

**SET-054/3**

Roll No. 

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**Candidates must write the Set No. on the title page of the Answer book.**

## **SAHODAYA PRE-BOARD EXAMINATION-2023-24**

- Please check that this question paper contains **8** printed pages.
- Set number given on the right-hand side of the question paper should be written on the title page of the answer book by the candidates.
- Check that this question paper contains **34** questions.
- Write down the Serial Number of the question in the left side of the margin before attempting it.
- 15 minutes time has been allotted to read this question paper. The question paper will be distributed 15 minutes prior to the commencement of the examination. The students will read the question paper only and will not write any answer on the answer script during this period. Students should not write anything in the question paper.

### **CLASS - XII**

#### **Sub: BUSINESS STUDIES (054)**

**Time Allowed: 3 Hours**

**Maximum Marks: 80**

**General Instructions:**

- I. This Question Paper contains 34 questions.
  - II. Marks are indicated against each question.
  - III. Answers should be brief and to the point.
  - IV. Answers to the questions carrying 3 marks may be from 50 to 75 words.
  - V. Answers to the questions carrying 4 marks may be about 150 words.
  - VI. Answers to the questions carrying 6 marks may be about 200 words.
  - VII. Attempt all parts of the questions together.
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1. Mrs. Geeta is the finance manager of Tata Motors Ltd. She is worried about the working capital situation of the company. She is well aware of the fact that too much or too little working capital both are indicative of a situation of dissatisfaction. Mrs. Geeta has been thinking over maintaining adequate working capital. Which feature of working capital is described above? (1)
    - (a) Profitability
    - (b) Access to Capital Market
    - (c) Diversification
    - (d) Financial risk

2. Sasmita decided to start a business of selling dress material from her house. She did various online surveys to find out about the preferences of prospective customers. Based on this, she prepared a detailed analysis of the business. She then made important decisions including, deciding about the features, quality, packaging, labelling and branding of the dress material. (1)

Identify the element of Marketing Mix discussed above.

- (a) Promotion                      (b) Market                      (c) Product                      (d) Place.

3. Maruti Udyog became the leader in small car market because it was the first to recognise the need for small car. Which importance of business environment is highlighted in the above case? (1)

- (a) Helps in tapping useful resources  
(b) Helps in coping with rapid changes  
(c) Helps in improving performance  
(d) Helps to identify opportunities and getting first mover advantage

4. **Statement I-** Selling concept focuses on customer satisfaction. (1)

**Statement II-** Packaging and labelling are same or synonyms of each other.

**Alternatives**

- (a) Statement I is true & Statement II is false                      (c) Both Statements are true  
(b) Statement I is false & Statement II is true                      (d) Both Statements are false

5. SEBI recently called for information and issued a show cause notice to NSE and its 14 officials seeking explanation on the Preferential Access Allegations at the Exchange's Co-location facility. State the function that SEBI performed by doing so: (1)

- (a) Protective function                      (c) Development function  
(b) Regulatory function                      (d) None of these

6. 'Management has its own vocabulary of terms and concepts. Managers need to communicate with one another with the help of a common vocabulary for better understanding of their work situation.' Which characteristic of 'Management as a science' is highlighted in the above statement? (1)

- (a) Principles based on experimentation                      (c) Universal validity  
(b) Systematized body of knowledge                      (d) Personalized application

7. Which of the following statements accurately represents one of the protective functions of SEBI in real-life scenarios? (1)

- (a) It is responsible for managing government budgets and allocating funds for various developmental projects.  
(b) It ensures the safety and security of data transmitted during online trading transactions.  
(c) It promotes and regulates the insurance industry to safeguard policyholders' interests.  
(d) It monitors and regulates the security market to protect investors and maintain market integrity.

