

DAV PUBLIC SCHOOLS, ODISHA
PRE-BOARD EXAMINATION , 2023-24

- Please check that this question paper contains **07** printed pages.
- 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.

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.**

1. The Board of directors of Medex Pharma Ltd. decided to issue debentures worth ₹40 lakhs in order to finance a major Research and Development project. This would increase the Debt Equity ratio from 1:1 to 2:1. However, at the same time it would increase the Earnings per share. The reason that will justify the above situation is: **1**
 - a) Unfavorable financial leverage, as the financial risk will be higher.
 - b) Unfavorable financial leverage, as return on investment is lower than the cost of debt.
 - c) Favorable financial leverage as debt is easily available
 - d) Favorable financial leverage, as return on investment is higher than cost of debt
2. “You don’t close a sale, you open a relationship, if you want to build a long term successful enterprise”. Identify the promotion tool referred in this line. **1**
 - a) Advertisement
 - b) Personal selling
 - c) Sales promotion
 - d) Public relation

3. Introduction of mobile phones has negatively affected the business of cameras and watches. It is related to which of the following dimension: **1**
- Technological environment.
 - Social environment
 - Political environment.
 - Economic environment
4. One of the following concepts believes that company should not blindly follow the goal of customer satisfaction. Identify the concept. **1**
- Selling concept
 - Product concept
 - Production concept
 - Societal Marketing concept
5. The function of Stock Exchange which helps in creating a continuous market where securities are bought and sold is: **1**
- Safety of transactions
 - Pricing of securities
 - Providing liquidity and marketability to existing securities
 - Contribution to economic growth
6. “Coordination integrates the efforts of different departments and at different levels.” Identify the characteristic of coordination highlighted in the above statement. **1**
- Coordination ensures unity of action.
 - Coordination is an all pervasive function.
 - Coordination is a deliberate function.
 - Coordination is the responsibility of all managers.
7. Arrange the steps involved in trading procedure at the stock exchange in correct sequence : **1**
- Settlement of order
 - Opening of Demat Account
 - Placing of order
 - Execution of order
- (ii); (iv);(iii);(i)
 - (ii) ;(i) ;(iii);(iv)
 - (iii);(ii);(iv);(i)
 - (ii);(iii);(iv);(i)
8. A company's sales have been declining for the past three quarters. The manager has decided to implement a new control system to try to improve sales. Which of the following control systems would be the most effective in this situation? **1**
- A budget system that sets targets for sales and profits.
 - A performance appraisal system that evaluates the performance of sales staff.
 - A quality control system that ensures that products meet customer expectations.
 - A survey that measures customer satisfaction with the company's products and services.
9. The symbol which appears on all the ‘Mercedes’ cars and which is not utterable is known as its : **1**

more concerned about quality of life. Sensing the need, they were the first to bring into the market a new anti-Pollution W-98 mask which was not only helpful combating the pollution but also in increasing the life expectancy of people. Their venture saw a massive success as there was no competitor. From the following, identify the importance of Business Environment highlighted above :

- a) Business Environment helps the firm to identify threats and early warning signals.
- b) Business Environment helps in tapping useful resources.
- c) Business Environment helps in improving performance.
- d) Business Environment enables the firm to identify the opportunities and in getting the first mover advantage.

21. Hitesh is the chief executive officer of KIDS Garment Ltd. Due to festive season, Hitesh got an additional order of 10,000 garments which he had to supply within two days. Due to his goodwill in the market, he did not want to lose the order. So, he decided to achieve the target by operating on double shifts. He achieved the target and supplied the order within two days. But due to double shifts, his cost of production was higher than the regular production cost. Identify and give the meaning of the two concepts of management discussed in the above para. 3
22. Explain “Critical point control” with respect to Analyzing deviations, a step in the process of controlling. Give a suitable example 3

OR

Controlling becomes more effective if planning is done based on facts. Analyse the statement based on the relationship between planning and controlling

23. Nishant, the director of a garment company, is planning to manufacture bags for the utilisation of waste material from one of his garments unit. He has decided that his manufacturing unit will set-up in a rural area of Odisha where people have very few job opportunities and labour is available at very low rates. He also thought of giving equal opportunities to men and women. 3
- For this, he wanted four different heads for sales, accounts, purchase and production. He gave an advertisement and short listed ten candidates per post after conducting different selection tests.
- Identify and state the next two steps for choosing the best candidate out of the shortlisted candidates.

24. Distinguish between New Issue Market and Stock Exchange (any three points) 3

OR

Mention any three protective functions of SEBI.

25. Explain the concept of leadership and its various styles. 4

OR

Discuss any four non-financial incentives.

26. Enumerate the limitations of using internal sources for recruitment. 4

OR

Explain the following methods of training:

- a) Vestibule training
- b) Apprenticeship training

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. 'Determining the relative proportion of various types of funds depends upon various factors.' Explain any four such factors. **4**
29. Identify the barrier to communication and also state the category of the communication barrier in the following cases. **4**
- A boss may instruct his subordinate to "take care of guests." Boss may mean to take care of transport, food, accommodation of guest, whereas, subordinate may interpret that guest be taken to hotel with care. In this case, the guest suffers.
 - 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.
 - A company does not have frequent meetings, conferences, suggestion box, and complaint box to encourage free and timely flow of communication.
 - The employees of a company offer useful suggestions to the management but in exchange no reward or appreciation is given to them.
30. Ashutosh Savarkar has recently opened a Tortilla base manufacturing unit in Pune. Processing time being short, as soon as the product is ready, it is dispatched to various outlets and restaurants, in order to keep it fresh. The restaurants are required to give their orders 24 hours in advance as there is no fixed consumption pattern in the city. **4**
- Determine whether the working capital requirement of Ashutosh Savarkar's business is high/low. State the reason in support of your answer.
 - State any three other factors, apart from the one identified above, that should be considered, while determining the working capital requirement of a business.
31. Briefly explain any three of the following principles of management as given by Henri Fayol: **6**
- Scalar chain
 - Subordination of individual interest to general interest
 - Authority and responsibility
 - Order

OR

Briefly explain the following technique of Scientific Management as given by F.W. Taylor:

- Functional foremanship
- Differential piece wage system

32. Explain the importance of Planning. 6

OR

Explain the following :

- a) Strategy
- b) Policy
- c) Methods

33. X Ltd. is engaged in the manufacturing of cars. The company surveyed the market and found that customers need a car which runs on eco-friendly fuel instead of petrol or diesel. Keeping the needs of customers as well as social, ethical and ecological aspects of marketing in mind, the company launched a new model of car that runs on bio-diesel. The launch event was covered by the top news channels and newspapers. This was done to disseminate information about the car and build goodwill of the business. X Ltd. understands that it is imperative to manage public opinion and company's relations with the public on a regular basis. 6

- a) Identify and explain the marketing philosophy involved in the above case.
- b) Identify and explain the communication tool that was used by the company.
- c) Explain any two other promotional tools that can be used by X Ltd. to achieve its objectives.

34. Jojo and Jojo 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 the benefits of the concept discussed above. 6
