

SAMPLE Question Paper 6

(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. Which of the following statements is not true?
 - (a) Staffing is a never ending process.
 - (b) Effective staffing ensures success of the organisation.
 - (c) HRM is both a line and staff activity.
 - (d) Recruitment and staffing are one and the same thing.
2. The objective of is to create a pool of prospective candidates, from which the best candidate can be selected.
 - (a) selection
 - (b) placement
 - (c) training
 - (d) recruitment
3. Which of the following style of leadership provides full scope for initiative and creativity?
 - (a) Free-rein style of leadership
 - (b) Democratic style of leadership
 - (c) Autocratic style of leadership
 - (d) None of the above

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. According to "stock exchange means any body of individuals, whether incorporated or not, constituted for the purpose of assisting, regulating or controlling the business of buying and selling of securities".
- Securities Contracts Regulation Act, 1956
 - Securities and Exchange Board of India Act, 1992
 - Reserve Bank of India Act, 1934
 - The Banking Regulation Act, 1949
5. "Off upto 40% on all brands" is an example of which promotional tool?
- Discount
 - Quantity deals
 - Rebate
 - Gifts
6. Mehak is working in a company on a permanent basis. As per job agreement, she is required to work for 8 hours a day and was free to work overtime. Mehak worked overtime, due to which she fell ill and had to take leave from her work. No one showed concern and enquired about her health. She realised that she was fulfilling only few of her needs while some other needs still remained to be fulfilled. You are required to identify the need(s) of Mehak that still remained to be fulfilled.
- Physiological needs
 - Safety needs
 - Social needs
 - All of these
7. PT Ltd is engaged in manufacturing electric bulbs. The organisation is incurring losses. The production department is blaming sales department for poor sales and sales department is blaming production department for delayed production. Identify the force that is missing in organisation.
- Coordination
 - Cooperation
 - Both (a) and (b)
 - None of these
8. Multidimensional nature of management involves management of
- work
 - people
 - operations
 - All of these
9. Which instrument is used as an alternative to bank borrowings for large and creditworthy companies?
- Certificate of Deposit
 - Commercial Paper
 - T-Bills
 - Debentures
10. IM Ltd issued prospectus for subscription of its shares for ₹ 100 crores. The issue was oversubscribed. Later, SEBI inspected the prospectus and found some misleading statement about management of company. Identify the function performed by SEBI.
- Regulatory
 - Protective
 - Development
 - Both (a) and (b)
11. Which of these is not a feature of management?
- Goal oriented process
 - Pervasive
 - Futuristic
 - Dynamic
- Or Which of the following is not an organisational objective?
- Survival
 - Profit
 - Growth
 - None of these

12. Match the following on the basis of 'Feature of planning'.

Column I		Column II	
A	Goal oriented process	(i)	All managers perform it
B	Pervasive	(ii)	Choice among various alternatives
C	Involves decision-making	(iii)	Setting up of organisational objectives

Codes

- | | | | | | | | |
|-----|-------|------|-------|-----|-------|-------|------|
| | A | B | C | | A | B | C |
| (a) | (i) | (ii) | (iii) | (b) | (ii) | (iii) | (i) |
| (c) | (iii) | (i) | (ii) | (d) | (iii) | (i) | (ii) |

Or Which is the fourth step in planning?

- Identifying alternative courses of action
- Evaluating alternative courses
- Selecting an alternative
- Implementing the plan

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

Minimum-Maximum (MM) Ltd was started to manufacture hand sanitizers during the time of pandemic. They established factory near Noida in Uttar Pradesh. The top management of company decided to put up a notice on the notice-board outside the factory specifying the details of the jobs available. In this manner, they were able to hire quickly. Since, it was the time when Covid-19 cases were rising, they decided to first get the newly recruits tested. They were inducted only if they tested negative for Covid-19.

