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International Indian School, Dammam

I Term Examination JUNE 2015

Class: XII

Max Marks: 80

Subject: Business Studies

Time: 3hrs

SET - A

General Instructions

- ❖ Answers to questions carrying 1 mark may be from one word to one sentence.
- ❖ Answers to questions carrying 3 marks may be about 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.

- 1 How does *Coordination* ensure unity of action in management? 1
- 2 'Bawa Cycles' was in the business of manufacturing racing-cycles and had a monopoly in the market. The business was doing very well and the company was consistently meeting its objective of 10% increase in sales every year. Encouraged by the good track record, the Managing Director of the Company kept an ambitious target of 15% increase in sales for the next year. The same year two competitors also entered the market and because of this the company was not able to meet its target. 1

Identify the limitation of one of the functions of management because of which the company was not able to achieve its target.
- 3 Distinguish between delegation and decentralization on the basis of *status* 1
- 4 What is the meaning of **relativity** as one of the characteristics of business environment? 1
- 5 The production manager of an automobile company asked the foreman to 1



achieve a target production of 200 units (scooters) per day. But he did not give him the authority to requisition the tools and materials from the store department. Can the production manager blame the foreman if he is not able to achieve the target? Identify the principle relating to the situation.

- 6 Mrs. Hayden is a very experienced and highly qualified manager. All her subordinates respect her because she does not force her opinions on others and listens to their suggestions and opinions as well as problems before taking decisions. Which style of leadership is she following?
- 7 A company wants to replace manual production technique with mechanized techniques. Labour unions are resisting this change. Which function of management will help in introducing the change?
- 8 Mr. Rajat is working as personnel manager in a company of Delhi. Although he is not well educated he is an experienced person. Before this, he has worked in this post in two large companies. His intention is always in promoting an efficient employee to a higher post and in demoting an inefficient one to a lower vacant post. State on what source of recruitment Mr. Rajat is concentrating.
- 9 Principles of Taylor and Fayol are mutually complimentary. One believed that management should share the gains with the workers, while the other suggested that employees' compensation should depend on the earning capacity of the company and should give them a reasonable standard of living. Identify and explain the Principles of management referred in the above paragraph.
- 10 State any three advantages of informal organisation.
- 11 Mr. Anil is working as Sales Department head in XYZ Ltd. Name the level of management he is working. Explain any two functions performed by him.
- 12 Name and explain the type of plan which is also a control device from which deviations are taken care of.
- 13 Blue Star Ltd purchased a new high-tech machine from Germany for manufacturing high quality auto components in a cost effective manner. But,

during the production process the manager observed that the quality of production was not as per the standard. On investigation, it was found that there was lack of knowledge amongst the employees of using these high-tech machines. So, frequent visit of engineers was required from Germany. This resulted in high overhead charges.

- i) Suggest what can be done to develop the abilities and skills of employees for producing high quality products using these high-tech machines.
- ii) State how the employees of the organization will benefit out of your suggestion.

14 State any four points to highlight the impact of Government's policy changes on business and industry. 4

15 Jaideep recently joined as the Managing Director of Tivori Ltd, an apparel designing company. He observed that the company had a number of experienced fashion designers in its payroll. They regularly offered useful suggestions which were neither appreciated nor rewarded by the company. Instead the company outsourced the services to some renowned fashion designers and paid them a good compensation for their services. Because of this, the employees of Tivori Ltd felt disheartened and stopped giving useful suggestions. 4

- a) Identify the communication barrier discussed above.
- b) State the category of this communication barrier.
- c) Explain any 2 other communication barriers of the same category.

16 Rajeev, the owner of Pathway constructions decided to start a campaign to create awareness among people for developing clean surroundings in their area. He formed a team of ten members to list the different ways of cleaning surroundings. One suggested to take the help of local residents, another suggested that they may involve school going children in their venture. One more suggestion was to take the help of unemployed youth. On evaluation of different ways, it was decided to take the help of local residents. To achieve the 4

desired goals various activities were identified like

- a) Purchase of necessary items like dustbins, garbage bags, brooms etc.
- b) Collection of garbage;
- c) Disposal of waste

After identification of different activities, the work was allocated to different members.

- i) Identify the concepts of management involved in the above situation and quote the lines which help their identification .
- ii) Also identify the values which the company wants to communicate to the society

- 17 Himalaya Ltd is engaged in manufacturing washing machines. The target of the organization is to manufacture 500 washing machines a day. There is occupational specialization in the organization which promotes efficiency of employees. There is no duplication of efforts in the organization.

Identify the type of structure adopted by Himalaya Ltd and explain any three drawbacks of this structure.

- 18 What is the importance of staffing function in today's environment.
- 19 'Successful organisations do not achieve their goals by chance but by following a deliberate process'. Identify the process and explain its features.
- 20 State and explain any five features of Planning.
- 21 Alfa Ltd was manufacturing LED bulbs which were in great demand. It was found that the target of producing 300 bulbs a day was not met by the existing employees. To meet the increased demand for LED bulbs, the company assessed that approximately 500 additional employees were required. The required qualifications and job specifications were also enlisted. It was also decided by the management of Alfa Ltd that necessary relaxation should be given to encourage women, persons from backward and rural areas and

persons with special abilities to assume responsible positions in the organisation. All efforts were made to match the ability of the applicants with the nature of work.

- a) Identify the function of management discussed above.
- b) State the two steps in the process of the function discussed in the above para.
- c) List any two values which the company wants to communicate to the society.

- 22 Britain's railway system was nationalized by the Transport Act 1947. The railway industry in UK has changed in many ways in the last 30 years. The industry was privatised by the previous Conservative government moving from being run by British Rail (a public corporation) to a new structure where the track and stations are maintained by the company Railtrack . As people's living standards have risen most families now have cars, so the rail companies have to compete vigorously with road transport for customers. Many people are working from home today using home computers to communicate with their offices. This has led to a reduction in demand for rail transport, although many office workers commute by rail on the days when they visit their offices. On some rail lines can be seen the development of high speed trains. These trains reduce the time taken for long distance travel and are helping to win back customers to rail. 5

Identify the various dimensions of business environment mentioned in the above para by quoting the lines which help in their identification.

- 23 Explain the following principles of scientific management 6
- i) Cooperation not Individualism
 - ii) Subordination of individual interest to general interest.
- 24 Give the meaning of Organising as a function of management. Explain the 6 steps in the process of this function. 6

25 Rahim was working in an enterprise on daily wage basis. It was difficult for him to fulfill the basic needs of his family. His daughter fell ill. He had no money for his daughter's treatment. To meet the expenses of his daughter's treatment he participated in a cycle race and won the prize money. The cycle company offered him a permanent pensionable job which he happily accepted.

- i) By quoting the lines from the above para identify the needs of Rahim that are satisfied by the offer of the cycle company.
- ii) Also explain two other needs of Rahim followed by the above that are still remaining to be satisfied.
- iii) List two assumptions on which Maslow's need hierarchy theory is based.