

## **SAMPLE QUESTION PAPER**

### **BUSINESS STUDIES (054)**

#### **CLASS XII (2017-18)**

1. Name the process which provides the requisite amount, quality, timing and sequence of efforts and ensures that planned objectives are achieved with a minimum of conflict. (1)
2. What are Planning premises? (1)
3. Name the process of exchange of information between two or more persons to reach common understanding. (1)
4. Sara worked in a call center. Her team manager did not wish to be contradicted and gave rewards depending on the result. State one benefit of the style of leadership being followed by Sara's team manager. (1)
5. What does a high Debt Service Coverage Ratio indicate? (1)
6. Aarohan Ltd. an automobile manufacturer was diversifying into manufacturing two-wheelers. They knew that India is on a growth path and a new breed of consumer is eager for a first vehicle. The market responded very well to the new product. The company did not have to allow credit, as it had advance orders from four to six months with deposits paid. Also, due to efficiency in managing their operations as soon as a vehicle was off the assembly line, it was out to the dealers. Give any one reason discussed above which helped the firm in managing its working capital efficiently. (1)
7. SEBI recently called for information and issued a show cause notice to NSE and its 14 officials seeking explanation on the Preferential Access allegations at the Exchange's Co-location facility. State the function that SEBI performed by doing so. (1)
8. Identify the right of a consumer under Consumer Protection Act, 1986 which Consumer organizations help a consumer to claim by performing the function of "encouraging consumers to strongly protest and take an action against unscrupulous, exploitative and unfair trade practices of sellers". (1)
9. Progress Ltd. Is facing difficulties in introduction of machinery of latest technology as they are facing resistance from the informal groups who are pressurizing the members to work against organizational interests. As the Human Resources manager of the company would you advise the management of the company to confront them or give them some other suggestion to deal with the informal groups. (3)
10. Shyam wanted to start a business of selling handicrafts by getting in touch with the craftsmen in the rural areas of Bengal. He wants to make a low investment in fixed Capital. Advise him in taking suitable decisions regarding the Nature of Business, Scale of

operations and Financing Alternatives (in a developed financial market) that he needs to take for the purpose. (3)

11. State any three functions of a supervisor. (3)
12. Malaysian budget airline group Sky Europe announced discounted fares, starting as low as Rs.1,099 for domestic destinations operated by its Indian Joint Venture carrier and Rs.2,099 for international flights operated by other group airlines under a limited period offer. A. Identify the medium of communication which can be used by the firm to inform a large number of people about the new fares. B. Also, state any two merits of the communication tool, apart from the one discussed above. (3)
13. State any three responsibilities that a consumer must keep in mind while purchasing gold jewelry. (3)
14. Having transformed 2500 Kirana stores across eight cities in to virtual super markets, the start up Quick Bizz further decided in advance, to collaborate with 15000-20,000 store owners in top 30 cities of the country by the end of this year. The company has set its eye on digitizing over 1,00,000 kirana stores over next 18-24 months. A. Identify and explain the step in the process of one of the functions of management discussed above. B. Also explain the last step to be performed by Quick Bizz as part of the process. (4)
15. At present, apart from the basic pay and allowances as a part of compensation, the employees and employers contribute 12% of basic wages each towards Employees Provident Fund scheme and Employees Pension Fund scheme. A proposal to reduce the contribution by employers and employees to 10% of basic pay and dearness allowance was listed on the agenda for a recent meeting of Employees Provident Fund Organization held. The stakeholders expressed their reservations about it and they feel that it should be continued at 12%. Explain any two needs as suggested by Maslow's Need Hierarchy Theory, which will not be satisfied by the incentives discussed above. (4)
16. State the first four steps which are involved in the screen-based trading for buying and selling of securities in the secondary market. (4)
17. Bye-Bye Motors recently informed the media about its aim to train up to 4000 people in the next 3 years in the skills associated with automobile industry as part of its program to provide technical and vocational education for unemployed youth. The firm has already started the program in collaboration with Automobile Skill Development Council. This news in the media has helped the firm in promoting its image in the eyes of the public and consumer activist groups.  
  
