

Ok

INTERNATIONAL INDIAN SCHOOL – DAMMAM

Model Examination – Jan'18

Set A

Subject: Business Studies

Max Marks: 80

Class : XII

Time : 3 Hours

General Instructions :-

- 1. All questions are compulsory. Attempt all parts of a question together.***
 - 2. Answers to questions carrying 1 mark may be from one word to one sentence.***
 - 3. Answers to questions carrying 3 marks may be from 50 to 75 words.***
 - 4. Answers to questions carrying 4-5 marks may be about 150 words.***
 - 5. Answers to questions carrying 6 marks may be about 200 words.***
1. It is mandatory to give a statutory statement on Mutual Fund Investment documents-
“Mutual Fund Investments are subject to market risk. Please read the offer document carefully before investing.” Identify the dimension of business environment being highlighted here. 1
 2. On the introduction of ‘Goods and Services Tax Act’ experts in the field of business started analyzing and forecasting its impact on various sections and industries. Arun as an established businessman attended a few seminars and conferences organized by such experts to familiarize himself with this information. He wanted ^{to} use these forecast and conjectures to reduce the uncertainty in making decisions for the future in his business. Name the step in the planning process that is being discussed in the above paragraph. 1
 3. The process of planning requires logical reasoning, creativity and ability to analyze the situation through vision. Discuss the characteristics of planning highlighted in the given statement. 1
 4. Suggest a corrective action that can be taken in case of defective process. 1
 5. The time gap between order placement and delivery of a raw material required by a production unit is three months. How does it affect the working capital requirement of the production unit? 1

6. SEBI bans Rajya Sabha MP, KD Singh from market as his company, Alchemist capital raised Rs.163 crores in 2003 to 2006 by illegally issuing redeemable preference shares to the public. Identify the function of SEBI. 1
7. List any two points of importance of consumer protection from the point of view of business. 1
8. Mr. Narender believed that his company could maximize profit earnings by producing hair dye on a large scale where as Mr. Surender wanted to emphasize on social welfare and customer needs. Identify the marketing management philosophy being followed by Mr. Narender & Mr. Surender. 1
9. Sharma Communications are in the business of stationery, photocopy and courier services. They want to increase their revenue by 20% in the next year. For this, they take various measures. They do not allow their employees to use cell phones during working hours so that they remain focused on their jobs. Also, in order to avoid bad debts they decided to sell on cash basis only. Identify the type of plans being discussed above by quoting relevant lines. 3
10. Explain Authoritarian leadership style with diagram. 3
11. Mr. Anil has been appointed by Suntech. Ltd. to ensure that the performance of employees is going as per the plans made. In the report which he submitted to the management, he mentioned that carriage charges had risen by 8% and labour absenteeism had increased from 5% to 15%.
a. Identify the function of management referred above
b. Also identify the step of the function identified above 3
12. Explain the reliefs that the consumer court can grant to consumers in case of genuine complaints in each of the following situations
a. Komal was charged more than the printed price for NCERT book
b. Kumar sold a truck with defective engine
c. Suresh suffered injury while using a newly bought defective iron 3
13. Beta ltd. had been the market leader in pharmaceutical sector. It is leading the market value with annual sales of over Rs.20,000 crores and it's profit crossing the mark of 20%. Recently it's published results showed that it's cash inflows exceeded the outflow by Rs.

150 crores. Having such a wonderful record, it now plans to diversify into the healthy food business by manufacturing and supplying healthy food supplements for infants teenagers and elderly. For this, they need to raise additional funds which they can raise by both debt and equity. They called for a meeting with their financial manager and his team. In the meeting the financial manager told them that at present their return on investment is 9.2% and the interest coverage ratio is 6 times compared to 4 times for the other firms in the same industry. The Sensex & Nifty were at present at all-time high. The rate of interest prevailing in the market is 7.5%

The managing director also announced that 2% of its revenues from the new business would be set aside for organizing free health camps for the old age people. 3

a. As a finance manager list the factors that you would have taken into account while deciding the capital structure for the company

b. State any two values which are being communicated by the managing director.

