



INDIAN SCHOOL SOHAR
PRE-BOARD 2 EXAMINATION (2023 – 2024)
BUSINESS STUDIES (054) SET 2

CLASS: - XII

MAX MARKS: - 80

DATE: 20/01/2024

TIME: 3 HOURS

General Instructions:

Read the following instructions very carefully and strictly follow them:

1. There are 34 questions in the question paper. All questions are compulsory.
2. Answers should be brief and to the point.
3. Attempt all parts of the questions together.
4. Question nos. 1 to 20 are objective type questions, carrying 1 mark each.
5. Question nos. 21 to 24 are short-answer type I questions, carrying 3 marks each.
6. Question nos. 25 to 30 are short-answer type II questions, carrying 4 marks each.
7. Question nos. 31 to 34 are long-answer type questions, carrying 6 marks each.
8. There is no overall choice in the question paper. However, an internal choice has been provided in one question of one mark, one question of three marks, one question of four marks, and one question of six marks. Only one of the choices in such questions must be attempted.

SECTION A

1. "Management must achieve a variety of objectives in all areas considering the interest of all stakeholders including shareholders, employees, customers, and the government. The main objective of any organisation should be to utilize human and material resources to the maximum possible advantage." Identify the type of objective of management highlighted above. [1]
 - A. Organizational objectives
 - B. Social objectives
 - C. Personal objectives
 - D. None of these
2. Which of the following statements about sales promotion activities is CORRECT? [1]
 - A. Refund means giving back a part of the price paid by the customer.
 - B. Rebate means reducing the cost of new products to increase awareness.
 - C. Discount means offering products at a special price to clear off excess inventory.
 - D. Quantity gift means offering another product as a gift along with the purchase of product
3. Somesh works as a supervisor in 'Lakshmi Automotives Ltd,' a company manufacturing car. He is subordinate to Ramesh, who is the Production In charge in the factory. Somesh oversees timely and accurate completion of job by workers working in the production department. There are three other supervisors working under Naresh, the planning in charge in the factory. Each of the eight supervisors is a specialist in his area and gives orders to the workers relating to it. The technique of scientific [1]

management highlighted in the above case is:

- A. Method study
- B. Differential piece wage system
- C. Functional Foremanship
- D. Standardization and simplification of work

OR

Pioneer Limited deals in fruit juices in hair oils. To ensure unity of action and coordination, it has made separate divisions of each product. Each division has its own in charge plans and execution resources. Thus, both the divisions are moving towards the same objectives to focus their efforts.

Identify the principle of management followed by Pioneer Limited in the above case:

- A. Esprit de Corps
- B. Equity
- C. Unity of Direction
- D. Authority and Responsibility

4. The revenue of Khazana Ltd has nearly doubled in the last three years. However, due to huge production costs, the company is not making any profits. Considering the financial situation of the company, the management has decided not to declare any dividends. This has made the shareholders of Khazana Ltd terribly upset. Is the shareholders' reaction justified in this scenario? [1]

- A. Yes. The management has no right to decide whether or not a dividend can be declared. This right is with the shareholders.
- B. No. The management is right in not declaring dividends since the company will need cash to meet the huge costs.
- C. Yes. The revenue of the company has doubled and hence a dividend should be given to the shareholders.
- D. No. The management is right in not declaring dividend since the company does not have any profits

5. With the advent of 'Talk GPT, in the Information Technology industry, companies have started investing in Artificial Intelligence to fulfill the expectations of the customers. The customers are showing a positive attitude to the new Artificial Intelligence-based Talk bot. Identify the dimensions of the business environment being referred to here. [1]

- A. social and economic environment
- B. technological and social environment
- C. economic and technological environment
- D. legal and social environment

6. **Read the following statements: Assertion (A) and Reason (R). Choose the correct alternative.** [1]
ASSERTION (A): controlling helps in making efficient use of resources.

REASON (R): An efficient control system keeps a check on the changes taking place in the organisation and in the environment and helps to review and revise the standards considering changes.

