

**BAL BHARATI PUBLIC SCHOOL**

**SAMPLE QUESTION PAPER**

**BUSINESS STUDIES (054)**

**TIME: 3 HOURS**

**CLASS: XII**

**MAX MARKS: 80**

General instructions:

1. This question paper consists of 34 questions.
2. Questions 1-20 carrying one mark each. Answer to these questions may be MCQ, one word or a sentence.
3. Questions 21-24 carrying 3 marks each. Answer to these questions may be in about 50-75 words.
4. Questions 25-30 carrying 4 marks each. Answer to these questions may be in about 150 words.
5. Questions 31-34 carrying 6 marks each. Answer to these questions may be in about 200 words.
6. Attempt all parts of the questions together.

Q1 Name the element of delegation which is the outcome of responsibility & flows from downward to upward. (1)

- (a) Authority (b) Accountability  
(c) Authority & Responsibility (d) Authority & Accountability

Q 2 Which dimension of Business Environment has the elements such as attitudes towards product innovations, lifestyle, occupational distribution? (1)

- (a) Social dimension (b) Economic dimension  
(c) Political dimension (d) Technological dimension

Q3 All departments and individuals are interdependent and they have to depend on each other for information to perform their activities. The activity of each department needs to be focused on attainment of common organizational goals. The process of linking the activities of various departments is accomplished by this aspect of management. Which significance of the aspect of management is highlighted in the above lines? (1)

- (a) Functional differentiation (b) Specialization  
(c) Coordination (d) Growth in size

Q4" Products such as liquid soap with disinfectant and hand sanitizers are observed to have experienced a dramatic boost in sales as consumer's self protection awareness has increased rapidly since COVID outbreak." Identify the feature of business environment being described above. (1)

(a) Inter-relatedness

(b) Relatively

(c) Dynamic nature

(d) Complexity

Q5 K Tech Ltd. is to produce 20,000 pieces of 'gas stove' per month at cost of Rs. 1350 per piece. Mr. Pankaj, the Production Manager could achieve the target in the given time but at a cost of Rs. 1375 per piece. We can say that the Production manager is (1)

(a) Efficient but not effective

(b) Effective but not efficient

(c) Neither efficient nor effective

(d) Both efficient and effective

Q6 Due to increase in exemption of products under GST like cereals, raw silk, tools used for agriculture purpose, vaccines, etc., demand for these products has increased among customers. Which dimension of business environment is discussed above. (1)

(a) Economic

(b) Political

(c) Social

(d) Technological

Q7 Which of the following is not an element of technological environment? (1)

(a) Import & Export of Technology

(b) Research & Development activities

(c) Volume of export & import

(d) New Equipments

Q8 'Management unites the efforts of different individuals in the organization towards achieving goals.' Identify the characteristic of management discussed above. (1)

(a) Management is a goal-oriented process

(b) Management is Multi-dimensional

(c) Management is a group activity

(d) Management is Continuous process

Q9 All the deviations cannot be controlled so manager must know which deviation in key areas must be attended urgently as compared to deviation in non key area. Which way of analyzing deviation is mentioned? (1)

(a) Management by exception

(b) Critical Point Control

(c) Core Control

(d) Strategic Control Analysis

Q10 Standards may be: (1)

(a) Benchmarks

(b) Qualitative

(c) Quantitative

(d) Both Qualitative and Quantitative

Q11 When decisions taken by the lower levels are numerous as well as important, an organization can be regarded as highly (1)

- (a) Formal
- (b) Centralized
- (c) Decentralized
- (d) Coordinated

OR

Which of the following is not an element of the process of delegation?

- (a) Creation of an obligation
- (b) Granting of authority
- (c) Freedom from responsibility
- (d) Assignment of duties

Q12 'The success of a market offer will depend on how well different ingredients are mixed to create superior value for the customer and simultaneously achieve their sale and profit objectives.'

The above statement relate to significance of one of the concepts of Marketing. Identify the concept. (1)

- (a) Product Mix
- (b) Price Mix
- (c) Marketing Research
- (d) Marketing Mix

OR

Match the 'Functions of Marketing' given under 'A' with the suitable statements under 'B':

	(A)	(B)
a.	Packaging	i. Producing goods of predetermined specifications to achieve uniformity and consistency in the output.
b.	Standardization	ii. It refers to designing and developing the package for the products.
c.	Promotion	iii. It involves informing the customers about the firm's product and persuading them to purchase these products.

