

CLASS:-XII

SUBJECT:BUSINESS STUDIES

TIME ALLOWED: -3 HOURS

MAX. MARKS: -80

GENERAL INSTRUCTIONS: -

1. All questions are compulsory. There are 34 questions in all, with given internal choice.
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.

- ✓ 1. A bottle of Anti- dandruff shampoo mentions ' Clean your hair and get rid of dandruff in one squeeze'. The product related decision involved is:- 1

- a) Branding
- b) Product quality
- c) Packaging
- d) Labelling

OR

Match the terms given in Column-I with their meaning in Column-II.

COLUMN - I	COLUMN - II
a. Trade Mark	(i) A name, term, sign, symbol, design or some combination of them used to identify the products and differentiate them from the competitors.
b. Brand name	(ii) A brand or apart of the brand that is given legal protection
c. Brand	(iii) That part of the brand wh ch can be recognized but which is not utterable
d. Brand mark	(iv) That part of the brand which can be spoken

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

2. 'Even where members of a department willingly cooperate and work, a manager has to coordinate the efforts of different people in a conscious manner.' Identify the characteristic of Coordination discussed above. 1

- a) Coordination ensures unity of action
- b) Coordination is a deliberate function
- c) Coordination is a continuous process
- d) Coordination is an all pervasive function

3. Wheat Land Pvt. Ltd. is a wheat producing company. Daily 5,000 bags of wheat weighing 10kg each are produced here. In comparison to the previous year, this year less number of bags have been produced on a per day basis. The number is around 4,500 which is less than the target of 5,000 set by the company. The company however has been able to reduce the costs involved in comparison to last year's spending on the production and packaging of each bag. The quality of bags has also been up to the mark. **Identify** the concept of management ignored here. 1

4. Which of the following are the examples of Legal Environment? 1

- (i) Advertisement of alcoholic beverages is prohibited
 - (ii) Decrease in interest rate on loans
 - (iii) Increase in demand for organic foods
 - (iv) Digi lockers for storing documents
 - (v) In 1993, the Supreme Court of India passed an order to close the iron foundries around 'Taj Mahal' at Agra
- a) (i) and (iv)
 - b) (i) and (ii)
 - c) (ii) and (iii)
 - d) (i) and (v)

5. **Assertion:** Element of business are co-related or inter-related, a small change in one factor may lead to change in another factor which may have long term impact on business. 1

Reason: As different factors of business environment are inter-related, if there will be change in import and export policies automatically there will be change in economic

environment.

(a) Both Assertion and reason are true and reason is correct explanation of assertion.

(b) Assertion and reason both are true but reason is not the correct explanation of assertion.

(c) Assertion is true, reason is false.

(d) Assertion is false, reason is true.

6. Maruti was the first company to recognize the need for small cars in an environment of rising petrol prices and large middle class population in India so they become the leader in the small car market. Which importance of business environment is highlighted here? 1

a) First mover advantage

b) Identify the early threat

c) Adjust with the change

d) None of the above

7. 'Temptations' is a food joint in Imperial Mall in Bengaluru. It is becoming popular among students and working people due to healthy, on-the-go dishes on its menu like 'Paneer Wrap', 'Chickpeas Salad', 'Grilled Sandwiches', etc. It has now decided to open two new branches in other parts of Bengaluru. Which financial decision has been discussed in the above case? 1

a) Long-term investment decision

b) Short-term investment decision

c) Dividend decision

d) Financing decision

8. Cash is paid or securities are delivered on _____, which is before the T+2 day as the deal has to be settled and finalised on the T+2 day in stock exchange. 1

a) pay-in day

b) pay-out day

c) settlement day

d) None of the above

9. Which of the following consumer rights under Consumer Protection Act, 2019 gives the freedom to consumers to access variety of products at competitive prices? 1

a) Right to be informed

b) Right to be assured/Right to choose

c) Right to consumer education

d) Right to be heard

10. Match the following:

COLUMN-I	COLUMN-II
a-To be responsible for timely and accurate operation of the job.	i-Inspector
b-To keep machines and tools ready for operation by the workers.	ii-Speed Boss
c-To ensure proper working conditions of machines and tools	iii-Gang Boss
d-To check the quality of works.	iv-Repair Boss

- a) a-i, b-iii, c-ii, d-iv
- b) a-iv, b-ii, c-iii, d-i
- c) a-ii, b-iii, c-iv, d-i
- d) a-iv, b-iii, c-ii, d-i

11.

