

COMMERCE : CLASS-XII**BUSINESS STUDIES**

Time Allowed : 180 Minutes

Maximum Marks : 80

General Instructions :

1. This question paper contains 34 questions.
2. Marks are indicated against each question.
3. Answers should be brief and to the point.
4. Answers to the questions carrying 3 marks may be from 50 to 75 words.
5. Answers to the questions carrying 4 marks may be about 150 words.
6. Answers to the questions carrying 6 marks may be about 200 words.
7. Attempt all parts of the questions together.

Name of the Candidate (in Capitals) _____

Form Number : in figures _____

: in words _____

Centre of Examination (in Capitals) : _____

Candidate's Signature : _____ Invigilator's Signature _____

Your Hard Work Leads to Strong Foundation

1. Rajan has received an order to produce 1,000 units of ladies sandals in his manufacturing unit at Agra. Rajan asks his production manager to set the standards for effective and optimum utilisation of resources. At a point, Rajan evaluates that the production is running late as per the schedule and there is lot of wastage of resources leading to increased cost of production. He discusses the issues with his production manager and immediately make some amendments by which he is able to reduce the wastage of resources and also complete the order in time. Identify the function of management performed by Rajan here. **1M**
 (A) Planning (B) Staffing (C) Controlling (D) Directing

2. Supreme Ltd. is a generators manufacturing company. The production manager has divided the work among the workers according to their skills and qualities. He systematically allocates the work among the workforce. This results in increased productivity thereby lowering the cost of production. Which importance of organizing is highlighted here? **1M**
 (A) Benefits of specialization (B) Clarity in working relationship
 (C) Adaptation to change (D) Effective administration

3. Hitech Infrastructure Ltd. is a reputed infrastructure company and undertakes and provide turn key projects. The top management spends lot of time in finalizing the plans for each and every project to ensure smooth running of the project. Identify the limitation of planning involved here. **1M**
 (A) Planning may not guarantee success (B) Planning may not work in a dynamic environment
 (C) Planning involves huge cost (D) Planning is a time-consuming process

4. Rajan, after completing his MBA, has set up a unit for manufacturing of submersible pumps. For effective marketing or sales of the pumps, he appointed a team of ten salesmen to generate sales in the rural areas. Each sales man is expected to sell at least ten unit of submersible pump in the week's time. Identify the point of importance of controlling being highlighted in the above case : **1M**
 (A) Controlling helps in judging accuracy of standards
 (B) It ensures efficient utilization of resources
 (C) It helps in improving employee motivation
 (D) It facilitates co-ordination in action

5. Dharmendra owns a shoe soles factory. Due to a good reputation and demand for his product, he is earning huge profits. He plans to set up a second unit of his factory. He discusses the financial plans with his financial manager. The financial manager explains him that the fixed operating cost of project is low and the cash flow position of his business is strong. Identify the source of finance that Dharmendra should choose for financing his new project. **1M**
 (A) Debt (B) Equity
 (C) Retained earnings (D) Loan from bank

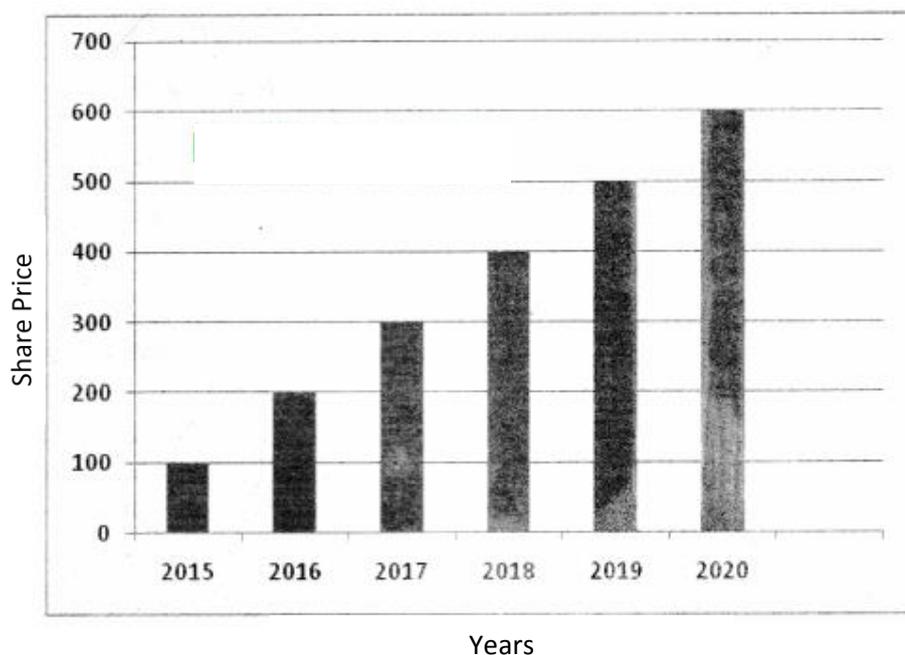
6. Match the personnels of functional foremanship in Column I with their respective role in Column II **1M**

