

D.A.V. INSTITUTIONS, CHHATTISGARH

SAMPLE QUESTION PAPER-01: 2023-24

CLASS –XII


SUBJECT: BUSINESS STUDIES [054]

Time Allowed: 3 Hours

Maximum Marks: 80

General Instructions:

1. This question paper contains 34 questions.
2. Marks are indicated against each question.
3. Answers should be brief and to the point.
4. Answers to the questions carrying 3 marks may be from 50 to 75 words.
5. Answers to the questions carrying 4 marks may be about 150 words.
6. Answers to the questions carrying 6 marks may be about 200 words.
7. Attempt all parts of the questions together.

1	<p>Vikrant joins his father's business of Organic masalas, near Kotgarh in Himachal after completing his MBA. In order to capture a major share of the market, he decided to sell the products in small attractive packages by using the latest packaging technology. His father suggested that they hire financial consultants to estimate the amount of funds that would be required for the purpose and timings when it would be required. The concept being discussed by Vikrant's father, links which financial decision with the investment decision?</p> <ol style="list-style-type: none">a. Dividend decisionb. Financial planningc. Capital structured. Financing decision	1
2	 <p>Which function of marketing is highlighted in the above image?</p> <ol style="list-style-type: none">a. Physical distributionb. Labellingc. Gradingd. Warehousing	1

3	<p>A leading pizza chain recently introduced ‘Momo Mia’ pizza – a combination of pan pizza with Momos in its crust. Their market research had revealed that Momos are the second most loved street food of India right after Golgappas. They wanted to be the first company to take advantage of this opportunity rather than losing out to competitors. The point of importance of understanding of business environment discussed above is:</p> <ol style="list-style-type: none"> Tapping useful resources Identifying opportunities and getting first mover advantage Improvement in performance Coping with rapid changes 	1				
4	<p>A brand or part of the brand that is given a legal protection is called _____.</p> <ol style="list-style-type: none"> Brand mark Trade mark Brand name Brand icon 	1				
5	<p>Raghav’s friend Raman works as Chartered Accountant in Solutions Ltd. Raman, in a meeting with the Board of Directors of the Company, came to know that the firm would soon be declaring a Bonus issue which would result in increase in the price of shares. Considering this, Raman advised Raghav to purchase the shares of Solutions Ltd. who acted on his advice and bought the shares before him. Which function of SEBI can control such malpractices?</p> <ol style="list-style-type: none"> Protective functions Regulatory functions Developmental functions All of the above 	1				
6	<p>Silico Ltd. has appointed the former consulting executive of Shri Shakti Ltd., Rajan Bahl, as its Vice President. What will be his basic task?</p> <ol style="list-style-type: none"> To integrate diverse elements and coordinate activities of different departments. To carry out plans formulated by top managers. To oversee the efforts of the workforce. Help to maintain quality of output. 	1				
7	<p>Two major segments of Financial Market are:</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 50%;">a. Debt market and Equity market</td> <td style="width: 50%;">b. Money market and Secondary market</td> </tr> <tr> <td>c. Money market and Capital market</td> <td>d. Money market and Primary market</td> </tr> </table>	a. Debt market and Equity market	b. Money market and Secondary market	c. Money market and Capital market	d. Money market and Primary market	1
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8	<p>Textile manufacturer Super Textiles reported 43% fall in its profits in the fourth quarter ended</p>	1				