_____ refers to concentration of power or authority at higher level only and _____ refers to every distribution of power and authority at every level of management.

- a) Principle of Order, Principle of Stability of Personnel
- b) Theory of Centralization, Theory of Decentralization
- c) Principle of Decentralization, Principle of Centralization
- d) Principle of Esprit de corps, Principle of Remuneration

12. When did the government of India made an announcement regarding demonetization of ₹ 500 and ₹ 1,000 'currency notes'?

- a) November 8, 2016
- b) November 9, 2016
- c) November 7, 2016
- d) November 5, 2016

13. **Assertion(A):** If Mohan, an employee of production department is asked to go slow in production to maintain quality standard by the production manager and sales manager instructs the employee to fasten the production to meet the pending orders. In the situation, employee will get confused as to whose instruction must be followed by him.

Reason(R): Unity of command means one employee received order from one superior and should be accountable to one superior only.

- a) Both Assertion (A) and Reason(R) are true and Reason (R) is correct explanation

of Assertion (A).

- b) Both Assertion (A) and Reason(R) are true and Reason (R) is not correct explanation of Assertion(A).
- c) Assertion(A) is true but Reason(R) is false .
- d) Assertion(A) is false but Reason(R) is true

✓ 14. Which quality certification mark is used to ensure the safety of electrical goods? 1

- a) Hallmark
- b) AGMARK
- c) ISI
- d) FPO

✓ 15. **Statement I:** Scientific methods of production must be selected to develop standard. To set up standard the manager must may use of work studies techniques which include time study, motion study and fatigue study. 1

Statement II: standardization means only quality standards but ignores standard size, type, weight, measures etc.

- a) Statement I is correct and Statement II is not correct.
- b) Statement I is correct and Statement II is also correct.
- c) Statement I is not correct and Statement II is correct.
- d) Statement I and Statement II both are incorrect.

✓ 16. Labelling, a component of product mix helps the consumer to exercise: 1

- a) Right to safety
- b) Right to consumer education
- c) Right to information.
- d) Right to be heard.

✓ 17. Managing public opinion of an organisation is an important task performed by the marketing department. It is included under which of the following element of marketing mix? 1

- (a) Product mix
- (b) Place mix
- (c) Price mix
- (d) Promotion mix

✓ 18. What does financial leverage measure? 1

- a) No change with EBIT and EPS
- b) The sensibility of EBIT with % change with respect to output

- c) The sensibility of EPS w.r.t % change in the EBIT level
- d) % variation in the level of production

OR

Assertion (A): The primary objective of financial management is to maximize the wealth of equity shareholders.

Reason (R): Investment Decision is concerned with the investment of a firm's funds in different assets. Alternatives:

- a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
- b) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A)
- c) Assertion (A) is true but Reason (R) is False
- d) Assertion (A) is False but Reason (R) is True.

19. The document is prepared in the process of online trading of securities that is legally enforceable and helps to settle disputes/claims between the investor and the broker. 1

- a) Broker - client agreement.
- b) Trader confirmation slip
- c) Contract Note
- d) Demat Account

OR

Which of the following explains the meaning of depository?

- a) Depository buy shares and securities from a company and sells to the general public at a higher price.
- b) Depository is like a bank which keeps securities in electronic form on behalf if investor.
- c) Depository holds the funds received in the form of deposits.
- d) Depository buys and sells the shares and securities on the instructions of clients.