- (a) i, ii, iii
- (b) ii, i, iii
- (c) iii, ii, i
- (d) I, iii, ii

Read the following case and answer question number 13-16 on the basis of the same:

Anil, the CEO of a K.G Software Ltd., thinks of going with the most popular method of raising funds for expansion and modernization of existing projects. For this it requires long term finance. He discussed this with the Finance Manager.

The Finance manager of the company advised the CEO of the company to raise funds by issuing equity shares. It requires huge flotation cost. To meet the expenses of flotation cost the company decided to tap the money market.

Then he suggested to raise capital by issuing the securities through intermediaries like issuing houses or stock brokers.

He further advises him to involve institutional investors which will help him raise funds more quickly and reduce many mandatory and non-mandatory expenses. All these options were accepted by the CEO.

Q13 In the above case, identify the various methods of floatation highlighted.

- (a) Offer through prospectus
- (b) Offer for sale
- (c) Private Placement
- (d) All of the above (1)

Q14 Which of the following method will enable company to directly raise funds from the general public?

- (a) Offer through prospectus
- (b) Offer for sale
- (c) Both offer through prospectus and offer for sale
- (d) None of the above (1)

Q15 Identify the reason which has made the firm raise funds from the institutional investors.

- (a) It helps to raise funds quickly
- (b) It is not expensive
- (c) Both a & b
- (d) None of the above (1)

Q16 Name the money market instrument the company can use to meet the flotation costs.

- (a) Commercial Paper
- (b) Certificate of Deposit
- (c) Call Money
- (d) Treasury Bill (1)

Read the following case and answer question number 17-20 on the basis of the same:

India is well known for its tradition and so is its tradition of cooking with earthenware. It's an age-old concept that has deserted with time. This golden concept was then washed over by modernization as we moved to the stainless steel or bone china or melamine era. Earthenware has tremendous health benefits. Cooking food with it embarks nutritional value of the clay to the food.

Mitti Cool is all about re-growing these rich lost roots of Indian culture into the modern environment. Mitti Cool prides its initiative towards preserving the culture of our nation. Mitti Cool produces clay products and clay pots that lead to a healthy, natural life and also revive our rich tradition.

Mitti Cool, is an attempt towards connecting mankind more irrevocably with clay and soil. Hence, the tagline of the business stands justified – Soul of the Soil. Mitti Cool deals in products such as Earthen pots, Filters, Cookware, Decorative Items, Incense sticks etc, all available to the customers at reasonable prices.

Former President APJ Abdul Kalam called Mansukhbhai Prajapati, a craftsman based in Gujarat, founder of Mitticool – a 'true scientist' after he invented a clay refrigerator that works without electricity. Such a remarkable invention turned the world's attention to Mitticool. Such products are available online and through select stores all over the country. The Mitticool products are in demand in foreign countries as well.

Q17 Which philosophy of Marketing is being used by Mitticool in the above case? (1)

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

Q18 Which promotional tool should be used by Mitticool that will help in increasing demand for such products and keeping the promotional costs at a minimum? (1)

- (a) Advertising
- (b) Public Relations
- (c) Sales Promotion
- (d) Personal Selling

Q19 Which quality of good brand name has been considered by called Mansukhbhai Prajapati for deciding the name of the business? (1)

- (a) The brand name should suggest product's benefits and features
- (b) The brand name should be versatile
- (c) The brand name should be distinctive
- (d) All of the above

Q20 Which one of the elements of Marketing Mix is not being highlighted in the above case? (1)

- (a) Product
- (b) Price

(c) Promotion

(d) Place

Q21 State any three tasks that Mr. Anurag needs to do, as a production manager, in his firm, to carry out the plans laid down by the top managers. (3)

Q22 'Internal sources are better than external source of recruitment'. Explain by giving three reasons. (3)

Q23 Aditya Birla Retail Ltd., is successfully running the retail stores by the name of "MORE". In the annual general meeting, Mohit Kampani, CEO, Aditya Birla Retail Ltd. found that the profits of the year 2018-19 had declined over the year 2017-18 by 2%. Now quality & performance conscious company decided to do an audit check of its budgets and use various modern techniques to evaluate its performance. They compared the actual performance with the standard performance and analyzed various deviations. They wanted to understand the reasons of deviations in the key areas. Identify and explain the steps of the controlling process followed above.