To train the workers, they decided a framework in which trainee works under the guidance of a master worker, who would guide the trainee and help him in learning the job. Once the trainee has learnt the job, the master would just observe and instruct him at work to ensure that they are working as per plans.

13. Which method of external recruitment was used by the company?

- Casual callers
- Labour contractors
- Advertisement
- Direct recruitment

14. Which step of selection process is highlighted in the text?

- Selection decision
- Job offer
- Medical examination
- Contract of employment

15. Which method of training was used by the company?

- Orientation training
- Vestibule training
- Apprenticeship training
- Internship training

16. Which element of directing was performed by master worker?

- Supervision
- Motivation
- Leadership
- Communication

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

Dipla Ltd is a company dealing in medicines. They lie in the initial stage of value chain and manufactures the medicines. They have recently produced a new variety of tablets, which helps in boosting the immunity of consumers. The CEO of the company called the meeting of regional head distributors to decide the distribution strategy.

North India (NI), South India (SI) and East India (EI) had following views

NI Distributor The way of using the drug is unconventional, so additional trained people should be recruited to explain the drug in the best manner to hospitals. They should visit the hospital personally.

SI Distributor A lot of money has been spent on research and development to make this drug. The company is, therefore, short of funds.

EI Distributor The buyers (hospitals, clinics, medical stores) are spread all across region, i.e. they are widely scattered. Therefore, long channels should be used.

17. Presence of regional distributors points to which type of channel?
 - (a) One Level
 - (b) Two level
 - (c) Three level
 - (d) Can't be determined
18. Which factor affecting choice of channel of distribution was discussed by the North India distributor?
 - (a) Product related
 - (b) Company related
 - (c) Both (a) and (b)
 - (d) Competition related
19. Which factor affecting choice of channel of distribution was discussed by the East India distributor?
 - (a) Competition related
 - (b) Market related
 - (c) Both (a) and (b)
 - (d) Environment related
20. Which factor affecting choice of channel of distribution was discussed by the South India distributor?
 - (a) Company related
 - (b) Product related
 - (c) Market related
 - (d) Competition related

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

21. "Our assets walk out of the door every evening, we have to make sure that they come back the next morning." This statement relates to which function of management. Why is it important?

Or Maxwell Ltd is manufacturing auto spare parts on large scale. The company policy is that 5% of the daily production could be defective. From last two months, it is observed that about 10-12% of production is defective. Which function of management is reinsured to correct the above case? State the procedure to be followed to correct the things.

22. Decentralisation is extending delegation to the lowest level. It explains the manner in which decision-making responsibilities are divided among hierarchical levels. It refers to delegation of authority throughout all the levels of the organisation. Then what is the difference between the two on the basis of the following
- | | | |
|-------------|------------|--------------|
| (i) Purpose | (ii) Scope | (iii) Status |
|-------------|------------|--------------|
23. Mother of Mr Jain acts as Vice-President in Leo Ltd. Name the level of management, she is working. Explain any two functions performed by her.

Or In Atlans Ltd, no importance had been attached to the suggestions given by the subordinates. In 2019, the company appointed Mr Franco as its Chief Executive Officer. He was an MBA degree holder with an experience of a decade.

After assuming the charge of his office, he started a campaign, in which he collected more than 10,000 suggestions from employees out of which 1,500 were selected and implemented in different fields. This campaign fetched the company an additional profit of ₹ 150 crore.

- (i) Quoting lines from the para, identify which principle of management was opted by Mr Franco.
 - (ii) State two positive effects of this principle.
24. Mr A, the director of garment company, is planning to manufacture bags for the utilisation of waste material of one of his garment unit. He decided that his manufacturing unit will be set-up in a rural area of Uttar Pradesh, where people have very less job opportunities and labour is available at very low rate. He also thought of giving equal opportunities to men and women by employing them equally in this unit. Identify the first three steps of process of staffing for this unit.