14. Mr. Taneja is the chairman of Navyug Ltd. which is manufacturing of new year diaries since last two decades. He is responsible for the welfare and survival of the organization. On an average, if a diary costs Rs 100 (including paper, printing, binding etc.), then the company has a policy of selling it at MRP of Rs.125, thereby earning a margin of 25% on cost. The management, in order to exploit the growth potential of the company fully, is planning to add table calendars and telephone diaries also. Due to this addition of new products, number of employees have to be doubled and hence, sales volume would also increase. Different corporates are also giving bulk orders to the company during Diwali season. Reputation of the company is growing day-by-day. 4

a. By quoting lines from the given paragraph, list the objectives of management mentioned.

b. To which category of objectives of management, the given objectives belong to?

c. At which level of management is Mr. Taneja working?

15. Mohit opens a retail mart in local market. As he knows it will be impossible for him to handle all work alone, so he appoints Neetu to perform routine tasks on his behalf thereby reducing his work load. As a result of this decision, Mohit is left with more time to concentrate on important matters. Besides, he recruits ten other people as support staff who take ~~care~~ their decisions without any consultations. Five years later as his business earns a good name for itself, he opens another outlet in the city. Considering Neetu's

competence he gives the independent charge of running the new outlet to her. Thereby empowering her autonomy in functioning of the outlet. In the context of the above case 4

- a. Identify and state two concepts which reflect the transition in the role of Neetu in the above case.**
- b. Give any two differences between the two concepts identified in part (a).**

16. The employees in the Sales and Marketing department in Canon Ltd. have been working beyond their office hours in the company. They are unable to meet the orders of all the customers on time. The work pressure on their managers is tremendous and they are handling two or more territories. Hence, they feel overburdened and dissatisfied. 4

- a. Identify which step in the process of one of the functions of management is not carried out properly?**
- b. What activities must HR manager undertake to ensure the proper functioning of the Sales and Marketing department?**
- c. Explain the succeeding three steps of the process identified in part (a)**

17. Which source of recruitment is needed to bring in new blood in the organization? Explain the advantages of this source. 4

18. "Make in India" policy of the government has induced "Intex Electronics Ltd." to expand its operations from computer accessories and mobile phones to televisions and other electronic equipment. For expansion the directors have decided to raise Rs. 2,000 crores from various sources in the market. 4

- a. Identify the two financial management decisions stated above.**
- b. Explain any two factors affecting any of the one decision identified in (a)**
- c. If directors want to utilize retained earnings as a part of financing in the given project, which decision is affected & how?**

19. What do you mean by 'Channels of Distribution'? What functions do they play in the distribution of goods & services? Explain. 4

20. Mr. Bali the production manager of Classic Ltd. is successfully running his department. He has created such an environment that no one becomes a hurdle in anybody's work but all of them are ready to help each other. Mr. Bali has been observing a change in the market for last few days. In the past, they used to produce goods according to their wish and with a little bit effort they could sell them. But now they have to produce goods as desired by the people. When Mr. Bali investigated to know the reasons for this change he came to know that on account of positive policies of the government, running the business had become easy. Due to this, several new people had entered the business. Consequently, competition has increased and now the control of the market had slipped out of the hands of the producers into the hands of customers. 5

a. Identify the concept of management described here. Give three points of its importance.

b. Identify and explain the dimension of business environment and the concept mentioned above.

21. Explain functional structure with its advantages. 5

22. On annual day of the company, all departmental heads were having dinner with their teams. Production Manager, Mr. Siddharth and his supervisor Nitish were also there. Mr. Nitish told Mr. Siddharth about the problems faced by the workers due to the bad condition of the machines. According to him major repairs and replacements of worn out parts were required. Later on, Mr. Siddharth made efforts to find out the actual position and found the same situation as described by Mr. Nitish. He conveyed the matter to higher authorities who went for overhauling of machinery. As a result, productivity increased almost 20%. Top management awarded a cash prize of RS.25000 to Mr. Nitish on next annual day programme. 5

a. Identify the kind of communication which took place between Mr. Siddharth and Mr. Nitish

b. What step was taken by top management to improve the situation?

c. Name and explain the kind of incentive which was given to Mr. Nitish.

d. State two values which are evident from the way of working of the company.

