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**PB2/BSQP/1222/B 03-JAN-2023**

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| **(EEE)PRE BOARD SET 2 (2022-2023)**  **PB12BS2022-23**  **BUSINESS STUDIES - 054** | | | | | |
| **Subject: Business Studies**  **Grade: XII** | | Max. Marks:80Time:3 Hour | | | |
| **Name:** | | | **Section:** | **Roll No:** | |
| ***General Instructions:***   * This question paper contains 34 questions. * Marks are indicated against each question. * Answer should be brief and to the point. * Answers to the questions carrying 3 marks may be from 50 to 75 words. * Answers to the questions carrying 4 marks may be about 150 words. * Answers to the questions carrying 6 marks may be about 200 words. * Attempt all parts of the questions together. | | | | | |
| 1 | A company has been registered under the Companies Act with an authorized share capital of ₹ 20,crores. Its registered office is situated in Delhi and manufacturing unit in a backward district Rajasthan. Its marketing department is situated in Bhopal. The company is manufacturing Fast Moving Consumer Goods (FMCG).  Which of the following is not an advantage of above mentioned organization structure:   1. It promotes control and coordination within a department 2. It makes training of employees easier 3. It helps in increasing managerial and operational efficiency 4. It promotes flexibility and initiative | | | | 1 |
| 2. | Match the following by choosing the correct option.   |  |  | | --- | --- | | Column A | Column B | | 1. Lifestyle and values | 1. Economic Environment | | 1. Payment though e-wallets | 1. Political Environment | | 1. Rise in inflation | 1. Legal Environment | | 1. Attitude of government towards business | 1. Technological Environment | | 1. Statutory warning on advertisement | 1. Social Environment |  1. (a), (b), (e), (d), (c) 2. (b), (e), (d), (c), (a) 3. (e), (d), (a), (b), (c) 4. (d), (a), (b), (c), (e) | | | | 1 |
| 3 | The General Manager of Bookmark Ltd. has decided to start a new branch in Europe as part of its expansion programme. The company has recognized the amount of work to be done in number of hours. The responsibility of the predetermined quantum of work was given to different individuals according to their capabilities. Also, each individual knew who he has to take orders from and to whom he is accountable.  Which step of the process of function of management is not indicated above:   1. Identification and division of work 2. Departmentalisation 3. Assignment of Duties 4. Establishing reporting relationships. | | | | 1 |
| 4 | Which dimension of Business Environment is affected by this illustration  `     1. Social Environment 2. Legal Environment 3. Political Environment 4. Technological Environment | | | | 1 |
| 5 | During the orientation talk Mr Kunal told the fresh joiners that aim of a manager should be to reduce costs and increase productivity through better planning, organizing, staffing directing, and controlling the activities of the organization. He also appraised them about the rise in the sales volume of the company and increase in the number of employees over past five years.  Identify the related point of importance of management being highlighted in the given statement.   1. Management helps in achieving group goals 2. Management creates a dynamic organization 3. Management helps in achieving personal objectives 4. Management helps to increase efficiency. | | | | 1 |
| 6 | The Government of India, made an announcement on November 8, 2016 with profound implications for the Indian economy. The two largest denomination notes, ₹ 500 and ₹ 1000 were demonetized with immediate effect, ceasing to be legal tender except for a few specified purposes such as paying utility bills. This led to \_\_\_\_\_ of the money in circulation invalid   1. 36% 2. 86% 3. 68% 4. 56% | | | | 1 |
| 7 | 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. Identify the feature of business environment being discussed above.   1. Relativity 2. Dynamic nature 3. Uncertainty 4. Interrelatedness | | | | 1 |
| 8 | In order to be successful, an organization must change itself and its goals according to the needs of the environment. Regarding this we have the example of Delhi Private School, In the corona pandemic online classes were started rather than offline classes, and evaluation was also completed in online mode. First Zoom was used and after that Microsoft Teams. Identify the characteristics of management mentioned in the above case.   1. Management is an intangible force. 2. Management is a dynamic function. 3. Management is a group activity. 4. Management is a continuous process | | | | 1 |
| 9 | VS Paper Company is a firm manufacturing paper bags in Odisha. It has employed female workers in the company and manufactures paper bags from recycle paper and thereafter sells them to various firms at economic rates. The company is doing well from the beginning but since last one month, its customers (firms) are reporting of complaints received from the users that these paper bags are unable to manage heavy weight and get torn easily”. Which of the following is not a feature of the ignored function?  (A) It is a goal oriented function  (B) It is an all pervasive function  (C) It is a continuous function  (D) It is only a forward looking function**.** | | | | 1 |
