

**INTERNATIONAL INDIAN SCHOOL-DAMMAM**  
**I TERM EXAMINATION - 2017**

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 Why did Fayol introduce the concept of “Gang Plank” in the principle of “Scalar Chain”? 1
- 2 Rakshit, the director of a garment company, is planning to manufacture bags for the utilization of waste material from one of his garment units. He has decided that this manufacturing unit will be set up in a rural area of Orissa where people have very few job- opportunities and labour is available at very low rates. He has also thought of giving equal opportunities to men and women. For this he wants four different heads for sales, accounts, purchase and production. He gives an advertisement and shortlists ten candidates per post after conducting different selection tests.  
**What is the next two steps for choosing the best candidate put of the candidate shortlisted ?** 1
- 3 An element of directing function seeks to provide inducement to employees to act in a particular manner. Name the element. 1
- 4 Why is business environment known as ‘totality of external forces’? 1
- 5 The Managing Director of ‘Assam Tea Limited’, Mr Steve decided that his company will serve the society through earning a reasonable profit. For the realization of this goal, he started the business of tea. In order to attract the tea consumers of the whole country, he gave his advertisement on TV. The company had just started capturing the market when a survey report was presented on T.V. This report stated that the people had started liking coffee more than tea and that it was useful for health also. The company had to immediately change its business from tea to coffee. Mr Steve saved the company from suffering the possible heavy loss through his timely control of the situation.  
**Which special feature of management is indicated through the above paragraph?** 1
- 6 Even after opening up of the Indian Economy in 1991, foreign companies found it extremely difficult to cut through bureaucratic red tape to get permits for doing business in India, which discouraged them from investing in our country.  
**Identify the dimension of business environment mentioned in the above para.** 1
- 7 ‘Recruitment ‘is one of the specialized activity performed by human resource management. 1

Mention any two other specialized activities of Human Resource of Management.

- 8 What is meant by effectiveness in management? 1
- 9 Mr. Asif, the owner of the 'Khan Spices Ltd' has created different departments for purchase, production, marketing, finance and human resource. There are thirty employees working in the organisation. In order to make employees focus on objectives, he issued instructions that during working hours only official matters will be discussed. He made certain rules and code of conduct for the employees to follow, according to which employees are not allowed to visit and talk to the employees of other departments except for official work. 3
- a) **Identify and state the type of organisation mentioned in the above para.**
- b) **State any two advantages of the concept identified in part (a) as mentioned in the above para.**
- 10 "Jaipur Fair deal Limited" is a famous service providing company. Mr.Akash is its Managing Director. He continuously motivates his Research and Development department that new and latest methods of doing work to be explored. Provision has also been made to give reward to those employees who will participate in a particular exploration. He also believes that two groups working on managerial and non-managerial post are similar to two wheels of an organizational vehicle. If this vehicle (organization) is to be driven in a right way then both the wheels (managerial and non-managerial) should be properly aligned. Development of each and every individual through training is a key to their success. 3
- Identify by quoting lines three principles of scientific management as mentioned in the above paragraph.**
- 11 What is meant by Planning? Explain first two steps in the process of planning. 3
- 12 Sameer was working in 'Alpha Ltd', a company manufacturing air purifiers. He found that the profits had started declining from the last six months. Profit has an implication for the survival of the firm, so he analysed the business environment to find out the reason for this decline. 3
- (a) **Identify the level of management at which Sameer was working.**
- (b) **State any two other function being performed by Sameer.**
- 13 Give the meaning of essential elements of Delegation. 3
- 14 Deepak is the managing director of Delta Ltd. The company had established a good name for itself and had been doing well. It was known for timely completion of orders. The production manager, Ms. Supriya was efficiently handling the processing orders and had a team of ten motivated employees working under her. Everything was going on well. Unfortunately, Ms. Supriya met with an accident. Deepak knew that in the absence of Ms Supriya, the company may not be able to meet the deadlines. He also knew that not meeting the deadlines may lead to customer dissatisfaction with the risk of loss of business and goodwill. So, he had a meeting with his employees in which accurate and speedy processing of orders was planned. Everybody 4

agreed to work as team because of the behavior of Deepak was positive towards the employees of the organization. Everyone put in extra time and effort s and the targets were met on time.

Not only this, Deepak visited Ms. Supriya and advised her to take adequate rest.

**(a) Identify the leadership style of Deepak and draw a diagram depicting the style.**

**(b) Also, identify any two values highlighted by the behavior of Deepak.**

15 Explain any four advantages of Divisional Structure? 4

16 State any four points which highlights the significance if principles of management. 4

17 Anish , the marketing head, Raman, the assistant manager and Jyoti , the Human Resource Manager of “Senor Enterprises Ltd” decided to leave the company. The CEO of the company called Jyoti, Human Resource Manager and requested her to fill up the vacancies before leaving the organization. Informing that her subordinate Ms.Ameena was very competent and trustworthy, Jyothi suggested that if she could be moved up in a hierarchy, she would do the needful. The CEO agreed for the same. Ms. Ameena contacted “Keith Recruiters” who advertised for the post of marketing head. They were able to recruit a suitable candidate for the company.

Raman’s vacancy was filled by screening the database of unsolicited application lying in the office.