OR

Suggest the corrective actions, a manager must take when there is a deviations between actual and standard performances. (3)

Q24 State any three regulatory functions of SEBI.

OR

Why are money market instruments more liquid as compared to capital market instruments? (3)

Q25 Which process of staffing function ensures the up-gradation of technical skills of employees according to the changing environment? Also explain its relative significance to the organization. (4)

Q26 The top management of Riama Ltd. is engaged in the finding out ways to diversify their products line in the market but they do not involve the middle and supervisory level of management. These two levels of management are neither allowed to deviate from their plans nor they are permitted to act on their own. Due to this ideology of management the employees at middle and supervisory level of management are not happy and are not feeling motivated.

- (a) Identify and explain the leadership style followed by the top management of Riama Ltd.
- (b) State the situations when the above mentioned leadership style is most suitable. (4)

Q27 Vikas is managing director at Usha Electronics Ltd. He believes that all the employees are not necessarily motivated by monetary incentives.

- (a) Name the incentives available to Vikas other than monetary incentives.
- (b) Explain any two such incentives.

OR

How Informal communication supplements the formal communication? Also differentiate between Formal and Informal Communication on the basis of Direction and Purpose. (4)

Q28 Explain any four factors influencing the amount of fixed capital of a company.

OR

Identify the financial decision which determines the amount of profit earned to be distributed and to be retained in the business. Explain any three factors affecting this decision. (4)

Q29 'Crystal Fireworks Ltd.' a company manufacturing different varieties of fireworks, has been able to maintain stability in its earnings, despite competition in the market. As a result, company has been declaring regular and high dividends at the rate of 13%. This has kept the investors happy with the company.'

The ROI of a company ranges between 13-15% for the past three years. The company decides to expand its operations.

To finance in future fixed capital needs for expansion, it has the following options for borrowing debts.

Option A rate of interest 12%

Option B rate of interest 16%

- (i) Which option is better? Give reason
- (ii) Why the company is able to declare high dividends in the above case.
- (iii) If the operating costs increases, will the company be able to issue debt capital? How is it related to overall business risk? (4)

Q30 The Chandigarh Consumer Commission ordered Bata India Ltd. to pay Rs. 9,000 as fine for charging Rs. 3 from a customer for a paper bag to carry the shoebox. Legal experts say the order is legally valid across the country and that stores cannot charge consumers additional charges for the bag if the product is purchased from the same store.

The forum's order came on a complaint filed by a consumer, Dinesh Prasad Raturi. Raturi told the consumer panel that he had purchased a pair of shoes from the shoe store. Identify and explain the right that Mr. Raturi claimed and two responsibilities that he exercised in the above case. (4)

Q31(a) Name and explain the wage payment method recommended by Taylor with the help of an example.

(b) Why did Fayol introduce the concept of 'Gang Plank' in relation to the principle of scalar chain? Explain with the help of a diagram. (3+3)

Q32 Kohinoor Ltd. has been well known for delay in decision making and overlapping of work done. Identify management function lacking in the organization and explain the importance of the function.

OR

“In spite of best efforts of managers sometimes planning fails to achieve desired results due to its limitations.” Explain any six limitations of planning. (6)

Q33 Mr. Sharma, has been appointed as a manager in ‘Fun Rides Ltd.’ having a chain of amusement parks all over India. Mr. Sharma is not clear regarding from whom to take instructions and whom to report for the performance of the work allocated.

- (i) Identify the step violated of function of management highlighted above.
- (ii) Explain the three steps preceding the step identified above in part (i).
- (iii) Explain any two importance of the function of management highlighted in the above case (6)

Q34 “This is the only element of the marketing mix which talks about the revenue of the firm. It is the economic value of product normally expressed in the form of money.” Identify the element and explain five factors affecting the same.

OR

State the meaning of ‘Product’ from Marketer’s point of view as well as Consumer’s point of view. Discuss the functions of component of product mix which is termed as a Silent Salesman. (6)