23. Mod Furniture Ltd, allocated work to different teams of workers. Teams were responsible for cutting of wood, polishing of wood, designing the furniture, assembling of parts respectively. All the workers had mutual trust among each other and worked together in harmony. They kept their tools and implements in tool boxes. They followed certain rules while working like no smoking while working, no leave without permission. They were paid fair wages for their work which was within the paying capacity of the company.

Identify the principles of management being followed in Mod Furniture and state their advantages. 6

24. Explain various instruments of money market. 6

25. The personal computer has become very competitive, and it is becoming more and more difficult for computer manufacturers to make a profit. Technology changes rapidly, making a model obsolete soon. Many computer purchasers are not brand-loyal and either look for a lower price or expect the manufacturer to include related products, such as a monitor, scanner or various types of software in the new computer. Online computer sellers have created competition for traditional store outlets. Many consumers, today, do not feel they need much technical help with computers. Businesses are also buying online because they can configure computers to meet their needs. Newer computer products are entering the market. These include wireless, portable computers and personal digital assistants. Even cellular telephones are gaining computer functionality. One computer manufacturer offered its customers a free internet services for at least three years with a clause that the customer will buy the manufacturer's computer. 6

- a. **On the basis of the above case, identify and explain any two factors that may affect the pricing policy of the marketing head of an organization.**
- b. **Quoting the text, identify and explain the elements of marketing mix.**
- c. **Identify the promotion technique used by the computer manufacturer by offering a free computer along with internet connection. Also name any two other promotion techniques that can be used by computer manufacturers in such case.**

INTERNATIONAL INDIAN SCHOOL – DAMMAM

Model Examination – Jan'18

Set B

Subject: Business Studies

Max Marks: 80

Class : XII

Time : 3 Hours

General Instructions :-

- 1. All questions are compulsory. Attempt all parts of a question together.*
 - 2. Answers to questions carrying 1 mark may be from one word to one sentence.*
 - 3. Answers to questions carrying 3 marks may be from 50 to 75 words.*
 - 4. Answers to questions carrying 4-5 marks may be about 150 words.*
 - 5. Answers to questions carrying 6 marks may be about 200 words.*
-
1. Rajeev was watching a basketball game on television, with ten seconds to go, the score was tied. A timeout was called. With the players in a huddle the coach of the team got out with his clipboard and diagrammed a play using Xs, Os and a marker. The play worked and his team won in the final seconds. Identify the management function performed by the coach in the given context. 1
 2. "The Government has been planning to increase the corporate profit tax rate". How will it affect the capital structure of an organization and why? 1
 3. List any two points of importance of consumer protection from the point of view of consumer. 1
 4. Suggest a corrective action that can be taken in case of defective material. 1
 5. Planning ensures clarity in thoughts and actions, work is carried on smoothly without interruptions. Which importance of planning is indicated here? 1
 6. SEBI bans Rajya Sabha MP, KD Singh from market as his company, Alchemist capital raised Rs.163 crores in 2003 to 2006 by illegally issuing redeemable preference shares to the public. Identify the function of SEBI. 1