13	<p>Read the following statements and choose the correct alternative among those given below:</p> <p>Statement 1: If the demand of the product is inelastic, the firm is in a position to fix higher prices.</p> <p>Statement 2: In case the degree of competition is high, the firm is in a position to set high prices.</p> <p>a. Both the Statements are True</p> <p>b. Both the Statements are False</p> <p>c. Statement 1 is True and Statement 2 is False</p> <p>d. Statement 2 is True and Statement 1 is False</p>	1
14	<p>Airlines will be able to offer the benefits of lowering pricing to customers on sectors/routes due to the decision of the civil aviation ministry to remove price caps from August 31, 2022. This can help an airline to do better performance if they take early decisions regarding future courses of action after understanding and doing analysis. Which importance of business environment and its understanding by managers is not highlighted above?</p> <p>a. It helps in improving performance</p> <p>b. It helps in assisting in planning and policy formulation</p> <p>c. It helps in tapping useful resources</p> <p>d. It enables a firm to identify opportunities and get first mover advantage</p>	1
15	<p>If a company deals in chemicals and electronic products, which of organization structure will be useful?</p> <p>a. Divisional b. Functional</p> <p>d. Both (a) and (b) d. Neither (a) nor (b)</p>	1
16	<p>Read the following statements and choose the correct alternative among those given below:</p> <p>Statement 1: SEBI was established to promote orderly and healthy growth of securities market.</p> <p>Statement 2: Price Rigging refers to a practice, in which the insider uses the sensitive information about securities of a company to make personal profits.</p> <p>a. Both the Statements are True</p> <p>b. Both the Statements are False</p> <p>c. Statement 1 is True and Statement 2 is False</p> <p>d. Statement 2 is True and Statement 1 is False</p>	1
17	<p>“The nature of the relationship of our country with the foreign countries”, is a major element of which of the following components of the business environment?</p> <p>a. Social environment b. Legal environment</p> <p>b. Political environment d. Economic environment</p>	1
18	<p>Match the following functions of marketing with their explanations:</p>	1

	A	It refers to such activities which intend to inform customers about the product and persuade them to buy the product	(1)	Gathering and Analyzing market information	
	B	This is necessary to identify the needs of the customers and take various decisions for the successful marketing of the products and services	(2)	Physical distribution	
	C	It refers to designing and developing the label to be put on the package.	(3)	Promotion	
	D	It involves deciding the distribution of goods and services from place of production to place of consumption	(4)	Labelling	
	<p>a. A (2), B (4), C (3), D (1)</p> <p>b. A (3), B (1), C (4), D (2)</p> <p>c. A (4), B (2), C (1), D (3)</p> <p>d. A (1), B (3), C (2), D (4)</p>				
19	<p>“Anyone can be called a manager irrespective of the educational qualification possessed.” Identify the characteristic of the profession that Management does not fulfill in the statement being discussed above.</p> <p>a. Ethical code of conduct</p> <p>b. Professional association</p> <p>c. Restricted entry</p> <p>d. Service motive</p>				1
20	<p>A shift of preference from fried snacks to roasted snacks has been welcomed as an opportunity by the roasted snacks company while fried snacks company takes it as a threat. Which feature of business environment is being highlighted?</p> <p>a. Inter – relatedness</p> <p>b. Uncertainty</p> <p>c. Complexity</p> <p>d. Relativity</p>				1
21	<p>Megha Ltd. was manufacturing water heaters. In the first year of its operations, the revenue earned by the company was just sufficient to meet its costs. To increase the revenue, the company analysed the reasons of less revenues. After analysis the company decided</p> <p>i. To reduce the labour cost by shifting the manufacturing unit to a backward area where labour was available at a very low rate.</p> <p>ii. To start manufacturing solar water – heaters and reduce the production of electric water – heaters slowly.</p> <p>This will not only help in covering the risks, but also help in meeting other objectives too. Identify</p>				3

	and explain the objectives of management discussed above.	
22	<p>“An effort to control everything may end up in controlling nothing.” Explain.</p> <p style="text-align: center;">OR</p> <p>“Controlling helps in achieving objectives of the organization and improving employees’ morale.” Explain the statement in brief.</p>	3
23	<p>The IT major GIPRA is terminating the employment of its senior managers, if after evaluating their performance against pre – determined standards, it is found lacking. With this disruption, analysts say a large portion of the employees may become irrelevant unless they learn new skills and apply the knowledge to work on emerging technologies. GIPRA is ready to facilitate employee learning through its in –house centers.</p> <p>i. Name the function of management performed by GIPRA to maintain a satisfactory work force</p> <p>ii. Identify and explain the two steps in the process of the function of management discussed above.</p>	3
24	<p>State the developmental functions of Securities and Exchange Board of India (SEBI).</p> <p style="text-align: center;">OR</p> <p>What is meant by the terms “Dematerialization” and “Depositories?”</p>	3
25	<p>Briefly explain any four measures to overcome barriers to effective communication.</p> <p style="text-align: center;">OR</p> <p>Define Motivation. State any three assumptions of Maslow’s Need Hierarchy Theory of Motivation.</p>	4
26	<p>What is meant by the term Recruitment? Why are internal sources of recruitment considered to be more economical?</p> <p style="text-align: center;">OR</p> <p>State any four reasons why training is needed in any organization?</p>	4
27	<p>Anchal purchased a food processing machine for ₹ 3,000 from “Kajal Machinery Pvt. Ltd.” She found that the machine was not working properly. Despite many complaints, the defect was not rectified by Kajal Machinery Pvt. Ltd.</p> <p>i. Identify the consumer right that has been violated by Kajal Machinery Pvt. Ltd.</p> <p>ii. Suggest the appropriate commission where Anchal can file her complaint.</p> <p>iii. Can she appeal to the Supreme Court if she is not satisfied with the order of the appropriate commission? Give reason in support of your answer.</p>	4
28	<p>What is meant by Capital Budgeting? State any three factors affecting fixed capital requirement of a firm.</p>	4
29	<p>Answer the following:</p> <p>i. If manager says “This is the ideal (perfect) method,” and subordinate interprets as “This is the idle</p>	4

