

BUSINESS STUDIES

Time allowed: 3 hours

Maximum Marks: 80

Class: XII

General instructions

Answers to questions carrying 1 mark may be from one word to one sentence

Answers to questions carrying 3 marks may be from 50-75 words.

Answers to questions carrying 4-5 marks may be about 150 words.

Answers to questions carrying 6 marks may be about 200 words.

Attempt all parts of a question together.

SECTION A

1. Name the concept which reduces the workload of a manager? (1)
2. The workers of a factory are unable to work on new machines and always demand for help of supervisor. The supervisor is overburdened with their frequent calls. Suggest the remedy (1)

OR

Give the meaning of performance appraisal as a step in the process of staffing

3. A company is manufacturing paper plates and bowls. IT produces 1,00,000 plates and bowls each day. Due to local festival it got an urgent order of extra 50,000 plates. Advice how will the company fulfill its order and which method of recruitment would you suggest? (1)

OR

Recruitment is one of the specialized activity performed by human resource management .Mention any two other specialized activities of human resource management.

4. What is grapevine communication? (1)

OR

Why does formal communication get delayed.

5. In controlling, why is actual performance compared with standards?(1)
6. What is the main objective of financial management? (1)
7. Name any two instruments used in money market (1)
8. Name the marketing function ,which is concerned with informing the customers about the firm's products(1)

SECTION B

9. Explain the following principles of general management:
 - a) Initiative
 - b) Equity (3)

OR

Distinguish between motion study and time study on the basis of (a) meaning (b) purpose

10. Is planning actually provides direction for action ? Explain (3)

11. Y Ltd is a bank functioning in India. It is planning to diversify in to insurance business. Lately, the government of India has allowed the private sector to gain entry in the insurance business. Previously, it was the prerogative of LIC and GIC to do insurance. But now with liberalization of the economy and to make the field competitive other companies have been given licenses to start insurance business under the regulation of 'Insurance Regulatory and Development Authority'.

Y Ltd plans to recruit high quality employees and agents and exercise effective direction to capture a substantial part of life and non-life insurance business.

What financial incentives (any three) can the company use for employees to motivate? (3)

OR

Neeraj ,a sales representative of Omida Ltd has changed seven jobs in the last one year. He is a hardworking person ,but is not able to finalise deals with the customers due to his inadequate vocabulary and omission of needed words. Sometimes he uses wrong words because of which intended meaning is not conveyed. All this created a misunderstanding between him and his clients.

a) Identify the communication barrier discussed above.

b) State the category of the communication barrier .

(c) Explain any other communication barrier of the same category.

12. 'R' Limited is a real estate company which was formed in 1950. In about 56 years of its existence the company has managed to carve out a niche for itself in this sector. Lately, this sector is witnessing a boom due to the fact that the Indian economy is on the rise. The incomes of middle class are rising. More people can afford to buy homes for themselves due to easy availability of loans and accompanying tax concessions. To expand its business in India and abroad the company is weighing various options to raise money through equity offerings in India. Finance manager of 'R' Limited made a blue print of financial requirement of business and also thinking of whether to tap equity or debt market, whether to raise money from domestic market or international market or Combination of both? Whether to raise the necessary finance from money market or capital market.

Name and explain the financial blue print of company and list any two objectives. (3)

13. ITC started its business with Tobacco Industry later on it entered in Hotel Industry, Consumer goods industry, stationery, etc. ITC assured quality to customer and kept company's name as its identity, stationery, etc. ITC assured quality to customer and kept company's name as its identity. This help the customers in product identification and hence ensured quality. It also built up their confidence and help in increasing their level of satisfaction.

- i) Name the element of marketing mix referred in the above para.
- ii) Name the concept which assure quality and help in identification of product.
- iii) Identified any two values emphasised by ITC (3)

SECTION C

14. Raman agreed to be an employee of a company on the condition that he will be given a project offering competitive salary, career advancement opportunity, promotion and recognition. Mr. John, (general manager) puts Raman in a project in which promotion is not possible. Raman gets disheartened and feels frustrated all the time. Such frustration also reflected in his work and he could not bring desired results.
- (a) Which objective of management Raman could not achieve? Explain.
 - (b) Identify the other two objectives.
 - (c) What should Mr. John do to avoid such problem? (4)
15. Explain the technique of scientific management that is the extension of the principle of division of work and specialization (4)

OR

What is meant by principles of management?