20. Match the following:

COLUMN-I	COLUMN-II
a-Product Mix	1-Producing a container or wrapper of a product
b-Branding.	2- In the form of a tag or a Label on the package of the product
c-Packing is the process of developing, designing and	3-Refers to the process of giving a unique name, sign, symbol or term for the identification of a product
d- Labelling refers to providing information about the product	4-Refers to essential decisions related to product quality, design, packag and assortment.

- a) a(3),b(4),c(2),d(1)
 b) a(4),b(3),c(1),d(2)
 c) a(4),b(3),c(2),d(1)
 d) a(1),b(2),c(3),d(4)

21. Explain any three points highlighting the importance of business environment.

3

OR

State the features of demonetisation.

22. Explain why it is said that principles of management are mainly Behavioural and 'contingent' in nature. Also explain how principles of management 'provides managers useful insights into reality and helps in thoughtful decision-making'.

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23. Arman works as the cost and risk management head of a company in power sector. As a result of his excellent managerial competence, the company is able to reduce costs and increase productivity. The company belongs to infrastructure sector, wherein regular amendments are made in the government regulations and policies. He holds regular meetings to ensure that people in his department are not only aware of the related changes but are also able to adapt to these changes effectively. This helps the company to maintain its competitive edge. He motivates and leads his team in such a manner that individual members are able to achieve their personal goals while contributing to the overall organisational objective. In the process of fulfilling his duties for the growth of the organisation, he helps in providing competitive services, adopting new technology, creating more employment opportunities etc. for the greater good of the people at large. Identify the various reasons that have made management so important by quoting lines

3

from the paragraph.

3

24. Explain important aspects of consumer protection from a business point.

OR

State the three-function performed by the Non-Governmental Organisation(NGO) for consumer protection.

25. Manav Computers Ltd. is a leading company in Computer Technology and IT services. The CEO of the company attributes the success of the Company to its managerial team spirit, which have helped to handle rapid changes in technologies and to transform threats into opportunities. Like any other business enterprise profits are important for survival and growth of Manav Computers Ltd. The management of the company believes that a satisfied employee creates a satisfied customer, who in turn creates profits that leads to satisfied shareholders.

The company has a strong sense of social responsibility. It has set up many educational institutions in the field of management, engineering and computer education in which half of the students are girls.

Identify and Explain the objectives of the company discussed in the above para. Also quote the lines for the identified objectives.

26. Explain the following factors affecting the working capital requirements of a business:

- (a) Credit allowed
- (b) Production cycle
- (c) Availability of raw material
- (d) Credit availed

27. Nayar is working as a PGT Commerce in a CBSE affiliated school of Kerala. One day, he was teaching about capital Market in the class. He informed the class that during 1980 the capital Market in India witnessed a tremendous growth because of increasing participation of the public. These ever-increasing investor's population market capitalisation, led to the variety of malpractices on the part of the companies, brokers, merchant brokers, investment consultants and others involved in the securities Market. These malpractices and unfair trading practices eroded investors' confidence and multiplied Investors grievance. The government of India and the stock exchanges were helpless in redressing the investor's problems because of lack of proper provisions in the existing legislation. In view of this, government of India decided to set up a regulatory

body.

- a) Name of regulatory body which the Government of India decided to set up.
- b) Also state any three objectives of the regulatory body identified in part (a) above.

OR

One of the functions of Securities and Exchange Board of India is promotion of fair practices and code of conduct in securities market. State the category to which this function belongs and state any three other functions of this category.

28. "What distinguishes a successful manager from a less successful one is the ability to put the principles into practice." Which aspect of the nature of management is highlighted in the given statement? Explain. 4

29. Gagan purchased a smart phone for ₹30,000 from a mobile phone seller on his verbal commitment that the smart phone will be replaced in case of any defect, within a span of six months. The phone started creating technical issues in spite of proper maintenance and upkeep of the phone. The seller denied taking any action on the complaint made by Gagan. 4

- a) Name the redressal agency under the Consumer Protection Act 2019, where Gagan can file his complaint.
- b) State any three responsibilities that a consumer must keep in mind while purchasing any good.

