



**Business Studies – Class XII**  
**(Practice Paper-1 for March 2020 Exam.)**

**Time: 3 Hrs.**

**M.M.80**

**General Instructions:**

- (i) This question-paper contains five Sections – A, B, C, D and E.
- (ii) Section – A contains Q 1 to 20 - 1 mark each, Answer these, as required.
- (iii) Section – B contains Q 21 to 25 - 3 marks each, Answers these in 50 to 75 words.
- (iv) Section – C contains Q 26 to 28 - 4 marks each, Answers these in about 120 words.
- (v) Section – D contains Q 29 to 31 - 5 marks each, Answers these in about 150 words.
- (vi) Section – E contains Q 32 to 34 - 6 marks each, Answer these in about 200 words.
- (vii) Do all the questions in serial order.

<b>Section - A</b>		
<b>1</b>	Miss Punita is associated with KT Ltd. She told you that her workers have good relations with her and she doesn't face any difficulty in explaining the things to them. At what level of management is she? (a) Top level (b) Middle Level (c) Lower level	1
2	The purchase manager of a company is insisting his department to stop purchasing the material till the next requisition from the production department is received, production manager is asking his department to achieve the target production of the month whereas sales manager is not telling anything to the production department about the sales made or requirement of more goods to be sold by them. Name the concept which is required by the company CEO Mr. Chaman Lal, to reconcile the differences in the working of these three managers.	1
3	Which of the following statements best describes 'Mental Revolution'? a) It implies change of attitude. b) The management and workers should not play the game of one upmanship. c) Both management and workers require each other. d) Workers should be paid more wages.	1
4	'PT Airlines Ltd.' is a travel agency which has appointed forty persons whose main job is to check the luggage of the customers physically instead of electronic scan done by other such companies. For this reason, many of the customers have filed complaints in consumer forum for having lost their belongings. You are required to	1

	identify the dimension of business environment being ignored by this PT Airlines Ltd.													
5	Ankit was working in a mobile company. It had an assembling unit in Mohali. In this assembling unit, standard output of producing 16 units per day per worker had been set. While assembling mobile phones, he realised that by simply reorganising the sequence of tasks more units can be assembled at a lower cost. He went to his supervisor and informed him about this idea. It was conveyed to the Production manager who immediately ordered to put it into practice. Which principle advocated by F.W.Taylor has been discussed in this case?	1												
6	The nature of an informal organisation is: a) Functional b) Divisional c) Solid d) Fluid	1												
7	State whether this statement is true or false: "Human Resource Management is the part of management process".	1												
8	SCT services CEO RajanGopinath's compensation includes salary, commission and other allowances. The company also pays for his insurance and vacations. Identify one indirect payment being made by the company to the CEO. a) Employer paid Insurance; b) Salary; c) Commission; d) Allowances.	1												
9	A manager did not listen to the communication of going late from office as he had already planned movie watching with his family, this resulted in ..... barrier in effective communication. a) Semantic b) Organisational c) Personal d) Psychological	1												
10	The process of instructing, guiding, counseling, motivating and leading people in the organization is called _____ function of management.	1												
11	Match the points which describe the importance of judging accuracy of standard in the controlling function: <table border="1" data-bbox="183 1646 1412 1758"> <tr> <td>1</td> <td>Carefully check</td> <td>A</td> <td>Laid down carefully.</td> </tr> <tr> <td>2</td> <td>Review</td> <td>B</td> <td>Assessing what is being done.</td> </tr> <tr> <td>3</td> <td>Accurate and Objective</td> <td>C</td> <td>Appraising the performance.</td> </tr> </table>	1	Carefully check	A	Laid down carefully.	2	Review	B	Assessing what is being done.	3	Accurate and Objective	C	Appraising the performance.	1
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2	Review	B	Assessing what is being done.											
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12	The size of Debt and Equity are affected by one of the financial decisions. State the decision involved with reference to the given statement.	1												
13	Define Trading on equity.	1												
14	Capital Budgeting is the decision relating to investment in Working Capital. State whether this statement is true or false.	1												
15	Commercial paper is a short-term unsecured promissory note having a maturity	1												

