

BUSSINESS STUDIES

TIME: 03 Hrs

CLASS XII (2017-2018)

M.M. 80

General instructions:

1. Answer in questions carrying 1 marks may be from one word to one sentence.
2. Answer to questions carrying 3 marks may be from 50-75 words.
3. Answer to questions carrying 4-5 marks may be about 150 words.
4. Answer to questions carrying 6 marks may be about 200 words.
5. Attempt all parts of a question together.

-
- Q1 What is the process called by which a manager synchronises the activities of different departments? 1
- Q2 What is planning premises? 1
- Q3. Name the process of exchange of information between two or more persons to reach common understanding. 1
- Q4. What is the basic monetary incentive for every employee? 1
- Q5 What does high debt service coverage ratio indicate? 1
- Q6 A 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 credit, as it has advance orders from four to six months with deposits paid. Also due to efficiency in managing its operations as a vehicle was of assembly line, it was out to dealers. Give any reason discussed above which helped the firm in managing its working capital effectively. 1
- Q7 SEBI recently called for information and issued a show cause notice to NSE and its officials seeking explanation on preferential Access allegations at exchange's Co-location facility. State the function that SEBI performed by doing so. 1
- Q8 Name the apex institution under the consumer protection Act 1986. 1
- Q9 P Ltd is facing difficulties in introduction of new machinery of latest technology as they are facing resistance from informal groups who are pressurizing members to work against organizational interest. As a HR manager how would you advice management to deal with such informal groups 3
- Q10 Amar is doing his transport business in Delhi. His buses are generally used for tourist going to Jaipur and Agra. Identify the working capital requirement of Amar. Further he wants to expand and diversify business. Enumerate any two factors that will affect his fixed capital requirement. 3
- Q11 In a company Mr Ram always explains management policies to workers and brings workers problem to the notice of management. At which post Mr Ram is working and state any two functions he has to perform. 3

Q12 Dubai budget Airlines group announced discounted fares , starting as low as Rs1,099 for domestic destination operated by Indian joint venture carrier and Rs 2,099 for International flights operated by other groups 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

Q13 State any three responsibilities of a consumer while purchasing electrical items. 3

Q14 Having transformed 2500 Kirana stores across eight cities in to virtual super markets , the startup Quick Bizz further decided in advance , to collaborate with 15,000-20,000 store owners in top 30 cities of the countries by the end of this year .The company has set its eye on digitizing over 1,00,000 Kirana stores over the 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

Q15 At present, apart from the basic pay and allowances as a part of compensation, the employees and employees contribute 12% of the basic pay each towards Employees provident fund scheme. A proposal to reduce the contribution by employers and employees to 10%of the basic pay and dearness allowance was listed on the agenda for recent meeting of Employees Provident Organization held. The stakeholders expressed their reservations about it and 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

Q16 Differentiate between primary and secondary market on any four basis. 4

Q17 Haldi Ram is a famous chain selling large variety of products in the Indian market. There products includes chips, biscuits, sweets etc. Its charges comparatively higher prices than its competitors. As its sales quality products. Besides, its offers regular discounts to its customers and easy credit its retailers. It has five of its own retail shops. It also sales its products through various grocery stores so that the product will be available to the sales. The above para describes the combination of variables used by Haldi Ram to prepare its market offering. Identify and explain any three such variables. 4

Q18 A company was marketing “Water purifiers” which were popular due to their quality and after sales services provided to the customers. The company was a leading company in the market and earning huge profits. Because of huge profits the company ignored after sales services. As a result its relations with the customers got spoiled and the image of the comp0any was damaged in the public. Top management became concerned when the profits for the current quarter fell steeply. On analysis it was revealed that ignoring the after sales services was its reason. Therefore the company took all possible measures to protect and promote its favorable image in the eyes of the public. As a result the goodwill of the company improved in the society.

(a) Name and state communication tool used by the marketer in the above case to improve its image.

(b) Also explain role of the tool as identified in part (a). 4

Q19 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 above which brought about the change. 4

Q20 Anshu was working in A Ltd, a company manufacturing air purifiers. He found that the profits had started declining from the last six months. Profit has an implication for the survival of the firm, so he analyzed the business environment to find out the reasons for this decline.

- (a) Identify the level of management at which Anshu was working.
- (b) State four other functions being performed by Anshu.