Alternatives:

- A. Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
- B. Both Assertion (A) and Reason (R) are true, and Reason (R) is not the correct explanation of Assertion (A)
- C. Assertion (A) is true, but Reason (R) is false.
- D. Assertion (A) is false, but Reason (R) is true
7. Prakash has set up a small business unit for the manufacturing of detergent. To market the detergent in the local residential areas, he has appointed a team of ten salespeople. Each salesperson is expected to sell at least 200 units of the detergent within a week's time. Identify the point of importance of controlling being highlighted in the above case. [1]
- A. Controlling helps in judging accuracy of standards. B. It ensures efficient use of resources.
- C. It helps in improving employee motivation. D. It facilitates co-ordination in action
8. This training is provided to the new employees of the organization to familiarize them with the organizational rules and policies, their superiors, and subordinates and so on. Identify the type of training discussed above. [1]
- A. Internship Training B. Induction training.
- C. Apprenticeship Training D. Vestibule Training
9. There are two Headmasters one for Senior classes and another for Junior classes. 50 teachers are under the supervision of the Senior Headmaster and 60 teachers under the supervision of the Junior Headmaster. No teacher working under the supervision of the Senior Headmaster is happy and satisfied, which is affecting the result of the Senior classes. On the other hand, the teachers working under the supervision of the Junior Headmaster are performing their duties willingly and achieving their objectives. All the teachers are happy and satisfied. The Director, Neeraj can feel how nicely the Junior Headmaster was managing his classes. The characteristic of management discussed above is: [1]
- A. Management is a goal-oriented process B. Management is a dynamic function
- C. Management is an intangible force D. Management is a continuous process
10. The process of holding securities in electronic form is called dematerialization. Which of the following statements does not relate to dematerialization? [1]
- A. Smooth transfer and settlement of trade through a single account in shares
- B. Demat securities can be pledged or hypothecated to get loans.
- C. No danger of loss, theft, or forgery of share certificates
- D. Existing physical shares cannot be converted into electronic form
11. Harshita Verma has set up a factory to manufacture herbal hand sanitizers in Meerut. The size and shape of the bottles in which the products are packed are specially designed so that it should be convenient to manage and use by the consumers. The bottles in which the sanitizers are packed is [1]

- A. Primary packaging
- B. Secondary Packaging
- C. Tertiary packaging
- D. Both Secondary and Tertiary packaging

12. Match the various barriers given in Column II with their respective categories given in Column I: [1]

Column I	Column II
(a) Semantic Barriers	(i) Distrust
(b) Psychological Barriers	(ii) Lack of proper incentives
(c) Organisational Barriers	(iii) Symbols with different meanings
(d) Personal Barriers	(iv) Status

- A. (a) (i), (b) (ii), (c) (iii), (d) (iv)
- B. (a) (iv), (b) (iii), (c) (i), (d) (ii)
- C. (a) (iii), (b) (ii), (c) (iv), (d) (i)
- D. (a) (iii), (b) (i), (c) (iv), (d) (ii)

13. For the following two statement choose the correct option: [1]

Statement I: Demat Account is the common name of Beneficiary Owner Account.

Statement II: PAN Number is mandatory to be provided by the investor to the broker while filling in a client registration form.

A. Statement I is true and II is false	B. Statement II is true, and I is false
C. Both the statements are true	D. Both the statements are false.

14. [1]



Identify the marketing management philosophy focus on paying attention to the social, ethical, and ecological aspects of marketing?

- A. Product concept
- B. Selling concept
- C. Marketing concept
- D. Societal Concept

Read the following text and answer the following question 15 and 16 based on the same.

S printing solutions Ltd, is a company manufacturing printers and scanners. The management of this company is known for speedy and prompt delivery of orders. As a result, the market share of this

company is growing. The company grabbed a new project to supply 1,500 printers to Uprise Bank Ltd. for its various branches, within two weeks. The production manager, Ashok, made one of his efficient subordinates, Deepak the in charge of the project and gave him the right to command workers to meet the target. Now Ashok could use his time on high-priority areas. He felt that this will also give an opportunity to Deepak to gain experience and develop himself for higher positions. On getting the charge, Deepak was incredibly happy, his confidence level increased, and he was encouraged to do his best to fulfill the responsibility. Considering his responsibility, Ashok kept track of the completion of work with Deepak and he is providing him the needed guidance to reach the target on time.

15. The application of the concept used above allows Ashok to use his time on high priority areas. This will lead to the organization towards: [1]

- A. Adaptation to change
- B. Effective management
- C. Economies of scale
- D. Reduction in conflicts among different divisions

16. Read the following statements: Assertion (A) and Reason(R). Choose the correct alternative. [1]

ASSERTION (A): Management is concerned with efficient use of resources.