8. Some employees have been assigned the job of measuring the output in an objective and reliable way. They are applying different techniques for achieving this aim. Some of these are personal-observation, sample-checking etc. They are also keeping the units of measurement same as that of the units in the standards. Name the step of 'Controlling process applicable in the above paragraph. (1)
- Analysing deviations
  - Comparing actual performance with standards.
  - Establishing standards.
  - Measurement of actual performance.
9. Which of the following statements is incorrect about personal selling? (1)
- It is a direct face to face dialogue that involves an interactive relationship between the seller and buyer.
  - It refers to short –term incentives designed to encourage the buyers to make immediate purchase of a product or service.
  - It allows a sales-person to develop personal relationship with the prospective customers.
  - It is possible to take direct feedback from the customer and adopt the presentation according to the needs of the prospects.
10. A petrol pump needs to be managed as much as a hospital or a school. What managers do in India, is the same in USA, Germany or Japan. Which feature of management is being reflected in the given statement? (1)
- Management is all pervasive
  - Management is multidimensional
  - Management is goal oriented
  - Management is a group activity
11. In \_\_\_\_\_ type of organisational structure, there is a possible disadvantage of pursuing departmental interests at the cost of organisational interests leading to creation of functional empire. (1)
- Formal organisational structure
  - Functional organisational structure
  - Divisional organisational structure
  - Informal organisational structure
12. Which of the following point does not highlight the importance of controlling function of management? (1)
- Ensuring order and discipline
  - Initialising action by people in the organisation
  - Making efficient use of resources
  - Improving employees' motivation

13. Match the concept of marketing in Column I with their respective definition in Column II (1)

	COLUMN-I		COLUMN-II
	A. Product Concept		i. relates to maintaining high quality of the product.
	B. Selling Concept		ii. relates to satisfying customer needs
	C. Marketing Concept		iii. relates to aggressively persuading buyer to purchase the product

**Codes**

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

14. As a result of major government initiatives, more and more people are going 'green'. In order 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 business environment and its understanding by managers which is being highlighted in the above case. (1)

- (a) It helps in assisting 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 getting the first mover advantage.

15. Arrange the steps involved in Organising Process in correct sequence: (1)

- i. Assignment of duties
- ii. Departmentalisation
- iii. Establishing reporting relationships
- iv. Identification and division of work

- |                    |                    |
|--------------------|--------------------|
| (a) ii, iii, i, iv | (c) i, ii, iv, iii |
| (b) iv, ii, i, iii | (d) iv, iii, ii, i |

16. **Statement-I:** Capital Market instruments are considered riskier both with respect to returns and principal repayment.

**Statement-II:** Capital market investment generally yields a higher return for investors. (1)

Choose the correct option from the following

- (a) Both Statement-I and Statement-II are correct.
- (b) Both Statement-I and Statement-II are incorrect.
- (c) Statement-I is correct and Statement-II is incorrect
- (d) Statement-I is incorrect and Statement-II is correct.

17. Consider the following image.



Identify the business dimension of the business environment illustrated by the picture given above in which National Green Tribunal banned ten-year-old diesel cars to protect environment. (1)

- (a) Economic Environment (c) Technological Environment  
(b) Legal Environment (d) Political Environment

18. The aim of demonetisation was not to \_\_\_\_\_ . (1)

- (a) curb corruption  
(b) reduce the prices of real estate.  
(c) withhold the accumulation of black money generated by undeclared income  
(d) counterfeit the use of high denomination notes for illegal activities

19. Hiring of employees is done by: (1)

- (a) Top Level Management (c) Supervisory Level Management  
(b) Middle Level Management (d) All of the above

20. **ASSERTION:** Warehousing creates time utility. (1)

**REASON:** Warehousing tries to cover the time gap between production and consumption goods.

**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

21. Kanishk Ltd. is a highly reputed company. Different functions are performed by different individuals in this company, who are bound together in a hierarchy of relationships. Every individual in the hierarchy is responsible for successful completion of a particular task. Mr. Amit is responsible for the welfare and survival of the organization. Mr. Ramesh is responsible to provide good working conditions, safety and security for workers. (3)

- (a) At what levels of management is Mr. Ramesh working in Kanishk Ltd.?  
(b) State two more functions other than those mentioned above by Mr. Ramesh.

22. Explain “Critical Point Control” with respect to analyzing deviations, a step in the process of controlling. Give a suitable example. (3)

**OR**

Explain “Management by Exception” with respect to analyzing deviations, a step in the process of controlling. Give a suitable example.

23. R Tech Ltd. is one of the top IT companies in India. The company does mass recruitment each year from different colleges offering fresher level job to the final year students. This helps in recruiting the brightest and the best available talent in the educational institutions. (3)

In context of the above case:

- (a) Identify the source of external recruitment adopted by the company.  
(b) Explain briefly any two advantages of using the external sources of recruitment.

