

INTERNATIONAL INDIAN SCHOOL-DAMMAM
PRELIMINARY EXAMINATION - 2016

CLASS:- XII
SUBJECT:- BUSINESS STUDIES

MARKS:-80
TIME :- 3hrs.

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 50-70 words.
- Answers to questions carrying 4-5 marks may be about 150 words.
- Answers to questions carrying 6 marks maybe be about 200 words.
- Attempt all the questions

SET-A

1	At which level of management are the manager responsible for maintaining the quality of output & safety Standards	1
2	What is meant by effectiveness in management?	1
3	The production manager of a company asked the supervisor working under him to observe the performance of every worker carefully and report to him which of them required the training to be given to them. All the supervisors did the same and the production manager received the list of those workers who were in need of training. Now the production manager was thinking about who would give the training? When the training would be given? What the duration of training would be and where the training would be given? Identify the type of plan described in the paragraph given above.	1
4	Give the meaning of objective as a type of plan?	1
5	Karishma's father has gifted her shares of a large cement company, with which he had been working. The securities were In physical form. She already has a bank account and does not possess any form of securities. She wished to sell the shares and approached a registered broker for the purpose. Mention one mandatory detail which she will have to provide with the broker.	1
6	State any one protective function of SEBI.	1
7	'Lohan saree Kendar' is of the view that leaving the customers alone will not help. Rather there is need to attract the customers towards it. In other words, goods are not bought but they have to be sold. The basis of this thinking is that the customers can be attracted. Keeping in view this thinking, companies concentrate their marketing efforts towards educating and attracting the customers. This company is therefore of the view to sell what you have. Identify the marketing philosophy as mentioned above.	1
8	Shreemaya Hotel in Indore was facing a problem of low demand for its rooms due to off season. The Managing Director (MD) of the hotel, Mrs. Sakina was very worried. She called upon the Marketing Manager, Mr.Kapoor for his advice. He suggested, that the hotel should announce an offer of '3 Days	1

	and 2 Nights hotel stay packaged with free breakfast and one day religious visit to Omkarehswar and Mahakaleshwar Temples'. The MD liked the suggestion very much. Identify the promotional tool, which can be used by the hotel, through which large number of prospective pilgrimage tourists, all over the country and also abroad, can be reached, informed and persuaded to use the incentive.	
9	Effective delegation leads to certain benefits in organization. Explain any three such benefits.	3
10	Price of a product is influenced by many factors. Explain any two factors that have an influence on price.	3
11	Mr. Rahim is a production manager in a big manufacturing company. He found that refreshment expenses have increased by 15% and cost of production has increased by 5%. Out of the two deviations which deviation needs immediate attention and why?	3
12	Mr. Ajay is an H.R.Manager of 'Bharat shoes Udyog. He undertook a study with the sole purpose of minimizing the cost of production and raising the quality of the products of his company. The findings of the study were put into practice immediately. The company succeeded in its purpose. It witnessed rapid rise in demand of its products. It had its effect on the number of employees. The company felt the need of 30 more employees. In order to meet this need Mr. Ajay initiated staffing process. So far, he has completed the first two steps of this process and is now at the final point of the third step. (a) Identify the study undertaken to improve production. (b) Identify and describe the final point of the third step of staffing process.	1+2=3
13	Sunitha's grandmother who was unwell, called her and gave her a gift packet. Sunitha opened the packet and saw many crumpled share certificates inside. Her grandmother told her that they had been left behind by her late grandfather. As no trading is now done in physical form, Sunitha wants to know the process by adopting which she is in a position to deal with these certificates. (a) Identify and state the process. (b) Also give two reasons to Sunitha why dealings with shares in physical form had been stopped.	2+1=3
14	"Adharsh Vidyalaya" believe in holistic development of students and encourages team building through a mix of curricular and sport activities. On its founder's day a stage performance had to be put up. A committee of ten prefects was constituted to plan different aspects of the function. They all decided to use recycled paper for decoration. As there was a spirit of unity and harmony and all members supported each other with mutual trust and belongingness, the programme was systematically planned and executed. Aravind one of the prefects, realizes that unknowingly the group had applied one of the principles of management while planning and executing the programme. He was so inspired by the success of the function, that he asked his father to apply the same principles in his business. His father replied that he was already using the principle. (a) Identify the principles of management applied for the success of the programme. (b) State any two features of management highlighted in the above paragraph. (c) Identify any two values which "Adharsh Vidyalaya" communicated to the society.	1+2+1=4
15	Rohan Industries is a company manufacturing office furniture. The company chose to diversify its operations to improve its growth potential and increase market share. As the project was important many alternatives were generated for the purpose and were thoroughly discussed amongst the	2+2=4