REASONING (R): For management both efficiency and effectiveness need to be balanced.

Alternatives:

- A. Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
- B. Both Assertion (A) and Reason (R) are true, and Reason (R) is not the correct explanation of Assertion (A)
- C. Assertion (A) is true, but Reason (R) is false.
- D. Assertion (A) is false, but Reason (R) is true

17. Ram was given a task by his superior to prepare a plan in 15 days. He asked two of his subordinates to work on this task, but one of the subordinates met with an accident and could not complete his work. [1]

Who is answerable for this task?

- A. Ram is accountable
- B. Ram's superior is accountable
- C. Ram's subordinate is accountable
- D. None of them is accountable.

18. Astra Builders must deliver the flats to its buyers on time. Due to this there is a sudden rush of work. [1]
Therefore, the company needs to arrange workers to work at the sites at short notice. The source of recruitment which may be used by the company to tap the casual vacancy is:

- A. Direct recruitment
- B. Advertisement
- C. Recommendation of employees
- D. Employment Exchange.

19. Which of the following statements is incorrect? [1]

- A. Capital Market refers to facilities and institutional arrangements through which long-term funds,

both debt and equity, are raised and invested.

- B. A secondary market is the market where securities are sold by the company to the investor directly or through an intermediary.
 - C. Primary Market is the Market where only buying of securities takes place. Securities cannot be sold there.
 - D. Money Market is a market for short term funds which deals in monetary assets whose period of maturity is up to one year.
20. As a result of major government initiatives, more people are going 'green.' To keep in line with the trend, 'Clap away' a carpet cleaning company has advertised that they only use natural cleaners that come from renewable resources and that all their service vehicles are hybrid vehicles that use both gas and electricity. Identify one of the points related to the importance of a business environment and its understanding by managers which is being highlighted in the above case.
- A. It helps in assisting in planning and policy formulation.
 - B. It helps in coping with rapid changes.
 - C. It helps in improving performance.
 - D. It enables the firm to identify opportunities and get the first mover advantage.

SECTION B

21. Good Health Ltd., a pharmaceuticals company, has introduced mosquito repellent bands under the brand name 'Jaddu' in the wake of outbreak of Dengue in various parts of the country. The product attracted many people from all age groups, especially kids. However, the company failed to provide adequate guidance for the users on the label of the product in terms of time of the effectiveness of the repellent band once its seal is opened. Because of this ambiguity, many buyers faced problems. In context of the above case:
- A. Identify and explain the consumer rights which have been overlooked by the company.
 - B. Name and explain any two functions of the important product related aspect ignored by the company.
22. Bright Services is a taxi service provider. The company is targeting a revenue of 50 crore rupees this year. However, with the passage of time it has found entrance of new service providers in the market which was not expected at one stage of time. It has a good team of technicians, drivers, software providers, etc. The company has decided to make it adaptable to such continuously changing circumstances. It knows that if it must expand in new countries it will have to learn the basic differentiating factors like traffic rules, technological aspects, etc. Thus, it understands that conditions are different in different countries. Which features of Business Environment are discussed in the above

case? Which force is discussed above?

23. Rolling Eagle is an organized firm. The firm has been considered as one of the major producers of steel in the manufacturing industry. A group of people from foreign countries have come to India to find out the reason for their success. They found that there is proper utilization of resources, and this has led to great control of management over every aspect. The company has reached this place after a lot of research and its application. Every person knows what he must do, and this has led to the achievement of great skill development at 'per employee level.' The company has a monitoring cell which keeps track of all the major developments around. This has made it possible for the company to change itself according to the requirements of the outside environment. In the above case which concept of management is highlighted? Discuss its three types highlighted in the above case? [3]
24. Identify and state any three features of the process of influencing people so that they strive willingly and enthusiastically towards the achievement of group goals. [3]

OR

Identify and explain the following:

- A. It is a job-oriented process which attempts to improve the performance of employees in the current job and prepares them for any intended job.
- B. It is a career-oriented process which enables the overall growth of the employee.