	<p>(useless) method”, then communication will be ineffective. Identify and state the type of Semantic Barrier.</p> <p>ii. An employee explains about his problems to the boss who is pre – occupied with an important file before him. The boss does not grasp the message and the employee is disappointed. Identify and state the type of Psychological Barrier.</p> <p>iii. In a centralized organization, people may not be encouraged to have free communication. Identify and state the type of Organizational Barrier.</p> <p>iv. If there is no reward or appreciation for a good suggestion, then subordinates may not be willing to offer useful suggestions. Identify and state the type of Personal Barrier.</p>	
30	<p>‘Bharat Steel Ltd.’ an Indian company producing 50 million tons of steel annually and generating revenue of 38 million US dollars, has recently acquired the world’s second largest steel producing company ‘German Steels’. After this acquisition, Bharat Steels Ltd. will become the world’s largest steel producer. For this acquisition, Bharat Steels Ltd. had to arrange about 50,000 crores of rupees through debt and equity.</p> <p>i. Identify the decision taken by the company for arranging the funds.</p> <p>ii. State any three factors affecting the decision identified in (i) above.</p>	4
31	<p>i. Explain “Differential Piece Wage System” as a technique of Scientific Management.</p> <p>ii. State two consequences of Violation of Fayol’s Principles of Management:</p> <p>a. Remuneration of Employees</p> <p>b. Centralization and Decentralization</p> <p>c. Equity</p> <p style="text-align: center;">OR</p> <p>i. Briefly explain any three significance of Principles of Management.</p> <p>ii. Explain briefly the following principles of Scientific Management (Any Two)</p> <p>a. Science, not rule of thumb</p> <p>b. Harmony, not discord</p> <p>c. Development of workers to their greatest efficiency and prosperity</p>	3,3
32	<p>Define the term Planning. In spite of best efforts of managers, sometimes planning fails to achieve desired results due to its limitations. Explain any five such limitations.</p> <p style="text-align: center;">OR</p> <p>Explain Rules and Methods as a type of plans. Differentiate between them on any four bases.</p>	6
33	<p>Read the statements given in points 1 and 2, answer the questions that follow:</p> <p>1. “According to this concept of marketing, availability and affordability of the product are</p>	3,3

	<p>considered to be the key to the success of the firm.”</p> <p>a. Identify and state the concept of marketing is being discussed in the given statement.</p> <p>b. Mention the focus of the concept identified in (a) above.</p> <p>2. “According to this concept the objective of profit maximization can be achieved by finding out needs and requirements of customers and satisfying them in an effective manner.”</p> <p>a. Identify and state the concept of marketing being discussed in the given statement.</p> <p>b. Mention the focus of the concept identified in (a) above.</p>	
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34	<p>Infocom has diversified itself into several product lines; Telecommunications, Engineering, Financial services. Each subsidiary is self – sufficient with their own administrative functions, propagating the belief that people can assume the responsibility for the effective implementation of their decisions and should be given autonomy. This has reduced the need for direct supervision by superiors, has promoted flexibility, initiative and faster decision making. The orders of customers are never delayed, as a result of good policy decisions of top management.</p> <p>a. Identify and explain any three points of the importance of the concept being discussed above.</p> <p>b. Name and explain a suitable framework for the company within which the managerial and operating tasks are to be performed.</p>	6
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