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

25. Write short note on
- (i) District Forum
 - (ii) National Commission
26. Which process prepares a blue print of an organisation's future preparations relating to finance? Give two objectives, why this process is needed?
27. Sana is a young professional employed in a multinational company. Her annual package is of ₹6 lakh. Since she lives with her parents, therefore she is able to save a major part of her earnings. Her friends are constantly advising her to invest in shares. But, she is not aware about the nitty-gritties regarding the functioning of the stock-exchange. So, she decided to invest in equity through the primary market, assuming that this will help her to earn stable dividends. But her father, who was a retired bank officer told her that even dividends are not stable as they are affected by several factors.
- (i) Is Sana's father right in his assertion?
 - (ii) Explain the following as factors affecting 'dividend decision'
 - (a) Stability of dividend
 - (b) Legal constraints
 - (c) Access to capital market
28. Write a short note on organising.
Or Define planning and discuss any three limitations of planning.
29. OTCEI is an exchange established on the lines of NASDAQ to provide quicker liquidity to securities at fixed and fair prices. What are the advantages of OTCEI?
30. Define scientific management. How it can be beneficial for the employees?
Or
- (i) Name the technique of scientific management which emphasises on the elimination of unnecessary diversity of product.
 - (ii) Also, explain three of its benefits.
 - (iii) The technique given in part (i) is a part of combination of two techniques. Name and explain the other technique as well.

SECTION D : Long Answer Type Questions (6 Marks)

31. Stichwell is a leading garment manufacturing company of the country. The company believes in constantly updating their technology, so that latest and modern designs could be incorporated in their products. To keep in line with their mission, the company has just imported certain high-tech machines from Germany. But the workers of the factory are unable to work on new machines and are always demanding help from the supervisor. The supervisor is overburdened with their frequent calls and ignores the problems of the workers.

- "The post of supervisor should be abolished in the hierarchy of managers." Do you agree?
 - Explain the role of the supervisor in the organisation.
 - Suggest some remedies in this case to the supervisor.
32. As a project work in marketing management, the MBA students of IIM thought of preparing apple jam from the apples grown in their school premises and sell it in the school annual fete. They approached the principal who not only appreciated them but also gave his consent for the same. The school decided to donate 50% of the revenue generated from the sale to a nearby orphanage. After the school fete, the school also decided to extend this project by providing employment to visually challenged and disadvantaged sections of society on regular basis.
- Explain any two product-related decisions which the students had to take.
 - Suggest any two functions that the 'label' of the jam bottle must perform.

Or

Vansh was appointed as the marketing head of Automobiles Ltd, manufacturers of cars and bikes. His sales target for a newly introduced bike was 20,000 units a month. For this, he involved new channels of distribution. But, he found that the target could not be achieved. Therefore, finally, Automobiles Ltd offered to sell their new bike, at about ₹ 4,000 less than the usual price.

It is an example of one of the techniques of sales promotion. Name the technique and explain any two other techniques with examples. Also, write any two benefits that firms get from sales promotion techniques.

33. Neha and Rekha entered into a partnership business for manufacturing leather bags. Their products have been enjoying good market reputation. Separate departments have been created for production, marketing, finance, human resource and research. The brand name was well established in the market and the product market grew enormously. As the business flourished, they decided to produce leather jackets and leather shoes.
- Suggest an organisational structure to them.
 - Also discuss the advantages and limitations of such an organisational structure.

Or

'MKCE Ltd' deals in stabilizers manufacturing business. It plans for a successful year of production and sale this year. It has in advance given targets to all its employees. Now, the employees know that now they don't have to do unconcerned activities, which will lead to more focused approach resulting in saving of resources.

- The company is also planning to start two new plants in Southern part of India. For this some concrete plan has to be made. The main core team of the company has decided to weigh all the options and then select the best one. Identify and explain the three importance of planning highlighted in the given case by quoting the lines.
34. "Understanding of environment by business managers enables them to identify, evaluate and react to various forces external to their firms." In the light of the statement, explain any four importance of business environment.