5

Q21 Textile manufacturing Super textiles reported 43% fall in its profits in the fourth quarter ended 31 Mar 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

Q22 S 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 S Ltd.

5

Q23 Sharmila, a very able HR manager, is called by her boss. He tells her to judge whether there is under manning or over manning in the organization. She takes her work sincerely and finds out that the total number of employees in the organization is less than required. Then she starts a process of searching potential employees for the organization. In her efforts to do so she adopts three ways:

- (a) She goes to various MBA colleges to find out new talent.
- (b) She talks to the existing employees for information about candidates in their knowledge who can be recruited in the organization.
- (c) She asks for data base of the candidates who applied last year but could not make it to the organization.
 - (I) Which type of analysis is done by Sharmila explain.
 - (II) Which process is started by Sharmila to meet the problem of under manning?
 - (III) Identify different types of sources of external recruitment highlighted in the above cases.

6

Q24 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 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

Q25 'If a superior shares his/her responsibility, the responsibility is performed by two however if the power of decision making is shared with all levels of management, the responsibility is performed by many'.

(a) Identify and explain the two concepts in the statement.

(b) Differentiate between the two concepts on any four basis.

6

MARKING SCHEME

Ans1 Co-ordination.	1
Ans2 The manager is required to make assumption about the future. These assumption are called planning premises.	1
Ans3 Communication	1
Ans4 Salary	1
Ans5 A high Debt Service Coverage Ratio indicates better ability to meet cash commitments and consequently, the company's potential to increase debt component in its capital structure.	1
Ans6 Factors affecting working capital requirements: a. Credit Allowed b. Operating Efficiency.	1
Ans7 Regulatory Function- Calling for information by undertaking inspection, conducting enquiries and audits of stock exchange.	1
Ans8 National Commission.	1
Ans9 (a) It would be in the best interest of the organization if the existence of such groups is recognized and the roles that their members play are identified. (b)The knowledge of such groups can be used to gather their support and consequently lead to improved organizational performance. Such groups can also provide useful communication channels. (c) Instead of confronting them, the management should take skillfully take advantage of both formal and informal organization so that work continues smoothly.	3
Ans10 Working capital requirement would be less due to service industry. Factors affecting fixed capital requirement : a. Scale of Operation b. Financing alternatives c. Growth prospects d. Diversification.	3
Ans11 Mr Ram is working as a Supervisor any two function of a supervisor.	3
Ans12 Advertising ,any two merits of Advertising	3
Ans 13 Ask for a cash memo; Buy only standardized items as they assure quality(ISI mark);Be honest in your dealings	3
Ans14 Following is the step in the process of planning: a) Setting objectives b) Follow up action	(1/2 mark for identification+1 ½ mark for explanation) 3

Ans15 Following needs will not be satisfied by the two incentives- Basic pay and allowances (satisfies basic needs) & Retirement Benefits (Satisfies safety and security needs)-	
a. Affiliation/belongingness Needs b. Esteem Needs c. Self Actualization Needs	4
Ans16 Any four points of difference.	4
Ans17 Marketing mix: Variables product, price, place, promotion.	4
Ans18 (a) Public relations (b) Roll of public relations- Press relations, Product publicity, Corporate communication, Lobbying, Counseling.	4
Ans19 (a) Legal environment (b) Political environment	4
Ans20 Top management: any four functions to be performed by the Top level manager.	5
Ans21 Controlling : Steps discuss – a. Analyzing deviations b. Taking corrective Action.	5
Ans22 Factors keep in mind are – A. Cash flow should be carefully analyzed b. Rate of return of the project based on expected return and assessment of the risk involved from each proposal should be analyzed. C. The decision to invest in a particular project involves a number of calculations regarding the amount of investment, interest rate, cash flows and rate of return.	
B. Reasons – bearing on the long term growth, Result in a substantial portion of capital funds being blocked, influence overall risk, not reversible.	
C. Any two values.	5
Ans23 a. Workforce analysis b. Recruitment c. Campus recruitment, Employee recommendation, Casual callers.	6
Ans24 Initiative, Stability of personnel, Discipline, Equity, Esprit – Ded Corps, Subordination of individual interest to general interest; any two values.	6
Ans25 Delegation and decentralization; any four points of difference between the two.	6