Column I	Column II
(A) Instruction card clerk	(i) Timely and accurate completion of job
(B) Speed Boss	(ii) Proper working condition of machines
(C) Gang Boss	(iii) Draft instructions for workers
(D) Repair Boss	(iv) Keeping machines and tool ready for use by workers
(A) A-(i), B-(ii), C-(iii), D-(iv)	(B) A-(ii), B-(iv), C-(iii), D-(i)
(C) A-(iii), B-(i), C-(iv), D-(ii)	(D) A-(iv), B-(ii), C-(iii), D-(i)

7. The act of designing and producing the container or wrapper of a product is known as **1M**
 (A) Branding (B) Labelling (C) Packaging (D) Promotion
8. Raghu is into the business of manufacturing and marketing of mobile phones. His products has established a good customer base. Raghu plans to launch laptops as a new product. In order to get feedback from its existing mobile phone customers, he conducted a online survey through a short questionnaire. Identify the marketing function being performed by Raghu. **1M**
 (A) Gathering and analyzing market information
 (B) Marketing planning
 (C) Product designing and development
 (D) Packaging and labelling
9. Quality certification mark is used in case of jewelry. **1M**
 (A) ISI (B) FPO (C) AGMARK (D) Hallmark
10. An organization is working by clubbing similar related jobs under different departments. The production department is not in direct touch with the sales department. All the departments have limited and specific skills related to their departments. Which type of organization structure does this organization has? **1M**
 (A) Divisional structure (B) Functional structure
 (C) Both (A) and (B) (D) None of the above
11. Mahesh went to a mall to buy air conditioner. There he got to know an offer on air conditioner which says that "Buy an air conditioner worth ₹ 55000 and get a holiday package worth ₹ 12000 free." Identify the method of sales promotion. **1M**
 (A) Discount (B) Rebate
 (C) Product combination (D) Usable benefit
12. Mary shoes produces economical range of shoes. The reason for shoes being economical is that company believes in large scale production of shoes thereby reducing the cost of output. Being economical, these shoes are affordable for lower income group of people and there is regular huge demand of these shoes in the market. Identify the marketing concept followed by the company. **1M**
 (A) Production concept (B) Product concept
 (C) Selling concept (D) Societal marketing concept
13. "It is that part of the process of management which is concerned with obtaining, utilizing and maintaining a satisfactory and satisfied workforce." This statement related to which function of management. **1M**
 (A) Directing (B) Controlling (C) Staffing (D) Organizing
14. identify the related characteristic of directing- it means that every manager can direct his immediate subordinate and take instructions from his immediate boss. **1M**
 (A) Directing initiates action
 (B) Directing takes place at every level of management
 (C) Directing is a continuous process
 (D) Directing flows from top to bottom
15. Which of the following style of leadership provides full scope of initiatives and creativity? **1M**
 (A) Democratic or Participative leader (B) Autocratic or Authoritarian leader
 (C) Laissez-faire (D) None of the above

16. Match the concepts of financial markets in column I with their respective definitions in column II: **1M**
- | | |
|----------------------------|---|
| Column I | Column II |
| (A) Dematerialization | (i) Stock market index of Bombay stock exchange. |
| (B) SEBI | (ii) Process of holding securities is an electronic form. |
| (C) SENSEX | (iii) Separate regulatory body for stock exchange, |
| (A) A-(i), B-(ii), C-(iii) | (B) A-(ii), B-(i), C-(iii) |
| (C) A-(ii), B-(iii), C-(i) | (D) A-(iii), B-(ii), C-(i) |
17. Treasury Bills or T-bills are also known as : **1M**
- | | |
|-----------------------|-----------------------|
| (A) Equity | (B) Money |
| (C) Zero-Coupon Bonds | (D) Commercial Papers |
18. Ratio takes care of the deficiencies referred to in the Interest Coverage Ratio (ICR). **1M**
- | | |
|---------------------------|-----------------------------|
| (A) Debt Service Coverage | (B) Interest Coverage Ratio |
| (C) Return on Investment | (D) Working capital |

19.



Identify the related concept in the above diagram.

