

BUDHA DAL PUBLIC SCHOOL PATIALA
Pre Board Examination (13 January 2025)
Class XII (Commerce)
Subject –Business Studies (Set-A)

Time: 3hrs

M.M.80

General Instructions

1. All questions are compulsory.
2. Questions from 1 to 20 carrying 1 mark each.
3. Questions from 21 to 24 carrying 3 marks each.
4. Questions from 25 to 30 carrying 4 marks each.
5. Questions from 31 to 34 carrying 6 marks each.

- Q1. With the presence of women in the work force, there has been a shift towards formal wear, increased demand of electronic gadgets and increase in demand of cosmetics. The related dimension of business environment referred in the above lines is:
- a) Technological environment b) Social environment
c) Political environment d) Economic environment
- Q2. Some employees have been assigned the job of measuring the output in an objective and reliable way. They are applying different techniques for achieving this aim. Some of these are personal – observation, sample checking etc. They are also keeping the units of measurement same as that of the units in the standards.
- Name the step of 'Controlling process' applicable in the above paragraph.
- a) Analysing deviations b) comparing actual performance with standards
c) Establishing standards d) measurement of actual performance
- Q3. Mr. Vivek is working as the general manager of Oshin Hotels Ltd. Mr. Vivek observed that government was taking a special interest in the tourism industry as this Sector is an important source of foreign exchange and employment promotion. On the basis of this news, the company decided to set up hotels at several tourist places. Oshin Hotels Ltd. established 50 hotels before other companies considered this issue very soon, this brand Oshin Hotels Ltd. become well known in the market.
- Identify the importance of business environment discussed here.
- a) It enables the firm to identify opportunity and getting the first mover advantage.
b) It helps the firm to identify the threat and early warning signals.
c) It keeps in taking useful resources.
d) It helps in improving performance.
- Q4. SEBI calls for information and issues a show cause notice to stock exchange and its officials seeking explanation and conducting audit and enquiry. Which function is SEBI performing?
- a) Regulatory function b) Development function c) Protective function d) Both (a) and (b)
- Q5. Vedant Ltd. is a company with a decreasing EBIT. The company has a significant amount of debt in the form of debentures and further borrowing through debentures could worsen the situation. Which factor determining the capital structure is the CFO of Vedant Ltd. primarily concerned about?
- a) Cost of debt b) Return on investment c) Interest coverage ratio d) Debt service coverage ratio
- Q6. Which step of the organizing process involves stating the job description, a document that clearly defines the contents and responsibilities related to a job?
- a) Departmentalisation b) Assignment of duties
c) Establishing reporting relationship d) Identification and division of work
- Q7. 'Flavours of South' is a famous chain of South Indian restaurants. It believes in complete co-operation between employees and management. Its management encourages the employees for their constructive suggestions. They take their employees into confidence for all important decisions.
- Identify the related principle.

- a) Science, not rule of thumb
- b) Harmony, not discord
- c) Co-operation not individualism
- d) Development of each and every person to his or her greatest efficiency and prosperity.

8. Name the outcome of the function of management which includes designing of role to be filled by suitably skilled people and defining the inter relationship between roles so that ambiguity in performance of duties can be eliminated.

- a) Organisation structure
- b) Delegation of authority
- c) Decentralisation
- d) Controlling

Q9. The technique of scientific management given by Taylor, which aims to establish interchangeability of manufactured parts and products is _____.

- a) Method study
- b) Motion study
- c) Standardization
- d) Differential piece wage system

Q10. This analysis would reveal the number and type of human resource available within the organization:

- a) Workload analysis
- b) Break even analysis
- c) Workforce analysis
- d) All of the above

Q11. In order to give a greater exposure to the children, Champion Public School organized a talk on stock market for the commerce students. However, the students did not gain much from the event as the resource person use lot of technical words while explaining about stock market which were beyond the comprehension of the students.

Identify the type communication barrier being described in the above lines.

- a) Badly expressed message
- b) Unclear assumptions
- c) Technical Jargon
- d) Premature evaluation

Q12. This concept of control management is based on the belief that if you try to control everything you may end up controlling nothing.

- a) Critical point control
- b) Key result areas
- c) Management by exception
- d) Deviations

Q13. This test is an indicator of a person's learning ability or the ability to make decisions and judgement.

- a) Trade test
- b) Personality test
- c) Intelligence test
- d) Aptitude test

Q14. When the stock market is bearish, a company may depend upon _____ in order to raise the required funds.

- a) Debentures
- b) Equity shares
- c) Preference share
- d) All of the above

Q15. The marketing management philosophy which uses availability and affordability as a means to achieve the objectives is

- a) Marketing concept
- b) Selling concept
- c) Product concept
- d) Production concept

Q16. The element of delegation which relates to the obligation of a subordinate to properly perform the assigned duty is known as :

- a) Authority
- b) Responsibility
- c) Accountability
- d) Decentralisation

Q17. On joining Kartar Ltd. as Chief financial officer, Madhumita was allotted 500 shares of the company. Identify the type of incentive being described.