| 10 | Saurashtra’ is a company involved in the export of indigenous food products like chutneys and pickles. It has tied up with the small farmers in various states for sourcing of fruits and vegetables. In this way it helps the small farmers to sell their produce at reasonable rates. The company follows a practice where only significant deviations from a budget or plan are brought to the attention of management. The degree of deviations allowed in different categories in the budget are well defined in advance, along with the appropriate levels of management who will respond to the deviations in question. For example, a deviation of Rs. 20,000 or more in purchase costs will be reported to the concerned department manager.In context of the above case identify the principle of management control adopted by the company.   1. Management by Exception 2. Critical Point of Control 3. Authority and responsibility 4. Centralisation and decentralisation | | | | 1 |
| 11 | It also has psychological benefits. When a superior entrusts a subordinate with a task, it is not merely the sharing of work but involves trust on the superior’s part and commitment on the part of the subordinate. Identify the significance of delegation.   1. Employee development 2. Facilitation of growth 3. Motivation of employees. 4. Better co-ordination | | | | 1 |
| 12 | Consider the following statement:-  Statement 1:.If the firm decides to maximise profits in the short run, it would tend to charge maximum price for its products.  Statement 2:. If it is to maximise its total profit in the long run, it would opt for a lower per unit price.  (A) Statement 1 is correct  (B)Statement 2 is correct  (C) Both Statements are correct  (D) Neither Statement 1 nor 2 is correct | | | | 1 |
| 13 | Match the following on the basis of methods of floatation.   |  |  | | --- | --- | | A | B | | Direct appeal to investors. | i. Private placement | | Companies sell to intermediary and then to investors. | ii. Right issue | | c. Securities are allotted to selected individual. | iii. Offer through prospectus. | | d. Issue of shares to existing shareholders. | iv. Offer for sale. |  1. a-iii, b-iv, c-i, d-ii 2. a-ii, b-iv, c-i, d-iii 3. a-ii, b-i, c-iv, d-iii 4. a-i, b-iv, c-ii, d-iii | | | | 1 |
| 14 | The process by which the allocation of funds is done by financial markets is called:  (a) Financial intermediation.  (b) financial allocation  (c) Financial marketing.  (d) Financial depository. | | | | 1 |
| 15 | A popular brand of Hair Conditioners comes in different categories for different hair, say for normal hair and for other categories. Which function of labeling is highlighted here:  a. Specifies its content  b. Helps in promotion  c. Product branding  d. Grading of product | | | | 1 |
| 16 | One of the common irregularities noted by the Securities and Exchange Board of India during the inspection of a stock exchange was that it was dealing with unregistered sub brokers. Identify the related function of Securities and Exchange Board of India  (a)Regulatory function  (b)Protective function  (c)Developmental function  (d)None of the above | | | | 1 |
| 17 | According to the modern marketing concept, which of the following statements is true?  (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 these group 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. | | | | 1 |
| 18 | Value for money’, is the motto of present day customers. They buy only when they feel that its satisfaction will be more than its cost. A seller, who does not pay attention to the importance that the buyer gives to the product, certainly lags behind in competition.  Which feature of marketing is highlighted in the above lines:   1. Price 2. Exchange mechanism 3. Product development 4. Customer value. | | | | 1 |
| 19 | Under which of the following conditions will the company not be able to provide high level of customer services?  (a)When it maintains high level of inventory  (b)When it maintains low level of inventory  (c)When it owns large number of warehouses  (d)None of the above. | | | | 1 |
| 20 | A director of a company sold his shares in the company for a huge proﬁt as he had information about the company due to his position. He was penalized by SEBI with a ﬁne. Which regulatory function out of the following did the SEBI perform?   1. Prohibition of fraudulent and unfair trade practices. 2. Calling for information by undertaking inspection, conducting enquiries and audits of stock exchanges and intermediaries. 3. Performing and exercising such power under Securities Contracts (Regulation) Act, 1956, as may be delegated by the Government of India. 4. Controlling insider trading and takeover bids and imposing penalties for such practices | | | | 1 |
| 21 | Lavanya is one of the most successful managers of her company Rose Private limited. She uses her creativity and initiative in handling challenging situations at work. The knowledge gained by her during her student days at a renowned management institute as well as through her observation and experience over the years is applied by Lavanya in a skillful manner in the context of the realities of a given situation. She often reads books and other literature in various fields of management to keep her knowledge updated. An aspect of the nature of management is being highlighted in the above description.  Identify and explain the aspect of management. | | | | 3 |
| 22 | Sunidhi runs a KPO (Knowledge Process Outsourcing) in Gurgaon. The services provided by her firm include all kinds of research and information gathering in fields such as financial market, medicine, animation design, etc. Sunidhi believes that the success of the company can be achieved mainly through the people it chooses to employ. Therefore, she aims to attract the best people and provides them innumerable opportunities to enhance their knowledge and skill relevant to their position.  In the context of the above case, identify and explain the aspects of staffing being taken into consideration by Sunidhi by quoting lines from the paragraph. | | | | 3 |