- | | |
|--------------------------|-------------------------|
| (A) Profit maximization | (B) Wealth maximization |
| (C) Financial management | (D) Ratio analysis |
20. For the following two statements choose the correct option : **1M**
- Statement I: Anything that can be offer to sale is called a product.
Statement II: A product posses both the characteristics i.e. tangible and intangible.
Choose the correct option from the options given below:
- | | |
|--|--|
| (A) Statement I is correct and II is wrong | (B) Statement II is correct and I is wrong |
| (C) Both the statements are correct | (D) Both the statements are incorrect |
21. Fashion fab Ltd. is diversified into production of garments and shoes. The company produces both the products in the same unit. The unit is managed by Mr. Rawat, who is the unit head and looks after the production of both garments and shoes. This leads to confusions among employees as regards to reporting as well as differentiation of work. Which principle of management, as per Fayol, is being violated here? Why? Explain the principle and the outcome of violation of this principle. **3M**

22. "Management is a process of getting things done with the aim of achieving goals effectively and efficiently." Explain the features of management. **3M**

Or

"The main objective of any organization should be to utilize human and material resources to fulfill the economic objectives of a business." Explain.

23. 'Water Water' everywhere and not a single drop to drink'. What does the statement indicate about staffing. **3M**

24. The workers of 'Glory Ltd.' are unable to work on new computerized machines imported by the company to fulfill the increased demand. Therefore, the workers are seeking extra guidance from the supervisor and the supervisor is overburdened with the frequent calls of workers. Suggest how the supervisor, by increasing the skills and knowledge of workers, can make them handle their work independently. Also state any two benefits that the workers will derive by the decision of the supervisor.

Or

How are the terms "motive", "motivation" or "motivator" related to each other?

25. Ruby International is a diamond jewelry manufacturing company based in Surat. There is international demand of company's jewelry and as such the company is earning huge profits as well. Apart from sharing profits with the shareholders, the company also take care of its employees. To boost the morale of its employees, the company decided to increase the fringe benefits like car allowance, foreign trips etc. These are in addition to basic incentives, regular increments in salaries every year.

For the elderly members of the organization, the company decided to include gratuity in addition to the already given benefits like pension and provident fund. The company also decided to give company's shares at price lower than the market price to the employees on achieving their set targets. Which financial incentives have been highlighted in this case? **4M**

26. Raghav plans to set up a laptop manufacturing unit at Chennai. His financial advisor, Tarun advises him to set up a unit to manufacture potato chips. Tarun said that laptops are prone to quick obsolescence and upgradation accordingly will need a heavy fixed capital investment. Therefore, he convinces Raghav to start the business of potato chips. Identify the factor affecting fixed capital requirements which made Raghav to choose potato chips business over laptops. Write some other factors affecting fixed capital requirements. **4M**

27. Deepak is working as a production manager in a automobile company. He is responsible for implementing the plans, drawn up by the managing director, through his team of subordinates and achieve the goals set by the company.

(a) Identify the level of management at which Deepak is working in the organization.

(b) Explain any four functions that Deepak has to perform at this level of management. **4M**

Or

Ranveer's father has a good business of PVC pipes manufacturing. He wants to go to USA for his MBA but his father thinks he should join the business. On the basis of emerging trends, do you think Ranveer's father should send him to USA. Give any three reasons in support of your answer.

28. What are the reliefs available to consumers under Consumer Protection Act, 2019? **4M**

Or

Enumerate the various Acts passed by the Government of India which help in protection of consumer's interests.



29. Explain the benefits of planning to an organization. **4M**
30. "If anything goes wrong with the performance of key activities, the entire organization suffers. Therefore, the organization should focus on them." Explain the statement with suitable example. **4M**
31. Explain any four points that highlight the importance of controlling. **6M**
32. Mr. Sawant is the Managing Director of "Business, com." The company has diversified operations in field of software development, digital marketing, e-business, etc. Each division is managed by the division head who reports to the managing director. In this organization, synchronization of efforts is easy and all the functions related to a particular product are integrated with in one department.
(a) Identify the type of organization structure.
(b) State the advantages of this type of structure. **6M**
33. Explain the functions of Financial Market. **6M**
- Or**
- Explain the functions of Stock Exchange.
34. Bshell Pvt Ltd. is a reputed company which sells various goods such as cosmetic, fruits and vegetables and clothes. The company also has a chain of retail stores known as Bshell fresh. Despite high competition, Bshell has succeeded in creating demand for its products, giving the company power over prices through product differentiation, innovative advertising and ensured brand loyalty. In the context of above case:
(a) What is product differentiation?
(b) Name any one function of marketing that facilitates product differentiation.
(c) Identify the component of promotion mix being used by the company by quoting lines from the paragraph.
(d) Describe briefly the pricing objective pursued by the company. **6M**
- Or**
- "To your taste" is a famous retail chain selling a large variety of products in the Indian market. Their products include chips, biscuits, sweets, and squashes, it charges a comparatively higher price than its competitors as it sells quality products. Besides, it offers regular discounts to its customers and easy credit terms to its retailers. It has a chain of its own retail shops. It also sells its products through various grocery stores so that the products are made available to customers at the right place, in the right quantity and at the right time. It regularly uses different communication tools to increase its sales. The above paragraph describes the variables used by "To your taste" to prepare its market offering. Identify and explain the variables to prepare the market offering.