**a) Name the internal/external sources of recruitment used by ‘Senor enterprises Ltd’. to fill up the above vacancies.**

**b) Explain any one demerit of internal sources of recruitment.**

18 Infotech Networks Limited was an innovation leader in technology in Canada, creating products and solutions for connecting the world. It has a large Research And development team which invented first smart watch, T-12, which besides showing the time would also monitor few health parameters like heart- beat, blood pleasures etc. While in search of market abroad, the company found that in India, the reform process was underway with the aim of accelerating the pace of economic growth. The company decided to take advantage of removal of unnecessary control over the economy and trade liberalization through realization of the tariff structure and reforms with respect to foreign exchange. It set up an office in Kolkata with a view to capture the Indian market. In a short span of time, the company emerged as a market leader. Success of the company attracted many other players to enter the market. Competition resulted in reduced prices thereby benefitting the customers.

**a) In the above paragraph, two major concept related to Government policy have been discussed. Identify and explain these concepts.**

**b) Also explain any two impacts of these concept on Indian business and industry.**

19 Explain the following training methods 4

a) Vestibule training

b) Job rotation.

- 20 Raman, aged 49 is working in an aviation company. He is the senior most employees in his division. He is even senior to the division manager, Khalid. Raman is considered one of the most committed, capable and hard-working employees. As a result of his abilities and seniority, he generally received the work assignments of his choice. Although there was no formal designation of various "special" projects assigned to Raman, he handled them as a matter of routine. A problem developed when an able and intelligent person Robert, aged 33, was appointed by Khalid. Robert 's previous three years experience in the closely related work, made it possible for him to catch on to the routine work of his new job more rapidly than was customary for a new employee. On several occasions, Khalid noticed the tension developing between the two employees. However, he didn't want to get involved in their personal issues as long as the work was completed effectively and efficiently by them. One day, the tension between them reached the boiling point and Raman complained to Khalid stating that his duties were being largely taken over by Robert. Khalid issued the order stating the clear allocation of the jobs and related duties between the two. He further clarified the working relationship between them by specifying who was to report to whom. This helped in reducing the workload, enhancing productivity and removing ambiguity. 5
- (a) **Identify and state the step of organizing process which has not been carried out properly and contributed to this problem.**
- (b) **State the two steps of the organizing process which have been taken by Khalid to respond to the complaint of Raman. Quote the relevant lines to do so.**
- (c) **Also state two points of importance of organizing as reflected in the above case.**
- 21 Explain any five characteristics of Coordination. 5
- 22 A company 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 employees .On analysis, it was found that the workers were not at fault. Due to electricity failure shortage of workers, the company was not able to achieve set targets and alternative arrangements were needed. 5
- To meet increased demand , the company assessed that approximately 88 additional workers were requires out of which 8 would work as heads of different departments and 10 would work as subordinate under each head. The required qualification and job specification were also enlisted. It was also decided that necessary relaxation should be given to encourage women, persons from backward and rural areas and person with special abilities to assume responsible positions in the organization. All efforts were made to match the ability of applicants with the nature of work.
- (a) **Identify the function of management discussed above.**
- (b) **State the two steps of function discussed in the above para.**
- (c) **List any two values which the company want to communicate to the society.**

23 Mr. Ankur Sharma is the CEO of "Perfect Shoes Limited". Before joining this company, he used to work as Management Expert. The peculiarity of Mr. Sharma is that he observes very minutely every small or big activity. Likewise, he gives equal importance to what is said by every junior or senior person. 6

He is not satisfied with the performance of the production department. This department discharges the functions of both production and stock. Both the activities of the department are in a state of chaos. Mr. Sharma took personal interest to scrutinize this dismal state of affair. He found that shoes of several sizes were being made. Some of the sizes were not needed. As a consequence, there was wastage of material, machines and manpower. It was the biggest weakness of the department.

During the survey of production department, Mr. Sharma also noticed that many persons while doing work were making certain movements that were, least needed. It was slowed down the pace of production.

Mr. Sharma was an experienced management expert. He knows that to utilize cent- percent production capacity of the employees they need be provided healthy and clean environment. He therefore, paid special attention to this aspect . Besides, he believes that whether male or female , they must be given equal facilities, equal rights and equal opportunities for promotion.

- a) **By which techniques of scientific management wastage occurring in production department can be prevented? Explain.**
- b) **Identify and Explain the technique of scientific management used to enhance the pace of work in production department.**
- c) **Which principle of management is being followed here ? quote the lines**
- d) **List any two values being offered by the company to the employees?**

24 "The barriers to effective communication exist in all organizations to a greater or lesser degree." 6  
Explain any six measures to overcome these barriers.

25 Two years ago Mohan completed his degree in in food technology. He worked for some time in a company manufacturing bread and biscuits. He was not happy in the company and decided to have his own bread and biscuit manufacturing unit. For this he set the objectives and targets and formulated action plan to achieve the same. 6

One of his objective was to earn 10 % profit on the amount invested in the first year. It was decided that raw materials like sugar, flour, salt etc will be purchased on three months credit. He also decided to follow the steps required for marketing of the products through his own outlets. He appointed Harish as a Production Manager who decides the exact manner in which production activities are to be carried out. Harish also prepared a statement showing the number of workers that will be required in the factory throughout the year. Mohan informed Harish about his sales target for different products , area wise for the forthcoming quarter. While working on the production table a penalty of Rs.100 per day for not wearing the helmet, gloves and apron by the workers was announced.

**Quoting lines from the above para identify and explain the different types of plans discussed .**

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