

SAMPLE Question Paper 8

(Questions-Answers)

BUSINESS STUDIES

A Highly Simulated Practice Question Paper for
CBSE Class XII Examination

Time : 3 hrs

M.M. : 80

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 (1 Mark)

1. "Planning involves application of mind and foresight". What importance of planning is highlighted here?
 - (a) Promotes innovative ideas
 - (b) Facilitates decision-making
 - (c) Establishes standard
 - (d) Provides direction
2. Which of these is not a feature of planning?
 - (a) Futuristic
 - (b) Mental exercise
 - (c) Reduces overlapping
 - (d) Continuous process
3. The means the sum total of all individuals, institutions and other forces that are outside the control of a business enterprise but that may affect its performance.
 - (a) management principles
 - (b) business environment
 - (c) economic environment
 - (d) social environment

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. If there is no planning, employees would work in different directions and would not be able to achieve its goals. In the light of this statement, identify the importance of planning.
- Planning reduces the risk of uncertainties
 - Planning facilitates decision-making
 - Planning provides direction
 - None of the above
5. Sushil bought a box of butterscotch icecream of a reputed brand from a local shopkeeper. On opening the box, he found a piece of stone in the box. He reported the matter to the shopkeeper, who forwarded his complaint to the concerned company. Within two days, representative of the company visited Sushil's residence with an apology and as a replacement offered him a new icecream pack with two other flavours of icecream as compensation for the inconvenience caused to him. State the consumer right exercised by Sushil.
- Right to be informed
 - Right to seek redressal
 - Right to safety
 - Right to choose
6. Planning lays down the base for other functions of management. Which feature of planning is mentioned here?
- Planning is a primary function of management
 - Planning is futuristic
 - Planning is a mental exercise
 - Planning reduces the risk of uncertainty
7. Johnny purchased a property worth ₹ 80 lakh and found it being defective. Suggest him the appropriate forum/commission to file his complaint.
- District forum
 - State commission
 - National commission
 - Both (b) and (c)
8. Tiger Ltd wanted to launch its shares in primary market. The company later decided to sell its shares to 'Tes Bank', an institutional investor. Which floatation method is used by Tiger Ltd?
- Offer through prospectus
 - Offer for sale
 - Private placement
 - Rights issue
9. "The securities in this financial market yield low rate of return". Which market is highlighted here?
- Secondary market
 - Primary market
 - Money market
 - Capital market
10. Which of these is not a component of staffing?
- Recruitment
 - Selection
 - Communication
 - Training
11. are the techniques used to motivate people in an organisation.
- Motivation
 - Motivators
 - Both (a) and (b)
 - Motive

Or What was the fourth need in Maslow's theory?

- Safety needs
- Belongingness needs
- Ego needs
- Self-actualisation needs

12. Match the following on the basis of 'Staffing'.

Column I	Column II
A Steps in staffing	(i) Medical examination
B Steps in selection	(ii) Placement and orientation
C Importance of staffing	(iii) Ensures survival of enterprises

Codes

- A B C
 (a) (i) (ii) (iii)
 (c) (iii) (ii) (i)

- A B C
 (b) (ii) (iii) (i)
 (d) (ii) (i) (iii)

Or Which of these is an internal sources of recruitment?

- (a) Direct recruitment
 (b) Casual callers
 (c) Labour contractors
 (d) None of these

Read the following text and answer question no. 13-16 on the basis of the same.

The governments all over the world are becoming more and more cautious towards the environment. To ensure the same, recently, many state governments passed an order to ban polythene bags since these are non-biodegradable. As a result, the government also decided to give a subsidy to jute industry (bags). The minister said in the statement that they believe it will be helpful as income of people are rising and people can afford jute bag.

After this subsidy, Purab saw great potential in jute multi pocket bags business which was not established yet in India but had been flourishing in UK where he studied during his graduation. He launched the product and his business started to boom. So, more companies entered into the market with other articles and improvisations.

13. Which business dimension is highlighted in the lines, "As a result, the government also decided to give a subsidy to jute industry (bags)"?

- (a) Legal
 (b) Political
 (c) Economic
 (d) Social

14. Which business dimension is highlighted in the lines, "The minister said in the statement that they believe it will be helpful as income of people are rising and people can afford jute bag"?

- (a) Legal
 (b) Political
 (c) Economic
 (d) Social

15. Which merit of business environment is highlighted in the lines, "After this subsidy, Purab saw great potential in jute multi pocket bags business which was not established yet in India but had been flourishing in UK where he studied during his graduation"?

- (a) Identify opportunities
 (b) Tapping useful resources
 (c) Coping with rapid changes
 (d) Assisting in planning

16. Which merit of business environment is highlighted in the lines, "He launched the product and his business started to boom. So, more companies entered into the market with other articles and improvisations"?

- (a) Identify opportunities
 (b) Identify threats
 (c) Assisting in planning
 (d) Coping with rapid changes

Read the following text and answer question no. 17-20 on the basis of the same.

Ganga's grandfather was unwell. He called Ganga and gave her a box containing cash and certain papers which were crumbled. He saw them carefully and found that these were share certificates. Ganga now wants to know the process through which he can trade in these shares. He also learnt about the trading procedures and got to know about SEBI as well.

He told his friend Yamuna, "SEBI regularly inspects the various elements of trading and also conducts the brokers' enquiries. SEBI also promotes fair trade practices for investor protection. It also controls insider trading and imposes penalties in case of such malpractices". He also told his friend about many instruments such as commercial papers or bills which are not traded on stock exchange.