- a) Perquisites
- b) Retirement benefits
- c) Co-partnership
- d) Pay and allowances

Q18. While taking a loan from a financial institution, Lokesh Enterprises signed an agreement that they shall not pay dividend to its shareholder more than 15% until the loan is repaid, or dividend shall not be declared if the liquidity ratio is found to be less than 1 : 1. Identify the factor related to dividend decision being described in the above case.

- a) Access to capital market
- b) Preferences of shareholders
- c) Contractual constraints
- d) Legal constraint

Q19. Match the Column A with Column B in the following information:

Column A		Column B	
i)	New issue market	a)	Depository
ii)	Trading of the existing securities	b)	Dematerialisation
iii)	Holding securities in electronic form	c)	Primary market
iv)	A custodian of the securities in	d)	Secondary market

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

- Q20. Taylor believed that there was only one best method to maximize efficiency. This method can be developed through study and analysis. Identify the principle of scientific management being discussed above:
 a) Harmony not discord b) Division of work c) Method study d) Science not rule of thumb
- Q21. Dhaval Acharya, after acquiring a bachelors degree in hotel management joined his father's chain of vegetarian restaurant in Ahmedabad. Being young and enterprising, he suggested his father to add a new section of vegetarian bakery items which required an investment of 10 crore. His father Mr. Hari Acharya suggested him to take the decision with caution and understood everything comprehensively as bad decision may damage the financial fortune of the business.
 Identify the decision suggested by Mr Hari Acharya. State by giving any two reasons as to why he must have advised his son to take decision with caution.
- Q22. Hitech Hospital Limited is a famous company which provides health services. It has a great market share last year, in no time, several multinational companies arrived. This fact cost a great fall in the company's business. The whole responsibility of finding the solution of this problem fell on the shoulders of journal manager, Dr Raju Raghavan. Now, in order to keep himself away from the routine activities of the company, he gave some of his authority to his departmental managers, he gave them this freedom also that if they wanted, they could give some of these authorities to their own subordinates. The departmental managers were already feeling themselves overburdened with the overload. Therefore, they had it over some of their authorities to their subordinates as a consequence of this on the one hand, the journal manager got time to solve the serious problems, and on the other hand, the feeling of responsibility was aroused in the subordinates. Within a few days. The growth rate of the company appeared to have become fast. Identify the concept of management described in the paragraph given above and also explain the two points of importance spoken about here.
- Q23. Akanksha, Nitika and Karishma are the owners of a handicraft unit in the urban area of Dibrugarh in Assam, which is involved in the manufacturing and marketing of Sheetal Patti, traditional Mats and Jhappi (the traditional headgear), they decided to shift the manufacturing unit to the rural area with an objective of reducing the cost and providing job opportunities to the locals. They followed the functional structure in this organisation with a view to increasing managerial and operational efficiency. They assessed and analysed the type and number of employees required, keeping in mind that they had to encourage the woman, and the people with their special needs belonging to the rural area.
 State and explain the next three steps that they will have to undertake for obtaining a satisfied workforce for their handicraft unit.
- Q24. 'Bharati Limited' is an electric good manufacturing enterprise situated in Madhya Pradesh. It is earning a low revenue in comparison to the competing electronic goods manufacturing enterprise, 'Nova Limited' situated in Mumbai. Both Bharat Limited and Nova operations are affected directly by the investors, customers, competitors, and suppliers, which are unique to their respective locations. In addition to this, individual firms of this field are affected indirectly by the factors like the money supply in the economy, composition of the families, the technological changes etc.
 a) Identify and state the feature of the concept discussed in the above paragraph
 b) Also, state any two points of importance of this concept.
- Q25. Mega Limited holds an annual management program every year in the month of March, in which the top managerial personnel of formulate plans for the next year by analysing and predicting the future to meet future events effectively. As they are responsible for providing direction to the organisation, fact are checked through scientific calculations. Detailed plans are prepared after discussion with professional experts. Preliminary investigations are also undertaken to find out the viability of the plan. Since it is an intellectual activity requiring intelligent imagination and sound judgement so it is mainly done by the top management. Usually rest of the members just implement the plans. Middle level managers are neither allowed to deviate from the plans nor are they permitted to act on their own. The top management ensures that the expenses incurred in formulating the plans justify the benefits derived from them.
 State any two limitations and two features of one of the functions discussed above.
- Q26. Sachin joined as a CEO of Rahat Limited, a firm manufacturing computer hardware. On the first day, he addressed the employees. He said that he believe that a good company should have an employee suggestion system and wished to minimise employee turnover to maintain organisational efficiency. He

informed all employees that he would ensure that all the agreements were clear, fair and there were sternly to send the message that everyone was equal in the eyes of the management. Also that he would want to promote a team spirit of unity and harmony among employees, which would give rise to the spirit of mutual trust and belongingness among the members and eventually minimise need for using penalties. He told all present that the interest of the organisation should take priority over the interest of individual employees.