30. These days, the development of a country is also judged by its system of transferring finance from the sector where it is in surplus to the sector where it is needed the most. To give strength to the economy, SEBI is undertaking measures to develop the capital market. In addition to this, there is another market in which unsecured and short-term debt instruments are actively traded every day. These markets together help the savers and investors in directing the available funds into their most productive investment opportunity. 4

- (a) Name the function being performed by the market in the above case.
- (b) Name the market segment other than the capital market segment in which unsecured and short-term debt instruments are traded. Also, give any three points of difference between the two.

31. Anurag, aspires to work with a socially and environmentally committed company as he does not want to work just for monetary benefits, but also the brand value of the company he works for in the society matters a lot to him. Therefore, he has joined CIT, Bengaluru based Infotech company. The company has built India's largest waste 6

recycling plant. The company strives to be one of the leading players in this business which has huge potential not only in terms of generating huge revenues and profits, but also wants to contribute to the environment issues that have become crucial worldwide. The company sees big business in the mountains of e-waste in Bengaluru, which produces 2,00,000 tonnes of e-waste in a year. The company plans to make its millions by extracting metals, such as gold and platinum from the e-waste piling up in the city. For example, a mobile phone is made up of combination of rare earth and precious metals: it contains 250mg of silver, 20mg of Gold and 9 mg of platinum while laptop has 1000 mg of silver, 220 mg of Gold and 500 g of copper. To start the business, the company has obtained a license from Karnataka State pollution Central board (KSPCB).

In context to the above paragraph

Identify and Explain the various dimensions of business environment being referred to by quoting lines from the paragraph.

32. Read the statements given in point 1 and 2, and answer the questions that follow:

1. It lays benchmarks for process, raw material, time, product, machinery, methods or working conditions.

(a) Identify and explain the technique of scientific management to be adhered during production.

(b) Enumerate any two objectives of the technique of scientific management identified in part (a).

2. 'Fayol said that lazy personnel should be dealt with sternly to send the message that everyone is equal in the eyes of the management.'

(a) Identify and explain the principle of management which is being referred to in the above statement.

(b) Why is the application of this principle necessary in an organisation?

OR

Abhishek studied management principles and techniques of Henri Fayol and F.W. Taylor when he was in class XII. Now he is trying to apply his knowledge while doing his business. By using different techniques and scientifically analysing work he found one best way of doing the job. By removing unproductive movements of the workers he reduces the time to complete the job. Not only this, to increase productivity and to regain stamina he started giving more rest intervals to his employees. He followed no discrimination policy on account of sex, religion, caste, etc. in his organisation. He ensured that the compensation should be fair to both, employees and the organisation.

(a) Identify and explain two techniques of scientific management and two principles of general management adopted by Abhishek.

(b) State one technique of scientific management and one principle of general management not adopted above by Abhishek.

33. Since childhood Manu and Tanu had been watching their mother procuring wheat from the market, washing it well, drying it and getting converted into wheat flour. To collect data whether there is demand for readymade wheat flour or not, they conducted a market survey. They set up their Sona wheat flour mill in Modinagar. They named their product Sona. To penetrate in the market, they decided to keep the price low. In order to maintain smooth flow of their product in the market, it was decided to store wheat at CM Services which had scientific processes. It also has logistics facilitating quick delivery. They also set up an online complaint portal to take care of consumer grievances with an aim to provide maximum satisfaction to the customers.

6

By quoting lines from the above paragraph, Explain any six marketing functions undertaken by Manu and Tanu for the successful marketing of Sona wheat flour.

34. X Ltd.' issued 14% Debentures of ₹4,00,000 and 10,000 Equity shares of ₹60 each. This investment resulted in a net profit of 2,00,000 before interest and tax. The tax rate was 50%

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(a) Calculate the "Return on Investment" and "Earning per Share" of X Ltd

(b) State with reason whether the above example is that of favourable or unfavourable financial leverage.

(c) State other three factors affecting capital structure of a company.