	<p>period of .....</p> <p>(a) 91 days to one year; (b) 15 days to one year; (c) one day to 15 days; (d) one year.</p>	
16	Trying to improve the quality of product falls under which concept of Marketing management?	1
17	What are Four Ps of Marketing?	1
18	<p>Tomato Ltd., a food delivery service app has recently faced criticism for the tampering of their product, by their delivery boys. Tomato Ltd. decided to put a hologram seal on the food packets in order to protect the contents from spoilage, leakage, pilferage, damage, along with a tag with a safety warning for the consumers to check the seal. Which concept of marketing discussed above is performing the important function of communicating with the potential buyer and promoting the sale.</p> <p>(a) Branding; (b) Product designing and development; (c) labeling; (d) packaging.</p>	1
19	<p>Mohit purchased a smart phone for ₹30,000 from a mobile phone seller on his verbal commitment that the smart phone will be replaced in case of any defect, within a span of six months. The phone started creating technical issues in spite of proper maintenance and upkeep of the phone. The seller denied taking any action on the complaint made by Mohit. So, he filed a complaint in District Consumer Forum. Name the redressal agency under the Consumer protection Act where Mohit can take his case, if he is not satisfied by the decision of District Consumer Forum.</p>	1
20	<p>After about thirty minutes of playing a movie, the quality of the picture deteriorated. The people watching this movie began shouting and left the theatre only when they got a refund from the owner of the theatre. Why do you think ,the theatre owner paid them?</p>	1
<b>Section - B</b>		
21	'Management is an Art,' Explain.	3
22	<p>Mahesh, the owner of a Green Space Company decided to start a campaign to create awareness among people for planting trees and ornamental shrubs in the courtyard of their houses. He formed a team of members A,B,C and D, for this campaign who suggested different ways to create awareness. On evaluation of different ways by the team members, D's idea was considered the best to be followed by all the members.</p> <p>a) Identify the function of management, next to the function discussed above.</p>	3

	b) Write the first two steps in the process of function identified in (a) above.	
23	Sheena is a supervisor who also keeps the record of work done by the workers under her . The average number of units to be produced by a worker is 60 per day. There are four workers Mota, Nata, Chota and Patlu working under her. On completing a day's work ,she recorded 54, 48, 63 and 60 units produced by them respectively. She is now trying to find as to who should be penalised for not meeting the target. Write the main steps in the process of a management function ,discussed in this para.	3
24	The R&D department of Healthy Foods Ltd. has decided to diversify from manufacturing health drinks to cereals made from millets. The company has to communicate to the people the benefits of eating millets. For this purpose, there is a plan to sponsor various events like marathons and encourage people to switch to healthy eating through newsletters. Explain any three promotional tools that can be used by the company, apart from the one discussed above.	3
25	On her niece's birthday, Anuradha decided to gift her gold earrings. Suddenly she happened to see an article published last week, in a daily national newspaper, under the heading "Jago Grahak Jago." The campaign included details about the various aspects that people must consider before buying gold jewellery. a) Why campaigns like "Jago Grahak Jago" are inserted in the newspaper? b) Name the right of consumer being fulfilled through this article? c) State any two responsibilities that Anuradha must fulfil as an aware consumer while buying the gold earrings.	3
<b>Section - C</b>		
26	Seven Colours Ltd. is manufacturer of fashionable and designer clothes. Recently it finds that the demand for its products has been declining. After market research it was discovered that fashion and tastes of the consumers is changing rapidly. Customer's demand is increasing. New competitors have entered the market with new designs. It is very difficult for the company to predict future happenings. Also, it is difficult to know the extent of the relative impact of the social, economic, political, technological or legal factors on decrease in demand of its products in the market. You are required to identify two features of business environment and any two impact of government policy changes on business, quoting lines from the above case.	4
27	Grouping of jobs on the basis of products produced by an enterprise gives rise to a particular structure. Name the type of structure and explain its three merits.	4
28	State any four factors which affect the fixation of the price of the product.	4
<b>Section - D</b>		