7. "From the early days of the business of Facebook, the single most important driving force has been to find solutions to cope with the crazy growth rate. However, in addition to coping brilliantly with the pressure of growth, Facebook has also tried to keep moving ahead. New facilities are offered regularly, mostly designed in-house, but some designed by users. Facebook is unusual in providing its computer programming information freely to anyone who wants to use it to develop a new service". Identify the element of business environment mentioned here. 1
8. Mr. Narender believed that his company could maximize profit earnings by producing hair dye on a large scale where as Mr. Surender wanted to emphasize on social welfare and customer needs. Identify the marketing management philosophy being followed by Mr. Narender & Mr. Surender. 1
9. Mr. Anil has been appointed by Suntech. Ltd. to ensure that the performance of employees is going as per the plans made. In the report which he submitted to the management, he mentioned that carriage charges had risen by 8% and labour absenteeism had increased from 5% to 15%. 3
- a. Identify the function of management referred above**
- b. Also identify the step of the function identified above**
10. Explain democratic leadership style with diagram. 3
11. Explain the relief that the consumer court can grant to consumers in case of genuine complaints in each of the following situations 3
- a. Komal was charged more than the printed price for NCERT book**
- b. Kumar sold a truck with defective engine**
- c. Suresh suffered injury while using a newly bought defective iron**
12. Beta ltd. had been the market leader in pharmaceutical sector. It is leading the market value with annual sales of over Rs.20,000 crores and it's profit crossing the mark of 20%. Recently it's published results showed that it's cash inflows exceeded the outflow by Rs. 150 crores. Having such a wonderful record, it now plans to diversify into the healthy food business by manufacturing and supplying healthy food supplements for infants, teenagers and elderly. For this, they need to raise additional funds which they can raise by both debt and equity. They called for a meeting with their financial manager and his

team. In the meeting the financial manager told them that at present their return on investment is 9.2% and the interest coverage ratio is 6 times compared to 4 times for the other firms in the same industry. The Sensex & Nifty were at present at all-time high. The rate of interest prevailing in the market is 7.5%

The managing director also announced that 2% of its revenues from the new business would be set aside for organizing free health camps for the old age people. 3

a. As a finance manager list the factors that you would have taken into account while deciding the capital structure for the company

b. State any two values which are being communicated by the managing director

13. Sharma Communications are in the business of stationery, photocopy and courier services. They want to increase their revenue by 20% in the next year. For this, they take various measures. They do not allow their employees to use cell phones during working hours so that they remain focused on their jobs. Also, in order to avoid bad debts they decided to sell on cash basis only.

Identify the type of plans being discussed above by quoting relevant lines. 3

14. The employees in the Sales and Marketing department in Canon Ltd. have been working beyond their office hours in the company. They are unable to meet the orders of all the customers on time. The work pressure on their managers is tremendous and they are handling two or more territories. Hence, they feel overburdened and dissatisfied. 4

a. Identify which step in the process of one of the functions of management is not carried out properly?

b. What activities must HR manager undertake to ensure the proper functioning of the Sales and Marketing department?

c. Explain the succeeding three steps of the process identified in part (a)

15. "Make in India" policy of the government has induced "Intex Electronics Ltd." to expand its operations from computer accessories and mobile phones to televisions and other electronic equipment. For expansion the directors have decided to raise Rs. 2,000 crores from various sources in the market. 4

a. Identify the two financial management decisions stated above.

b. Explain any two factors affecting any of the one decision identified in (a)

c. If directors want to utilize retained earnings as a part of financing in the given project, which decision is affected & how?

16. Mr. Taneja is the chairman of Navyug Ltd. which is manufacturing of new year diaries since last two decades. He is responsible for the welfare and survival of the organization. On an average, if a diary costs Rs 100 (including paper, printing, binding etc.), then the company has a policy of selling it at MRP of Rs.125, thereby earning a margin of 25% on cost. The management, in order to exploit the growth potential of the company fully, is planning to add table calendars and telephone diaries also. Due to this addition of new products, number of employees have to be doubled and hence, sales volume would also increase. Different corporates are also giving bulk orders to the company during Diwali season. Reputation of the company is growing day-by-day. 4

a. By quoting lines from the given paragraph, list the objectives of management mentioned.

b. To which category of objectives of management, the given objective belong to?

c. At which level of management is Mr. Taneja working?