| 23 | Describe briefly the relationship between controlling and planning  **OR**  Managers at all the levels need to perform the controlling function to keep a check on the activities in their respective areas of operation.’  Explain the feature of controlling being referred in the above statement and explain one more feature other than the above? | | | | 3 |
| 24 | The SEBI has imposed a penalty of Rs 7,269.5 crore on Pearls Agrotech Corporation Limited (PACL) and its four directors- Tarlochan Singh, Sukhdev Singh, Gurmeet Singh and Subrata Bhattacharya who had mobilized funds from the general public through illegal collective investment schemes in the name of purchase and development of agriculture land. While imposing the penalty, the biggest in its history. Securities and Exchange Board of India (SEBI) said the company deserved ‘maximum penalty’ for duping the common man. Its Prevention of Fraudulent and Unfair Trade Practice Regulations provides for ‘severe to severe penalties’ for dealing with such violations. As per SEBI norms, It can impose a penalty of Rs 25 crore or three times of the profit made by indulging in fraudulent and unfair trade practices and in the present case, the regulator has imposed a fine equivalent of three times of the illicit gains. In the context of the above case :   1. State any 2 objectives of setting up SEBI. 2. Identify the type of function performed by SEBI by quoting lines from the paragraph.   **OR**  Bholenath is one of the India’s most trusted brands in sweet shops. The company has manufacturing plants in Kota, Kanpur, New Delhi, and Mumbai. Bholenath has its own retail chain stores and a range of restaurants in these cities. Now, the company plans to extend its business in 12 more cities in India. In order to raise the funds, its directors have decided to float a public issue through prospectus. Besides, it intends to raise money to meet the floatation costs in terms of brokerage, underwriting commission, advertising etc. In context of the above case:  (a) Describe briefly the various methods of floatation available to the company to raise for the funds. | | | | 3 |
| 25 | Lalitha is always been fascinated by the hand woven textile designs. Therefore, he decided to become a weaver. He was told that in order to understand and learn this workmanship, he will have to work under the guidance of a master worker for a certain number of years. Identify the type of training being described in the given lines. Explain any three significance of the training toward the organization  Or  It is a very useful source of recruitment for hiring casual or ‘badli’ workers to whom compensation is provided on a daily wage basis. Identify the source of recruitment and explain its demerits.(any 3) | | | | 4 |
| 26 | Huma is working in a company on a permanent basis. As per job agreement she had to work for 8 hours a day and was free to work overtime. Huma worked overtime, due to which she fell ill and had to take leave from her work. No one showed concern and enquired about her health. She realized that she was fulfilling only some of her needs while some other needs remained to be fulfilled.   1. By quoting the lines from the above para, identify the needs of Huma that she can fulfill. 2. Also explain two other needs of Huma followed by the above needs, which still remained to be satisfied.   **Or**  A behavior study was done on a total of 100 employees of an organization. Group A (of 50 employees) were appreciated by the manager for their work and initiative for a new idea. All these employees were given the option of flexible working hours and were paid wages at a higher piece rate. On the other hand, Group B (of the remaining 50 employees) was criticized for their poor performance. Their increments were stopped, and they were paid wages at a lower piece rate.  (a) Identify and explain the feature of motivation highlighted in the above case.  (b) What type of leadership is followed by the manager? Justify your answer | | | | 4 |
| 27 | Y Ltd. Is a bank functioning in India? It is planning to diversify into insurance business. Lately, the government of India has allowed the private sector to gain entry in the insurance business. Previously, it was the prerogative of LIC and GIC to do insurance business. But now with liberalization of the economy and to make the field competitive other companies have been given licenses to start insurance business under the regulation of ‘Insurance regulatory and development Authority’. Y Ltd. Plans to recruit high quality employees and agents and exercise effective direction to capture a substantial part of life and non-life insurance business.  1. What financial and non-financial incentives can the company use for employees and agents separately to motivate them?  2. How can the company ensure that higher order needs i.e., esteem and self-actualization as specified by Maslow are met?  3. How can the company follow formal communication system?  4. How can informal communication help to supplement formal communication? | | | | 4 |
| 28 | State any four factors affecting the Dividend decision that is concerned with deciding on the profits earned | | | | 4 |
| 29 | The present earnings of a company before interest and tax is ₹10 lakhs. The company wants to increase its total capital investments by 50% through an additional issue of 10% debentures. At present the total capital of the company is ₹ 50 lakhs, out of which ₹ 40 lakhs has been raised through equity and rest through 10% debentures. The face value of an equity share is ₹10 and that of a debenture is ₹ 100.   1. Assuming the Rate of return on investment to be same calculate the projected EPS of the company on issuing additional debentures. Show your working clearly. 2. Do you think the company has taken the right decision by choosing debt to raise further capital? Name the concept underlying this decision. | | | | 4 |
