efficiency

(d) Helps in development of society

14. Which importance of management is highlighted in the lines, "He helps in adopting new technological changes, generate multiple employment opportunities, provide competitive service to the general public at large. All this makes him a great leader"?

(a) Helps in achieving group goals

(c) Helps in development of society

(b) Increases efficiency

(d) Helps in achieving personal goals

15. Which importance of management is highlighted in the lines, "He motivates team in such a manner that individuals achieve their personal goals and contribute to organisational goals as well in the best possible manner"?

(a) Helps in achieving group goals

(b) Increases efficiency

(c) Helps in achieving personal objectives

(d) Help in development of society

16. Which importance of management is highlighted in the lines, "The company has to keep updated with the government regulations and policies, so whenever there is any government circular or notice, he hold meetings to ensure that his department adapts to these changes effectively"?

- (a) Helps in achieving group goals (b) Increases efficiency
(c) Creates a dynamic organisation (d) Helps in development of society

Read the following text and answer question no 17-20 on the basis of the same.

Good Life Ltd is a manufacturing company dealing in pain relieves tablets. It is a Over-the-Counter (OTC) drug. These tablets are available in strips of 10 tablets. These strips are packed in cardboard box and these boxes are placed in corrugated box and delivered to retailers for sale. The company also rolled out advertisement on major TV channels to boost the sales of the drug.

The company has come up with a new muscle relaxant ointment with no chemicals and just herbs and plant-based materials as its constituents. It helps in satisfaction of customers and does not leave any industrial waste after manufacturing.

However, when the company released this, it did not provide the right method of using it thereby leading to many customers complaining about its ineffectiveness.

17. Which packaging is highlighted in the lines, "These strips are packed in cardboard box and these boxes are placed in corrugated box and delivered to retailers for sale"?

- (a) Primary (b) Secondary
(c) Transportation (d) Both (b) and (c)

18. Which element of marketing mix is highlighted in the lines, "The company also rolled out advertisement on major TV channels to boost the sales of the drug"?

- (a) Product (b) Price
(c) Physical distribution (d) Promotion

19. Which concept of marketing is highlighted in the lines, "It helps in satisfaction of customers and does not leave any industrial waste after manufacturing"?

- (a) Product (b) Production
(c) Selling (d) Societal marketing

20. Which product-related decision has been ignored by company in release of new product?

- (a) Branding (b) Packaging
(c) Labelling (d) Both (b) and (c)

SECTION B : Short Answer Type I Questions (3 Marks)

21. Coordination is the essence of management. Explain.

Or Name and explain that principle of Fayol which suggest that communication from top to bottom should follow the official lines of command.

22. Bhagyashri Enterprises is a company engaged in the marketing of air purifiers of a famous brand. The company has a functional structure with four main functions; purchases, sales, finance and staffing. To ensure the proper and optimum functioning of employees, company appointed a new personnel manager.

However, the newly appointed personnel manager is of the view that there is no need for training the workers. Do you agree with his views? Give reasons in support of your answer.

23. Amula Ltd has launched a new product 'Baby Milk'. Following brand names are suggested for the product.

(i) Amooly

(ii) Mamta

(iii) Invaluable Milk Yano

As a marketing manager, select the best brand name and also give reasons in support of your answer for selecting or not selecting a particular name.

24. Explain giving reasons why firms with high debtors turnover ratio and high inventory turnover ratio require lesser amount of working capital.

Or Explain the meaning of capital structure.

SECTION C : Short Answer Type II Questions (4 Marks)

25. MRTU Group of Hotels, an abroad based company, decided to establish a chain of new hotels in India, only after a careful study of the business industry. They felt that tourism industry was the biggest industry in the world. Its future is particularly bright in India and gives certain social advantages too. This will help in giving employment and generating revenue in the country. Identify and explain the components of business environment reflected in this case.

26. A company comprised of competing divisions, allows its top management to frame policies or sound strategic thinking on various aspects like allocation of resources, funds, etc. In the light of the above statement, state the disadvantages of divisional structure.

Or Organisation is the harmonious adjustment of specialised parts for the accomplishment of some common purpose or desired goals. In the light of this statement, explain any four points of importance of organising.

27. In an organisation, employees are selected and trained scientifically. The managers take great care that they are chosen after following a proper process of selection. Recruitment is also done using large number of external sources such as campus recruitment, placement agencies, web publishing, casual callers and advertisement. Thus, the company employs a competent and an effective workforce. However, the employees do not have the right to give suggestion about any matter of the organisation. Which principle of management is violated? Write any three adverse effects of such violation of management principle.

28. 'Tulsi Herbal Ltd' is engaged in the manufacturing and distribution of medicines. The company has set up an objective of increasing its sales turnover by 15%. To achieve this objective, the company has decided to diversify into ayurvedic medicines. Since, the company has already set its objectives, developed the premises based on the same as well as identified alternative courses of action, it wants your help for the remaining steps to be taken in this process. Explain briefly these steps.

29. 'SEBI is the watch dog of security market'. Do you agree? Give three reasons to support your answer.

Or Briefly explain the objectives of NSE.

30. You are an HR in TRIMX Ltd. You have recruited 20 candidates for the post of senior executive without conducting the written test due to which the working of a company suffers as unprofessionals are hired for senior positions.

(i) In context to this, explain the importance of conducting test during selection process.

(ii) Also, state the various types of tests conduction in this process.

SECTION D : Long Answer Type Questions (6 Marks)

31. Which function of management is needed to ensure that the actual performance is in accordance with the set standards of performance? Also, state four features of this function of management.
32. Mr Samar is the Chairman of a leading insurance company. In a review meeting, the management of the company realised that their market share has fallen from 40% to 35%. The reason for this loss was attributed to the lack of leadership qualities in managers at regional and district levels. Mr Samar asked the Sales Director to instruct these managers to change their leadership styles or else be ready for consequences.
- Give the importance of leadership for an organisation.
 - Briefly discuss the various leadership styles.
 - Leadership is an important component of which function of management.

Or

Write the meaning of motivation alongwith its process. Also, name the person who gave Need Hierarchy Theory.

33. Explain the term trading on equity. Why, when and how it can be used by a business organisation?
34. Do you think that the expenditure on advertising is a social waste? Give reasons in support of your answer.

Or

A company was marketing 'Mixer Grinders' which were very popular due to their quality and after sale 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 the customers got spoiled and the goodwill of the company in market was damaged. Top management became concerned when the profits fell steeply.

On analysis, it was revealed that ignoring after sales services was its reason. Therefore, the company took all possible measures to protect and promote its favourable image. As a result, goodwill of the company improved in the society.

- Name and state the communication tool used by the marketer in the abovesaid case.
- Discuss the role of the tool identified in part (i) above.