	<p>members of the organization. After evaluating the various alternatives, Karim, the Managing Director of the company decided that they should add 'Home Interiors and Furnishings' as a new line of business activity.</p> <p>a) Name the framework, which the diversified organization should adopt, to enable it to cope with the emerging complexity? Give one reason in support of your answer.</p> <p>b) State any two limitations of this framework.</p>	
16	<p>Mrs. Rajeshwari is working as the Human Resource Consultant in a firm manufacturing cosmetic, which is facing a problem of high employee turnover. The CEO of the company has invited suggestions from her for retaining the talented employees & reducing the employee turnover. Mrs. Rajeshwari recommends that the good employees be rewarded in a way that it creates a feeling of ownership among the employees and at the same time makes them contribute towards the growth of the organization.</p> <p>a) Identify the incentive and explain its type, which has been suggested by Mrs. Rajeshwari to the CEO of the company.</p> <p>b) Also explain any two other incentives of the same type.</p>	2+2=4
17	<p>Explain 'Science not rule of thumb' as a principle and 'Time Study' as a technique of scientific management.</p>	2+2=4
18	<p>"In today's commercial world the stock exchange performs many vital functions which lead the investors towards positive environment. Explain how, by giving four reasons.</p>	4
19	<p>Radha found a worm crawling out of newly opened tetra pack of a juice manufactured by a reputed company. Zest Ltd. she went back to the shopkeeper from whom the pack was purchased who directed her to call up the customer care center. When all the efforts failed, she went to a consumer activist group to seek help. The group decided to help Radha and take measures to impose restrictions on the sale of the firm's products of the particular batch and urge customers to refrain from buying the products of the company. Zest Ltd. lost its image in the market. The CEO gives the responsibility of bringing back the lost image of the company to a manager.</p> <p>(a) Identify the concept of marketing management which will help the manager getting the firm out of the above crisis.</p> <p>(b) Also explain the role of above identified concept by stating any two points.</p>	1+3=4
20	<p>Joseph Bros. was a firm manufacturing jute lamp shades. It uses left over jute pieces from various jute factories to manufacture economical lamp shades which are supplied to various hotels in nearby towns. It employs men and women from nearby villages as workers for creating good lamp shade designs.</p> <p>Joseph Bros., is not able to meet its targets. Namish, the supervisor of the company, was told to analyze the reasons for the poor performance. Namish found following problems and suggested certain solutions in the working of the business. The number of workers employed was less than what was required for the work. As a result, the existing workers were overburdened. The firm decided to search for new workers and it asked the present employees to introduce candidates or recommend their friends and relatives to the firm. This enabled the firm in "putting people to jobs" and assured attainment of objectives according to plans.</p> <p>a) Identify the functions of management being performed by the firm in the above situation.</p> <p>b) Name the concept and its source used by the firm to attract more workers for the firm.</p> <p>c) State any two values being followed by Jacob Bros.</p>	2+1+2=5

21	<p>Sarah a home science graduate from a reputed college has recently done a cookery course. She wished to start her own venture with a goal to provide 'health food' at reasonable price. She discussed her idea with her teacher (mentor) who encouraged her. After analyzing various options for starting her business venture, they shortlisted the option to sell readymade and 'ready to make' vegetable shakes and sattu milk shakes. Then, they both weighed the pros and cons of both the shortlisted options.</p> <p>a) Name the function of management being discussed above and give any one of its characteristics. b) Also briefly discuss any three limitations of the function discussed in the case.</p>	2+3=5
22	<p>"The barriers to effective communication exist in all organizations to a greater or lesser degree". State any five measures to overcome these barriers.</p>	5
23	<p>"Management of every enterprise can be benefitted from being aware of different dimensions of business environment". Explain any four such dimensions with examples.</p>	4X1 ½ =6
24	<p>"Radhika Limited" manufacturer's blankets. Company's history has been satisfactory, but for the past sometime, its cash flow position is in a bad shape. That is why company has not been able to pay sufficient dividend to its equity shareholders. When Mrs. Rakhi Khetarpal, the finance manager, tried to find out the causes of poor financial situation of the company. She observed that the control was in the hands of several persons who were unable to take any concrete decision. To come out of this financial crisis, Mrs. Khetarpal has been deliberating on the kind of source of finance that needs to be tapped to arrange funds. She wants to make use of such a source as does not prove to be a fixed burden on the company. She has also to keep in mind that company has got its premises on rent and the rent exorbitant. Similarly, it has to bear the burden of fixed salaries. She is also worried about the fact that in future control of the company should not be in the hands of too many persons.</p> <p>Above discussion hints at those factors which help the finance manager in deciding as to which financial source (Equity shares or Debentures) he should tap for the needed funds. Of the four factors mentioned here two are in favour of issuing equity shares and the other two are in favour of issuing debentures. Identify these factors and explain by underscoring the relevant lines.</p>	6
25	<p>Amman a degree holder in Entrepreneurship came to know about Piplantri Village located in Rajasthan, where in 2006 an initiative was started, in which 111 trees are planted every time a girl child is born. To keep termites away from the trees the villagers have planted 2.5 million Aloe Vera plants around the trees. This has turned the village into an oasis, as the planting of trees led to higher water levels. Amman decided to visit the village to start a business unit, for the processing and marketing of Aloe Vera into juices, gels and other products. However, on visiting the village Amman found that the villagers were suffering exploitation at the hands of local merchants who were engaged in unscrupulous, exploitative trade practices like hoarding and black marketing of food products and also selling unsafe, adulterated products to the villagers.</p> <p>After looking at their plight instead of a business organization he decided to set up an organization for the protection and promotion of the consumer interest of the villagers.</p> <p>State the functions that the organization established by Amman will be performing. (Any six points)</p>	6