24. Differentiate between two segments of financial market on any three bases.

**OR**

State any three Developmental functions of Securities and Exchange Board of India. (3)

25. Explain any four points of importance of ‘Directing’ function of management. (4)

**OR**

State any four barriers to communication which are related to authority relationships, rules and regulations of the company.

26. State any four limitations of using internal sources of recruitment. (4)

**OR**

Explain the two concepts which are the part of the exercise which could reveal whether a company is understaff, or overstaff or optimally staff.

27. Aditi set up a company ‘Dantik Ltd.’ to manufacture toothpastes using herbs found in her village instead of chemicals that are hazardous to health. The package of the product was eco-friendly and had details like price, quantity, ingredients, directions for use and other relevant information. It also carries the contact details like address, phone number and email id of ‘Dantik Consumer Services and Grievance Cell’. The toothpaste became very popular and she started getting orders from reputed traders.

Identify and explain any two rights of consumers discussed above. (4)

28. 'Lucky Stationery Ltd.' wants to raise funds of Rs.40,00,000 for its new project. The management is considering the following mix of debt and equity to raise this amount: (4)

Capital Structure	Alternative		
	I	II	III
Equity	Rs. 40,00,000	Rs. 30,00,000	Rs.10,00,000
Debt	Nil	Rs.10,00,000	Rs.30,00,000

Other details are as follows:

Interest Rate on Debt	9%
Face value of Equity Shares	Rs.100 each
Tax Rate	30%
Earnings before Interest and Tax (EBIT)	Rs.8,00,000

- (a) Under which of the three alternatives will the company be able to take advantage of Trading on Equity ?
- (b) Does Earning Per Share always rise with increase in debt?
29. Identify Maslow's hierarchy of needs highlighted in the following cases: (4)
- (a) Raman is looking for a job where he can earn at least Rs.10,000 to make his living going.
- (b) Mr. Singh was promoted to the post of area sales manager to recognise his efforts in the past.
- (c) Ritu, the principal of SJ Public School hosts Diwali dinner at her place every year. She invites all employees including the support staff for the dinner.
- (d) Ram exports gives minimum annual rise of 10% in salary to all employees. He also ensures that the entire factory staff is insured against accidents.
30. What is meant by 'Dividend Decision'? State any three factors which affect the dividend decision of a company. (4)
31. Briefly explain any three of the following techniques of Scientific Management as given by F.W. Taylor: (6)
- (a) Functional Foremanship (c) Standardisation and simplification
- (b) Differential piece wage system (d) Motion Study

**OR**

Briefly explain any three of the following principles of management as given by Henri Fayol:

- (a) Centralisation and Decentralisation (c) Stability of Personnel
- (b) Equity (d) Initiative
32. "It is difficult to manage operations without formal planning". In the light of the above statement discuss any six importance of the concept. (6)

**OR**

"We have often seen in a daily life as well as in business that things do not always go according to the plan". In the light of the above statement discuss any six limitations of the concept.

33. The R & D department of Nutri Production Ltd. has decided to diversify from manufacturing nutritional drinks to cereals made from millets. They are well aware of the fact that the company will have to communicate to the people the benefits of eating millets. For this purpose, they plan to sponsor various events like marathons and encourage people to switch to healthy eating through magazines. (6)
- (a) Identify and briefly explain the promotional tool being discussed above.
- (b) Also explain any two other promotional tool that can be used by the company, apart from the one discussed above.

34. Child Corner is a company known for its consumer business of baby oil and bandages, but many people do not know that the company also runs a medical device and diagnostics business, as well as a pharmaceutical company. With more than 1,80,000 employees worldwide, the company has chosen to share decision making authority with lower levels and place it nearest to the point of action. Therefore, the response does not take time. This propagates the belief that people are competent, capable and resourceful who can get a chance to prove their abilities and enables the company in identifying those executives who have the necessary potential to become dynamic leaders, so that the checking required on decisions taken by lower levels of management is the least. This makes it possible to evaluate performance at each level and each department can be individually held accountable for their results. By quoting the lines given above identify and briefly explain any four benefits of the concept discussed above. (6)

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