- 17. Which process would have been done by Ganga to facilitate trading?
 - (a) Demutualisation
 - (b) Remutualisation
 - (c) Dematerialisation
 - (d) Rematerialisation
- 18. Which function is highlighted in the lines, "SEBI regularly inspects the various elements of trading and also conducts the brokers' enquiries"?
 - (a) Protective
 - (b) Developmental
 - (c) Regulatory
 - (d) None of these
- 19. Which function is highlighted in the lines, "SEBI also promotes fair trade practices for investor protection. It also controls insider trading and imposes penalties in case of such malpractices"?
 - (a) Protective
 - (b) Developmental
 - (c) Regulatory
 - (d) None of these
- 20. Which market's instruments are discussed in the lines, "He also told his friend about many instruments such as commercial papers or bills which are not traded on stock exchange"?
 - (a) Stock market
 - (b) Capital market
 - (c) Money market
 - (d) Both (b) and (c)

SECTION B : Short Answer Type I Questions (3 Marks)

- 21. Mansi, a shoe manufacturer for school students, decided to maximise her profit by producing and distributing at large scale and thereby, reducing the average cost of production.
 - (i) Identify the marketing management philosophy adopted by Mansi.
 - (ii) Explain this philosophy on the basis of
 - (a) Main focus
 - (b) Means and ends
- 22. The finance manager of Aerial Automobiles has made a detailed plan analysing the minutest financial needs of the firm in the coming six months. He also analyses the sources from where such fund requirement will be met.
 - (i) Name the process the finance manager is involved in.
 - (ii) Explain any two essential requirements of a sound financial plan.
- 23. How do principles of management provide useful insights into reality? Explain.
Or "Burger King, one of the leading fast food chains have different kind of food stuffs at different places in the world depending upon where it is operating". Which feature of business environment is highlighted here? Explain it.

24. Ved Prakash works in an MNC. As per his job agreement, he could work overtime whenever he feels the need to do so and would be paid accordingly. As he worked overtime, he fell ill and had to take leave from work. No one showed concern towards him although he was a permanent employee in the organisation.
- Identify the needs which he was able to fulfill through that job by quoting the line.
 - Also, identify the need which remained unfulfilled by quoting the lines.
 - Name any two other needs as well.

Or

"A leader who has only good physical features and required knowledge and competence, cannot inspire others to work." Then what else is required by a leader to be successful? Explain by giving three points.

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

25. What do you understand by legal environment? Also, mention how it affects the business firms.

Or

XYZ Power Ltd set-up a factory for manufacturing solar lanterns in a remote village as there was no reliable supply of electricity in rural areas. The revenue earned by the company was sufficient to cover the costs and the risks.

The demand of lanterns was increasing day-by-day, so the company decided to increase production to generate higher sales. For this, they decided to employ people from the nearby villages as very few job opportunities were available in that area. The company also decided to open schools and creches for the children of its employees. Identify and explain the objectives of management discussed here.

26. A furniture manufacturer gets an order of manufacturing 100 chairs. He has six workers, who will do the work. Each and every worker is specialised in completing one task only. One is good in cutting, second is good in shaping, third is good in finishing and so on.

- If he wants to complete the target on time, which principle will help him?
- What benefit company will have, by opting for this principle?

27. Name and explain any four unfair trade practices and how they affect the consumer through example.

28. Being a management guru, you feel that the adopted plan is not suitable for company's growth. Suggest an ideal plan for your company and briefly discuss its characteristics.

Or

Differentiate between delegation and decentralisation.

29. "Money is not the only motivator", then what else is required to motivate employees? Explain by giving any four points.

30. Staffing process begins with estimating the manpower requirements, followed by recruitment, selection, placement and orientation. Explain the other steps involved in staffing process.

SECTION D : Long Answer Type Questions (6 Marks)

31. The Federal Bank, Kannur Branch, Kerala has decided to launch a special campaign for four months to provide life cover to all their savings account holders under 'Prime Minister Jeevan Jyoti Yojna'. At the end of first month, the bank had succeeded to obtain premium from 35% of their account holders as against the target of 40%. On thorough analysis, the bank manager came to a conclusion that illiteracy among public and lack of awareness about social security measures were two main causes of failure to achieve the required target.

- (i) Identify and explain the function of management performed by bank manager.
- (ii) Mention any three objectives of the function so identified in point (i) above.

32. You are asked to design a label for a Coco Love, a new chocolate launched by CC company. Mention what factors will you keep in mind and furnish the information on the label of the product.

33. Mr Sahil and Mr Rajesh are promoting a new company. They are not able to decide on, how to raise funds.

Sahil is interested in a new issue through prospectus, while Rajesh wants a right issue.

- (i) As a financial manager, suggest Sahil and Rajesh for the appropriate decision.
- (ii) Discuss the methods by which securities are issued in the primary market.

Or Financial management is concerned with inflow and outflow of money, do you agree? Give some significance of financial management.

34. Mrs Leena Mehta works as a corporate event coordinator in an event management company. She has been made an overall official incharge for organising a painting exhibition for one of the clients of the company. For ensuring that the exhibition takes place successfully, she identifies the various activities involved and divides the whole work into various task groups like marketing committee, decoration committee and reception committee.

In order to facilitate coordination within and among committees, she appoints a supervisor of each group. Each member is asked to report to their respective supervisors and all the supervisors are expected to work as per her orders. In context of the above case

- (i) Identify and define the function of management being performed by Mrs. Leena.
- (ii) Describe briefly the various steps involved in the performance of the function of management as identified in part (i) of the question.

Or "Decentralisation is an important philosophy which implies selective dispersal of authority." Considering the statement, explain the meaning of decentralisation along with any five points of its importance.