SECTION C

25. Banwari Lal is a cloth merchant in Karol Bagh. His grandsons are requesting him to let them diversify the business into bridal wear. Banwari Lal has agreed but on the condition that they will follow the function of management he has always followed, which helps an organisation in keeping track of the progress of activities and ensures that the activities conform to the standards set in advance so that the organizational goals are achieved. [4]
- A. Name the function of management which Banwari Lal is asking his grandsons to follow.
- B. List any three reasons why it is considered an indispensable function of management
26. Ragu works as a waiter in a five-star hotel in Mumbai. While serving the customer he overhears him at the table saying that he has made profits higher than expected by investing in the securities market. So, Ragu also decides to make a nominal investment from his savings in the stock market in pursuit of higher gains. As a financial consultant, apprise him of the steps involved in the working of a Demat system. [4]

OR

These days, the development of a country is also judged by its system of transferring finance from the sector where it is in surplus to the sector where it is needed the most. To give strength to the economy, SEBI is undertaking measures to develop the capital market. In addition to this, there is another market

in which unsecured and short-term debt instruments are actively traded every day. These markets together help the savers and investors in directing the available funds into their most productive investment opportunity.

A. Name the function being performed by the market in the above case.

B. Name the market segment other than the capital market segment in which unsecured and short-term debt instrument are traded. Also, give any three points of difference between the two.

27. The activities and employees in 'Elegance Pvt. Ltd.,' a footwear manufacturing company, can be broadly grouped into five departments namely, production, purchase, marketing, accounts, and personnel. Over the years the company has grown and expanded its operations manifold. The company now intends to diversify into leather bags segment. So, its management has decided to restructure its operations. They plan to create separate product divisions for each product line wherein the functioning of each division will be further divided into five departments namely, production, purchase, marketing, accounts, and personnel. In context of the above case: [4]

A. How is the company's future organizational structures likely to be different from the existing one?

B. State any three points of differences between the two types of organizational structures.

28. Apna Ghar, a company dealing in consumer durables, plans to increase the sale of its products by 25% around Diwali this year. Moreover, in order to cash on the implementation of the seventh pay commission by that time, which is likely to raise the income of 47 lakh serving employees of the Central government and 52 lakh pensioners, the company has created 30 advertisement films which will be aired across 85 national and regional channels until Diwali. In context of the above case: [4]

A. Identify the two different types of plans that 'Apna Ghar' proposes to implement by quoting lines from the paragraph.

B. Distinguish between the two types of plans as identified above.

29. Reema, Vibha and Ratna are three women entrepreneurs who are engaged in dealing with handicraft goods under the brand name 'Gujkriti' through a chain of retail outlets at five different places in Delhi. They outsource all their products from tribal and rural women in the state of Rajasthan. Reema is of the opinion that to increase the sales of their products, they should advertise it on television. But Ratna is arguing that advertisement expenses will add to the cost of operation. Whereas Vibha is insisting that they should set up an online portal to market their products across the globe. In the context of the case: [4]

A. Identify the tool of promotion being taken into consideration by Reema by quoting lines from the paragraph.

B. How is the channel of distribution being suggested by Vibha different from the channel of

distribution being used by them presently?

- C. Do you think that Ratna is justified in her argument that advertisement expenses will add to cost of operations?

OR

Manuj went to purchase toothpaste for himself. After entering the mall, he went to the place where all FMCG items were placed. By looking at the packaging of toothpaste he immediately came to know that it was red gel toothpaste which he preferred. Other items had several types of packaging like soaps, packaged eatables, etc. As he was walking, it started to rain. He had no umbrella, so he got wet and along with him his toothpaste also got drenched in water. When he reached home, he realized that had the toothpaste packaging not been appropriate it might have gotten spoilt. Days passed and he used to brush his teeth daily with the same toothpaste. In the morning he often used to realize that though he had less time the shape of the tube containing toothpaste was such that he could squeeze the toothpaste out easily. One month passed and his toothpaste was about to finish. He realized a lot of information was given about the toothpaste like its quantity, its flavor, its contents, extra promotional quantity of 50 gm, brand name, etc. and all this information helped him repurchase another tube of the same toothpaste. We may not know but good packaging always helps both the company as well as the customers.

- A. Which concept of marketing has been highlighted in the above case?
B. Identify the different types of this concept highlighted in the above case.
30. A. Identify the process of choosing the best person from among the pool of prospective candidates. [4]
State the first step in the process identified.
B. In all cases, including highly specialized jobs, where the choice is very narrow, the process identified above serves two important purposes. State these purposes.