29	<p>Mr Sahil and some of his friends after completing their MBA course, established a company under the name and title of 'Rashtrkalyan Ltd'. The company manufactured LED bulbs. It was the keen desire of Mr. Sahil to honour the name 'Rashtrkalyan Ltd' of his company. In order to achieve his main objective, he concentrated on these points: to make employment opportunities available, to keep their employees happy and satisfied, to protect the environment from pollution and to sell good quality products at a reasonable price. For this purpose, they formulated some rules. It was absolutely essential for each and every employee of the company to stick to these rules.</p> <p>Identify and explain the following as mentioned in the above paragraph by quoting the lines.</p> <ol style="list-style-type: none"> <li>The type of management objective Mr. Sahil and his friends are trying to achieve.</li> <li>Two other types of objectives of the company.</li> <li>A principle given by Henry Fayol.</li> </ol>	5
30	<p>Madhuri started her own organic food processing unit . She set the objectives and the targets and formulated action plan to achieve the same. One of her objective was to earn 15% profit on the amount invested in the first year. It was decided that raw materials like fruits and vegetables will be purchased on three months credit. She appointed Mahesh as a production manager who decides the exact manner in which the production activities are to be carried out. Mahesh also prepared a statement showing the number of workers that will be required in the factory throughout the year. While working on the production table a penalty of ₹ 50 per day for not wearing head covers was announced.</p> <p>Identify and explain the different types of plans discussed in the above case.</p>	5
31	<p>"Determination of capital structure of a company is influenced by a number of factors." Explain any five such factors.</p>	5
<b>Section - E</b>		
32	<p>A public transport corporation advertised in a national newspaper for various posts and number of applicants applied for the same. Identify the source of recruitment and its type. Explain five more of the sources of recruitment of the same type.</p>	6
33	<p>Sunita had been working as an assistant manager with XYZ Company for the last twelve years. She was very popular amongst her colleagues because of her helping nature along with commitment and dedication towards the work. When the manager senior to her retired, all her colleagues thought that now Sunita would be promoted. But to everyone's surprise the vacant post was filled by an outsider, Ankita. Sunita felt demoralised and her performance started declining. She also started taking frequent leave from the work. Ankita noticed Sunita's behaviour and</p>	6

	<p>felt that her performance could be improved. She started involving Sunita in decision making issues related to the organisation and make her realize her importance as an important employee of this company. Sunita was now punctual in office and her performance started improving.</p> <p>a) Identify the element of a function of management used by Ankita to improve Sunita's behaviour.</p> <p>b) Explain the two styles of the element identified in (b) above.</p>	
34	<p>MNOP is a gas lighter manufacturing company. Company wants to expand its business. Company requires ₹ 40 crores for this purpose. It has decided to mobilise this amount through capital market. Company observed that market was passing through boom period, and in this situation investors give priority to invest in equity shares so as to earn large profits. Company, therefore, considered it proper to issue equity shares. To invite the general public, prospectus was prepared and other procedures regarding floatation of capital initiated.</p> <p>Besides, company realised that, on the one hand, share floatation costs are likely to rise very much and on the other hand, its cash flow position is not favourable. This situation will continue for about 6 months. Thus for the next six months some additional funds will have to be collected. In order to mobilise these funds, company deemed it proper to depend on money market instruments.</p> <p>a) Identify the concept of business finance mentioned above.</p> <p>b) Explain four methods of floatation of capital not discussed above.</p> <p>c) Use of what kind of instrument will be appropriate for the money market.</p>	6

**The End**

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