17. Which source of recruitment is economical? Explain the disadvantages of this source. 4

18. What do you mean by 'Channels of Distribution'? What are the components of physical distribution? Explain. 4

19. Mohit opens a retail mart in local market. As he knows it will be impossible for him to handle all work alone, so he appoints Neetu to perform routine tasks on his behalf thereby reducing his work load. As a result of this decision, Mohit is left with more time to concentrate on important matters. Besides, he recruits ten other people as support staff who take their decisions without any consultations. Five years later as his business earns a good name for itself, he opens another outlet in the city. Considering Neetu's competence he gives the independent charge of running the new outlet to her.

Thereby empowering her autonomy in functioning of the outlet. In the context of the above case 4

a. Identify and state two concepts which reflects the transition in the role of Neetu in the above case.

b. Give any two differences between the two concepts identified in part (a).

20. Explain divisional structure with its advantages.

5

21. On annual day of the company, all departmental heads were having dinner with their teams. Production Manager, Mr. Siddharth and his supervisor Nitish were also there. Mr. Nitish told Mr. Siddharth about the problems faced by the workers due to the bad condition of the machines. According to him major repairs and replacements of worn out parts were required. Later on, Mr. Siddharth made efforts to find out the actual position and found the same situation as described by Mr. Nitish . He conveyed the matter to higher authorities who went for overhauling of machinery. As a result, productivity increased almost 20%. Top management awarded a cash prize of RS.25000 to Mr. Nitish on next annual day programme.

5

a. Identify the kind of communication which took place between Mr.Siddharth and Mr. Nitish

b. What step was taken by top management to improve the situation?

c. Name and explain the kind of incentive which was given to Mr. Nitish.

d. State two values which are evident from the way of working of the company.

22. Mr. Bali the production manager of Classic Ltd. is successfully running his department. He has created such an environment that no one becomes a hurdle in anybody's work, but all of them are ready to help each other. Mr. Bali has been observing a change in the market for last few days. In the past, they used to produce goods according to their will and with a little bit effort they could sell them. But now they have to produce goods as desired by the people. When Mr. Bali investigated to know the reasons for this change, he came to know that on account of positive policies of the government, running the business had become easy. Due to this, several new people had entered the business. Consequently, competition has increased and now the control of the market had slipped out of the hands of the producers into the hands of customers.

5

a. Identify the concept of management described here. Give three points of its importance.

b. Identify and explain the dimension of business environment and the concept mentioned above.

23. The personal computer has become very competitive, and it is becoming more and more difficult for computer manufacturers to make a profit. Technology changes rapidly, making a model obsolete soon. Many computer purchasers are not brand-loyal and either look for a lower price or expect the manufacturer to include related products, such as a monitor, scanner or various types of software in the new computer. Online computer sellers have created competition for traditional store outlets. Many consumers, today, do not feel they need much technical help with computers. Businesses are also buying online because they can configure computers to meet their needs. Newer computer products are entering the market. These include wireless, portable computers and personal digital assistants. Even cellular telephones are gaining computer functionality. One computer manufacturer offered its customers a free internet services for at least three years with a clause that the customer will buy the manufacturer's computer. 6

- a. **On the basis of the above case, identify and explain any two factors that may affect the pricing policy of the marketing head of an organization.**
- b. **Quoting the text, identify and explain the elements of marketing mix.**
- c. **Identify the promotion technique used by the computer manufacturer by offering a free computer along with internet connection. Also name any two other promotion techniques that can be used by computer manufacturers in such case.**

24. Mod Furniture Ltd, allocated work to different teams of workers. Teams were responsible for cutting of wood, polishing of wood, designing the furniture, assembling of parts respectively. All the workers had mutual trust among each other and worked together in harmony. They kept their tools and implements in tool boxes. They followed certain rules while working like no smoking while working, no leave without permission. They were paid fair wages for their work which was within the paying capacity of the company.

Identify the principles of management being followed in Mod Furniture and state their advantages. 6

25. Explain various instruments of money market. 6