

SAMPLE Question Paper 7

(Questions-Answers) BUSINESS STUDIES

A Highly Simulated Practice Question Paper for
CBSE Class XII Examination

Time : 3 hrs

M.M. : 30

General Instructions*

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

SECTION A : Objective Type Questions

(7 Mark)

1. Supervisor superintendent is a part of management.
(a) top (b) middle
(c) operational (d) Can be either (b) or (c)
2. Rahul Mehta purchased a car for ₹ 17 lakhs from an automobile company. Later on, he found defects in its engine. Suggest to him the appropriate authority, where he could file a complaint under Consumer Protection Act.
(a) District Forum
(b) State Commission
(c) National Commission
(d) Supreme Court of India
3. Ishita was suffering from hair loss problem. She wanted hair oil which would help her with this problem. She went to a departmental store and picked up Sun's hair grow oil with a tagline 'Bhulo balon ka Girna'. Then she read the price, read the instructions for use, its expiry date and other details. Identify the elements of product mix performed by oil selling company.
(a) Branding (b) Labelling
(c) Promotion (d) Packaging

You are advised to attempt this sample paper without referring the answers given here. However, cross check your answers with the answers given at the end after you complete the paper.

4. Nisha took her niece, Maanvee for shopping to 'Burberry' to buy her a dress on the occasion of her birthday. She was delighted when on payment for the dress, she got a discount voucher to get 35% off for a meal of ₹ 1,000 or above at a famous eating point.
Identify the technique of sales promotion used by the company in the above said case.
(a) Usable benefit (b) Discount (c) Quantity gift (d) Lucky draw
5. How planning reduces overlapping and wasteful activities?
(a) It helps the manager to look into the future and choose amongst the various alternatives.
(b) It serves as the base for coordination by avoiding confusion and misunderstanding.
(c) It enables a manager to look ahead and anticipate changes.
(d) None of the above
6. With which concept is the saying "If you try to control everything you may end up controlling nothing" associated?
(a) Critical point control (b) Management by exception
(c) Control by exception (d) Both (b) and (c)
7. Which of these indicate 'status' given to a manager?
(a) Salary (b) Recognition
(c) Prestige of job (d) Both (b) and (c)
8. Mr M introduced Mr J, a new employee to the old employees and to their new jobs. Identify the method/process being followed there.
(a) Orientation (b) Internship (c) Vestibule (d) Apprenticeship
9. A company wants to establish a new unit in which a machinery worth ₹ 15 lakh is involved. Which type of decision is involved here?
(a) Dividend decision (b) Investment decision
(c) Financing decision (d) Both (b) and (c)
10. Many multinational food joints such as Mc Donalds, Domino's etc have altered their menu according to Indian taste and culture. Name the dimension of business environment which is responsible for this step.
(a) Social (b) Legal (c) Political (d) Economic
11. Budgets are known as financial plans made for a period of one year or less.
(a) long-term (b) short-term
(c) medium-term (d) Both (b) and (c)

Or

Which of these is a factor affecting capital structure decision?

- (a) Risk consideration
(b) Flexibility
(c) Stock market conditions
(d) All of the above

22. Surya Ltd 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. Therefore, it is planning to set-up a new steel plant to take benefit of such trends in demand. It is estimated that such an expansion will require about ₹ 5,000 crore to set-up and about ₹ 500 crore of working capital. As the finance manager of the company, state any three factors that would be considered while determining the capital structure for the new venture.

23. What can manufacturers, consumers and government do to remove the evils of advertising?

24. Aryan is a manager overburdened with work. Recently, the other managers advised him to share his authority with his subordinates, using the process of delegation. They explained the concept of delegation to him and its essential elements also. Discuss briefly the essential elements of delegation.

Or IT company Polaris Software is planning to set-up a new unit in Mumbai with a capacity for 800 professionals. The company currently has 1,200 professionals across its centres in Mumbai, and the new unit is expected to come up in the next six months. The company's chairman and CEO said that the company was well on the track to meet its earlier announcement to increase the head count by 1,500 to 2,000 professionals in the current year. Which function of management is present here? Also, enlist its two features.

SECTION C : Short Answer Type II Questions (4 Marks)

25. What is meant by business environment? Explain 'dynamic nature' and 'uncertainty' as features of business environment.

26. Mr Sharma purchased a book from a bookseller and took the cash memo of ₹ 800 which he paid for the book. Later, he found that the actual price of the book is ₹ 720, but the bookseller had put a sticker of ₹ 800 on the original price. Can Mr Sharma recover the extra money that he paid? What other options are available to him against bookseller?

27. XYZ Co is a newly established company. Company is not having the adequate finance to recruit the persons from outside. In this situation, which source of recruitment would be beneficial and why?

28. Explain how controlling helps in

- Making efficient use of resources
- Improving employee's motivation

29. Mr A is a teacher, having a reputed job with good earnings. He wants to trade on a stock exchange. Enumerate the first four steps involved for purchase and sale of securities in a stock exchange.

Or Define investment decisions. Why these decisions are crucial for a business?

30. Jetways Ltd is constantly engaged in conducting financial literacy programmes for the underprivileged sections of the society. What type of objective is highlighted here? Explain along with the ways of doing so.

Or

Rajeev has just joined a company as its CEO. Advise him, regarding the functions to be performed by him.

SECTION D : Long Answer Type Questions (6 Marks)

31. Explain the various networks of formal communication.
32. Differentiate between primary and secondary market on any four basis.

Or

In the backdrop of growing crimes against women, Sudhakar has just floated a private company by the name of 'Suraksha' to provide female bodyguards for women, while travelling or commuting between work and home. Being new to business, he appointed Mr Bokade as his finance manager and asked him to assess the finance needs of his company.

- (i) In which two categories, the finance needs of a firm can be categorised into?
- (ii) Explain any five factors that Mr Bokade have to consider while determining the working capital requirement for the company.
33. Mr Inderjeet had started a business of supplying components required in the manufacturing of solar panels. He had started his business five years back and with growing demand, he had opened two more offices. One in Bhopal and the other in Chennai, in addition to the head office in Delhi. He has to travel a lot, from one city to another, related to his business. He tries to look after all the aspects of the business. He also takes all the major decisions himself.
- For the last couple of months, he is facing a number of problems. He is not able to meet his orders on time, raw material supply is being affected and productivity is falling. His son Dinesh, a management student advises him to change his style of functioning and delegate his authority.
- (i) What does delegation of authority means?
- (ii) Delegation of authority is important for effective organisation. How? State by giving three reasons.
- (iii) Quoting lines from the para, identify and discuss the leadership style of Mr Inderjeet.
34. Mega Ltd was manufacturing water heaters. In the first year of its operations, the revenue earned by the company was just sufficient to meet its costs. To increase the revenue, the company analysed the reasons of less revenues. After analysis, the company decided
- (i) to reduce the labour cost by shifting the manufacturing unit to a backward area where labour was available at a very low rate.
- (ii) to start manufacturing solar water heaters and reduce the production of electric water heaters slowly.

This will not only help in covering the risks, but also help in meeting other objectives too. Identify and explain the objectives of management discussed above.

Or Hall Ltd is a company engaged in infrastructural sector. The management of the company holds regular meetings to ensure that people in department are not only aware of changes but also adapt to them. The CEO of the company motivates and leads the team keeping in mind the organisation as well as individual goals. He, along with other top level managers, have decided to set up a plantation drive on the coming weekend. As a result of training modules of company, cost has been reduced and the productivity of employees is improved. Therefore, the company is able to achieve its target on time.

The given para highlights one of the aspects of management. Identify it and explain the reasons for it by quoting the lines.