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

- Q27. X Ltd is engaged in manufacturing of cars. The company survey the market and found that customers need a car which runs on eco-friendly fuel instead of petrol and diesel, keeping the need of consumers as well as social, ethical and ecological aspect of marketing in mind. The company launched a new model of car that runs on bio diesel. The launch event was covered by the top news channel and newspapers. This was done to disseminate information about the car and build goodwill of the business. X Ltd. understands that it is imperative to manage public opinion and companies relation with the public on regular basis.
- Identify and explain the marketing philosophy involved in the above case
 - Identify and explain the communication tool that was used by the company
 - Explain any two other promotional tools that can be used by X Limited to achieve its objectives.
- Q28. Due to spread of COVID-19 pandemic, employees of almost all the companies were working online from their homes in 2022. When most of the companies called them back to their office and started working off-line. Tata software Limited still ask their employees to work from home. Because of this employees of Tata software Limited were feeling bored, hence for recreation, they formed a cricket club. They started meeting every Saturday and Sunday on the ground near their office building.
- Identify and state the type of organisation formed by the employees of Tata software Limited.
 - Also state any two advantages and two limitation of the type of organisation identified in part a.
- Q29. Reena purchased 1 L of pure Desi ghee from a shopkeeper. After using it. She had a doubt that it is adulterated. She sent it for a laboratory test, which confirmed that the ghee is adulterated.
- State any six reliefs available to Reena if she complains and the consumer court is satisfied about the genuineness of the complaint and also state the consumer court where she can file a complaint.
- Q30. Ashutosh has recently joined 'Axe Ltd.', a company manufacturing refrigerators, he found that his department was understaffed and other departments were not cooperating with his department for smooth functioning of the organisation. Therefore, he ensured that his department has a required number of employees and its Corporation with other departments is improved.
- Identify the level at which Ashutosh was working.
 - Also, state three more functions required to be performed by Ashutosh at this level.
- Q31. Abhishek Limited is manufacturing cotton clothes. It has been consistently earning good profits for many years. This year to it has been able to generate enough profits. There is availability of enough cash in the company and good prospects for growth in future. It is a well managed organisation and believes in quality, equal employment opportunities, and good remuneration practises. It has many shareholders who prefer to receive a regular income from their investments. It has taken a lone for ₹50,00,000 from ICICI bank and is bound by certain restrictions on the payment of dividend, according to the terms of loan agreement. The above discussion about the company leads to various factors which decide how much of the profit should be retained and how much has to be distributed by the company. Quoting the lines from the above discussion. Identify and explain any four such factors.
- Q32. 'Newrange' is a chain of departmental stores in India with 56 outlets. It sells the best products at the lowest price. The human resource department takes care to select, train, motivate and retain the employees. Currently it has 170 full-time employees and 30 part-time employees for top level management. Employees are recruited through private consultants. These professional recruiters can entice the needed top executive from other companies by making the right offers. Employees appointed at entry level are recruited through walk-in. For that, a notice is placed on the noticeboard Specifying the details of the jobs available. 'Newrange' also encourages present employees or their friends and relatives to refer candidates. They also visit some of the reputed educational institutions to hire some of the most talented and promising students as its employees.

New range shifts workforce from surplus departments to those where there is shortage of staff instead of laying them off. Explain the various internal and external source of recruitment used by 'newrange' to recruit its employees.

3. Chintamani is a production manager of 'Global India Limited' manufacturing and exporting steel. During the year 2017-18 the company could not meet its production targets. The chief executive officer of the company constituted a committee of experts to find out the reasons and give its recommendation so that the production target could be met in the future. The company analysed the production related records and found out that there were problems due to communication. Global India Limited had rigid rules and would insist on communication through prescribed channels, which led to delays. The company, also had a number of managerial levels causing further delay and distorted communication. Moreover, the production manager Chintamani was using a tone that quite often offended the sentiments of the workers. Also Chintamani and the workers did not believe in each other and so could not understand each other's message in the original sense.

- a) Identify and give the meaning of the types of communication barriers discussed above.
- b) Quoting lines from the above state two communication barriers under each of the type identified in part a because of which global India Limited could not meet its production targets.
- c) State any two recommendations that might have been given by the committee to improve communication effectiveness.

Q34. Taking corrective actions is the last step in the process of one of the functions of management.

- a) Name and explain the function.
- b) Explain the other steps of the above mentioned function.