| 30 | Anita purchased a book from ‘Satish Book Stores’. While reading the book she found that ten pages were missing. She approached the seller of the book and complained about the missing pages. The seller promised that if the publisher was ready to change the book he would change the same. After a week the seller informed Anita that the publisher had refused to change the book.  a)Where can Anita file a complaint against the seller of a book?  b) Give a reason in support of your answer. Also, explain who is a ‘consumer’ | | | | 4 |
| 31 | Uttaranchal Fairdeal Limited" is a famous services providing company. Mr Chandan Pushkar is its Managing Director. He continuously motivates his Research and Development Department that new and latest methods of doing work be explored. Provision has also been made to give reward to those employees who will participate in a particular exploration. He also believes that two groups working on managerial and non-managerial posts are similar to two wheels of an organisational vehicle. If this vehicle (organisation) is to be driven in a right way then both the wheels should be properly aligned. Mr Pushkar is a successful leader. Among his employees, he has instilled the feeling that no decision will be taken without consulting the subordinates. To excel, the other companies in this field, is the main motive of Mr Pushkar. Paying attention to training is the secret of the company. Identify and explain the Taylor’s principles mentioned in the above paragraph.  Or  Briefly explain significance of Principles of Management. | | | | 6 |
| 32 | Flipkart is an e-commerce company founded in the year 2007 by Sachin Bansal and Binny Bansal. The company is registered in Singapore but has its headquarters in Bengaluru, India. The company seeks to increase traffic (more clicks on their products) and boost sales and revenue through the integration of Mobile Apps, Displays, Pay Per Click, and Search Engine Optimization. To dispel the feat of people related to shopping online, Flipkart was the first company to implement to popular ‘Cash on Delivery facility. All the products sold by the company under a particular category may have different return/replacement periods. Flipkart allows multiple payment options such as cash on delivery, credit or debit card transactions, net banking, e-gift voucher, and card swipe on delivery. The company operates both ways when an order is received. The products for which it holds inventory are dispatched by it directly. For the products they do not store in the inventory, they just send the order received by them to the supplier who ships it. The company plans to spend about Rs. 75 crores on e-Commerce advertising in the year 2016. Flipkart reserves the right to terminate your membership and/or refuse to provide you with access to the website if it is brought to Flipkart’s notice or if it is discovered that you are under the age of 18 years. This is because as per the Indian contract Act, of 1872, minors, un-discharged insolvents, etc. are not eligible to use the website.  In the context of the above case, identify and explain any 6 types of plans being used by Flipkart by quoting lines from the paragraph.  **OR**  A company is manufacturing garments. The manager wants to increase profits by purchasing new high-speed machines or increasing the sale price or using waste material in manufacturing stuffed toys. He decided that ‘using waste material’ to increase profit is the best solution for him.  a). Mention the steps involved in the above process by quoting the line from the question.  b) To complete the process of the concept identified in (a), what two next steps does the manager have to take? Explain. | | | | 6 |
| 33 | After completing a course in travel and tourism, Karan started his own travel agency. In order to ensure smooth functioning of his business, he decided to create fourteen job positions divided into four departments on the basis of functions namely, front office department including online queries, reservations department for airways, railways and roadways, accommodation booking department, and securing payments department. In order to avoid any interdepartmental conflicts he decides to specify clearly the lines of authority and areas of responsibility for each job position.  In context of the above case:   1. Which function of management is being described in the above lines? 2. Identify the framework created by Karan within which all managerial and operating tasks are to be performed in his organization. 3. Name the type of the framework as identified in part (a) of the question. Also, give any three of its advantages | | | | 6 |
| 34 | The process of marketing involves creating a market offering and to satisfy the wants of the present and potential buyers. The real question is how to create a market offering. Suppose after gathering and analyzing market information, a profitable business opportunity is seen by some firm in the field of producing soft drinks. To develop and market a new brand of soft drinks, the firm takes a number of important decisions, for example whether to go for any collaboration with a foreign manufactures of the new product so that it is attractive to the target customers, whether the drink will be packed in glass bottles or plastic cans, what will be the name (brand name ) of the drinks, at what price it will be sold (at par with the price at which other competitive brands are sold or below it or above it), and so on. (a) Identify and explain the two features of marketing discussed above. (b) Identify and explain any functions of marketing discussed above. | | | | 6 |

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