State any three points of their importance

16. Having transformed 2500 Kirana stores across eight cities into virtual markets, the startups Quick Buzz decided in advance to collaborate with 15000 to 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 two years.
- (a). Identify and explain the first step in the process of one of the functions of management discussed above?
 - (b) Also explain the last step to be performed by Quick Buzz as part of the process? (4)
17. A company X Ltd is setting up a new plant in India for manufacturing auto components. India is a highly competitive and cost effective production base in this sector. Many reputed car manufacturers source their auto components from here.
- X Ltd is planning to capture about 40% of the market share in India and also export to the tune of at least \$ 5 million in about 2 years of its planned operations. To achieve these targets it requires a highly trained and motivated work force. You have been retained by the company to advise it in this matter. While giving answers keep in mind the sector company is operating.
- Which source of recruitment the company should rely upon. Give reasons for your recommendation? (4)
18. "Organisations keen on developing effective communication should adopt suitable measures to overcome the barriers and improve communication effectiveness" Explain any four such measures to be taken to improve communication effectiveness. (4)

OR

There are some barriers in communication which are concerned with organizational structures ,and rules and regulations. State any four such barriers.

19.S Limited is manufacturing steel at its plant in India. It is enjoying a buoyant demand for its products as economic growth is about 7% to 8% and the demand for steel is growing. It is planning to set up a new steel plant to cash on the increased demand it is facing. It is estimated that it will require about ₹.5000 crores to set up and about ₹.500 crores of working capital to start the new plant.

What are the factors that will affect capital structure of this company? (4)

SECTION D

20.A leading FMCG company manufacturing potato chips as its premium snack feels the need to steer ahead of its competitors. It asks for suggestions from its employees. The employees feel that the market for potato chips as a segment has become commoditised. They suggest that innovation in finger snacks was much more & it would also help the firm overcome the volatility & severe shortage of chips- grade potatoes in India. Besides change in prices of potato often lead to change in profit margins of the firm. Keeping in mind the fact that consumers are health conscious the company executes the suggestions of its employees by introducing variant of finger snacks including multi grain, pulses & regional flavours under its 'Kingo' brand.

- a. Identify the significance of business environment from the above case
- b. Identify the dimension of business environment by quoting from above lines.
- c. Define the dimension so identified above.
- d. List any two values shown by the company. (5)

OR

Companies that fail to adapt to their environment are unlikely to survive in the long run. Comment.

21.A company M Ltd is manufacturing mobile phones both for domestic Indian market as well as for export. It had enjoyed a substantial market share and also had a loyal customer following. But lately it has been experiencing problems because its targets have not been met with regard to sales and customer satisfaction. Also mobile market in India has grown tremendously and new players have come with better technology and pricing. This is causing problems for the company. It is planning to revamp its controlling system and take other steps necessary to rectify the problems it is facing.

Give the steps in the control process that the company should follow to remove the problems it is facing. (5)

22.Explain the redressal mechanism available to consumers under the consumer Protection Act, 1986. (5)

SECTION E

23. Beauty care Ltd was only manufacturing Cosmetics. As they were very successful in cosmetic business, the management acquired three new manufacturing units and started selling multi – products in market. (Footwear, Garments, and bags). The directors decided that each department should be headed by a person who is capable and competent.

- a) State and explain the type of organization structure Beauty Care Ltd have followed as the producer of a single product.
- b) Suggest which type of organizational structure Director must adopt now and explain its advantages.(any four) (6)

24. Explain any 4 factors that should be considered while determining the fixed capital requirement of a company. (6)

OR

Explain, in brief, any five factors that should be taken into consideration while determining the requirements of working capital for a business enterprise.

25. Haldiram is a famous chain selling a 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 the retailers. It has many outlets of its own in various cities. It also sells its products through various grocery stores so that the products are 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 para describes the combination of variables used by Haldiram to prepare its market offering. Identify and explain its variables. (6)