SECTION D

31. Rishu, Ashu, and Ravi have decided to start a business of manufacturing toys. They identified the following main activities which they have to perform; Purchase of raw materials, Purchase of machinery, Production of toys, Arrangement of finance, Sale of 6 toys, Identifying the areas where they can sell their toys Selection of employees In order to facilitate the work they thought that four managers should be appointed to look after Production, Finance, Marketing' Personnel. [6]
A. Identify the function of management involved in the abovementioned para. Quote the lines from the above para which help you in identifying this function.
B. State the steps followed in the process of this function of management.
32. In 'Amazing Kids' which is a school of reputation the ^principal has decided to improve the performance [6]

of teachers through proper motivation. He has planned to promote some of the good performing teachers to the post of supervisors in their respective wings. The adjoining school, after knowing this decides to do the same but the school is new and there is no scope of filling the higher slots with the teachers at the school as all of them are new too. This school then goes for external sources of recruitment for which two sources are checked:

1. They approach a government office for this purpose. Here in this government agency links between job seekers and employers are matched and people who are unemployed get registered for skilled as well as unskilled jobs.
2. They check the data of people who applied for the jobs of teachers but were unable to make it. There was a chance that these people could be easily recruited since they were interested in the jobs last year.

A friend of the principal of 'Amazing Kids' is a factory owner. He told him that finding workers for his factory is easy as he requires unskilled labor. Daily notification is put outside the factory building and people apply and get selected on the spot.

- A. In the above case which type of recruitment is attempted by the principal of 'Amazing Kids'?
- B. Which limitation is discussed in the last part of the first paragraph of the case?
- C. Identify the two external sources of recruitment involved by the second school in the above case.

OR

Mr. Naresh recently completed his M.B.A. from one of the Indian Institutes of Management in Human Resource Management. He has been appointed as Human Resource Manager in a Truck Manufacturing Company. The company has 1,500 employees and has an expansion plan in hand that may require an additional 500 people for various types of jobs. Mr. Naresh has been given the complete charge of the company's Human Resource Department. List out the duties that Mr. Naresh is supposed to perform as the Human Resource Manager of the company.

33. After acquiring the necessary knowledge and skills on starting an Aloe vera Farm. Ashok wanted to be the leading manufacturer of Aloe vera products worldwide. He observed that the products were expensive as the demand for the products was more than supply. He was also keen to promote methods and practices that were economically visible, environmentally sound and at the same time protecting public health. Ashok's main consideration was about the amount of money paid by the consumers in consideration of the purchase of Aloe vera products. He also thought that competitors' prices and their anticipated reactions to be considered for this. After gathering and analyzing information and doing correct market planning, he came to know that the consumers compare the value of a product to the value of money which they are required to pay. The consumers will be ready to buy a product when they [6]

perceive that the value of the product is at least equal to the value of money which they would pay. Since he was entering into a new market, he felt that he may not be able to cover all costs. He knew that eventually the business would not be able to survive unless all costs are covered in addition to a minimum profit. He examined the quality and features of the products of the competitors and the anticipated reactions of the consumers. Considering the same he decided to add some unique features to the packaging and decided to provide free home delivery of the products. The above case relates to a concept which is an effective competitive marketing weapon. In conditions of perfect competition most of the firms compete on this concept in the marketing of goods and services.

A. Identify the concept discussed in the passage.

B. Explain briefly any four factors discussed in the above case related to the concept so identified.

34. Roshan is the chief chef of 'Khidmat7 restaurant located in the city of Bangaluru. The place is known for its exquisite Mughlai cuisine, especially mutton, biryani, and kababs. All the food is prepared under Roshan's purview. The various activities in the kitchen are initiated in accordance with his instructions. He is clear and specific in issuing instructions to his subordinates to ensure the smooth working of the department. He personally oversees the method followed by the chefs for preparation of each dish. He misses no opportunity to praise his subordinates for their good work. All his team members feel incredibly happy and satisfied under his direction. He provides constant guidance to them to improve upon their taste and presentation and encourages them to innovate and be more creative in their work. In the above context: [6]

A. Identify the various elements of directing mentioned in the above paragraph by quoting lines from the paragraph.

B. Describe briefly any two points to highlight the importance of directing as a function of management.