A. Why is it important for the company to satisfy the public and the consumer activist groups. Give reasons.  
  
B. Which departments in the firm can be given the responsibility to disseminate information and build goodwill of the firm? (4)
18. R&T Reality, the property development arm of the construction and engineering giant R&T in a recent report to the media shared that it is betting on bigger and better projects

providing greater benefits to the customers, lower prices and faster execution to boost its growth. The spokesperson of the company informed the media that besides the innovative features, quality and brand, the fair pricing followed by the company is also a hit with the buyers. He said that the company is also focusing on accurate, speedy and timely delivery. Proper communication with the market was being maintained through advertising. Even dealers were to be offered incentives to boost the sales.

The above para describes the combination of variables used by R&T Reality to prepare its market offering. Identify and explain the variables. (4)

19. It is heartening that the implementation of compliance requirements of the Companies Act, 2013 has progressed substantially with NIFTY 500 companies. Data shows a significant increase in women's participation in the top management of Indian Companies from 5% few years ago to 13% now. Even companies which are not in NIFTY 500 have undertaken drives to increase women's participation across different areas of work. The government had also announced that it would support such companies. Identify and explain the dimensions of business environment discussed above which brought about the change. (4)

20. Give any five characteristics of management. (5)

21. Textile manufacturer Super textiles reported 43% fall in its profits in the fourth quarter ended 31 March 2017, which is beyond the acceptable range 25% decided by the company. This was due to higher fuel cost and lower yield on account of demonetization. The company aims to implement cost saving measures by restructuring contracts and its business processes to meet its targets in the future.

A. Name the function of management discussed above.

B. Also identify and explain the steps of the function of management discussed above. (5)

22. Saksham Ltd. a firm manufacturing textiles, wished to diversify their business. They were considering two options, either to diversify into manufacturing tooth-paste or switches. They wanted to invest in the purchase of land, to set up a manufacturing unit in the backward areas of Gujarat, which would also lead to the generation of employment opportunities in the area, but only after fulfilling all legal requirements and taking appropriate steps to ensure that the environment was not polluted. The finance manager of the company, Mr. Ramakant was asked by the management to prepare a report on the factors which should be considered while making the above investment decision.

A. State any two factors that Mr. Ramakant would give in his report.

B. Also state any one reason which makes it important for the above decision to be made carefully.

C. And state two values being fulfilled by Saksham Ltd. (5)

**23.** The IT major GIPRA is terminating the employment of its senior managers, if after evaluating their performance against pre-determined standards if it is found lacking. With this disruption analysts say a large portion of the employees may become irrelevant unless they learn new skills and apply the knowledge to work on emerging technologies. GIPRA is ready to facilitate employee learning, through its in-house centers.

A. Name the function of management performed by GIPRA to maintain a satisfactory work force.

B. Identify and explain the two steps in the process of the function of management discussed above.

C. Also state any two steps of the function of management discussed, that the firm had to perform before performing the above steps. (6)

**24.** Rajat joined as a CEO of Bharat Ltd, a firm manufacturing Computer hardware. On the first day he addressed the employees. He said that he believed that a good company should have an employee suggestion system and he wished to minimize employee turnover to maintain organizational efficiency. He informed all employees that he would ensure that all agreements were clear, fair and there was judicious application of penalties. However, he said that he believed that lazy personnel should be dealt with sternly to send the message that everyone was equal in the eyes of management. Also that he would want to promote a team spirit of unity and harmony among employees, which would give rise to a spirit of mutual trust and belongingness among team members and eventually minimize need for using penalties. He told all present that the interests of the organization should take priority over the interests of any one individual employee.

A. Identify and briefly explain any four principles of management given by Fayol, which Rajat highlighted in his address to the employees.

B. Also state two values that Rajat wanted to spread in the organization. (6)

**25.** “Put simply, decentralization refers to delegation of authority throughout all the levels of the organization.” In the light of the above statement give the meaning of and difference between Delegation of authority and decentralization. (6)