

DAV INSTITUTIONS, CHHATTISGARH

Sample Question Paper-04

Session: 2023-24

Class-XII

Business Studies

Time Allowed: 3 hour

Maximum Marks:80

General Instructions:

1. This question paper contains 34 questions.
2. Marks are indicated against each question.
3. Answers should be brief and to the point.
4. Answers to the questions carrying 3 marks may be from 50 to 75 words.
5. Answers to the questions carrying 6 marks may be about 150 words.
6. Answers to the questions carrying 6 marks may be about 200 words.
7. Attempt all parts of the questions together.

1. Many people confuse 'selling' for 'marketing'/ Marketing involves a whole range of activities that analyse and implement a customer's needs.
Given the context, choose the option which would fall in the definition of marketing
(A) ABC & Co. has priced its production at 20% discount.
(B) ABC & Co. is targeting to reduce its cost of production.
(C) ABC & Co. has hired a new finance manager to track costs.
(D) ABC & Co. has appointed two agents who will help in selling the product. [1]
2. Cars Udyog Ltd. Plans to manufacture solar cars in its new plant. It has an offer from Toyota for collaboration.
What impact will the collaboration have on the requirement of fixed capital for Cars Udyog Ltd.?
(A) Increase the requirement for fixed capital
(B) Decrease the requirement for fixed capital.
(C) No change in fixed capital needed
(D) None of above [1]
3. With a revolution taking place in the manufacturing of mobile phones with super class cameras, the business of cameras in the consumer market has taken a hit. Studies show that mobile phone photography has devastated the camera industry.
The dimension of business environment highlighted in the above case is:
(A) Economic Environment (B) Technological Environment
(C) Social Environment (D) Political Environment [1]
4. Which of the following statement about sales promotion activities is CORRECT?
(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. [1]
- (D) Quantity gift means offering another product as a gift along with the purchase of product.
5. Arrange the steps involved in trading procedure at the stock exchange in correct sequence:
- | | |
|-------------------------|-------------------------------|
| (i) Settlement of order | (ii) Opening of Demat Account |
| (iii) Placing of order | (iv) Execution of order |
| (A) (ii);(iv);(iii);(i) | (B) (ii);(i);(iii);(ii) |
| (C) (iii);(ii);(iv);(i) | (D) (ii);(iii);(iv);(i) [1] |
6. is a number assigned to each transaction by the stock exchange and is printed on the contract note.
- | | |
|------------------------------|---------------------------------------|
| (A) Client code number | (B) Unique order code |
| (C) Permanent account number | (D) Depository participant number [1] |
7. ABC & Co. is conducting a training to help its managers understand the principles of management. However, one employee does not want to attend it as he thinks that such trainings only benefit employees of large organizations and not small firms like his. Which of the following nature of principles of management has the employee NOT understood.
- | | |
|-----------------------------|--|
| (A) Flexible | (B) General guidelines |
| (C) Universal applicability | (D) Formed by practice and experimentation [1] |
8. One of the important decision areas under the marketing function of is managing inventory.
- | | |
|---------------|-------------------------------|
| (A) Branding | (B) Pricing |
| (C) Promotion | (D) Physical distribution [1] |
9. Read the following statements: Assertion (A) and Reason(R). Choose the correct alternative from those given below:
- Assertion (A) :Management is a dynamic function and has to adapt itself to the changing environment
- Reason (R): The effect of management is noticeable in an organization where targets are met according to plans.
- 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, but 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. [1]
10. Rishabh joined an entertainment company Avtaar, as a creative head. As a manager looking after the creative unit of the company, one of the functions he has to perform is the process of organizing. Which step of the process will he need to perform after identifying and dividing the work that has to be done in accordance with previously determined plans ?
- | | |
|--|--|
| (A) Identification and division of work. | (B) Departmentalization |
| (C) Assignment of Duties | (D) Establishing Reporting Relationships [1] |
11. Name the function of management which helps in the formulation of future plans, in the light of the problems that were identified and thus, helps in better planning in the future period.
- | | |
|---------------|---------------------|
| (A) Planning | (B) Organising |
| (C) Directing | (D) Controlling [1] |
12. Statement-I: Transportation helps in creating time utility and warehousing helps in creating place. Utility.

Statement-II: The process of classification of products into different groups on the basis of their important characteristics is known as standardization.

Choose the correct option from the options given below:

- (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 statement are false.

[1]

13. The name and taste of Coca-Cola is known to almost each and every individual in India as well as throughout the world. This carbonated soft drink holds the most market share in the soft drink market and got itself a special seat in each and every gathering. The Coca-Cola company has on occasion introduced other cola drinks under the coke name. The most common of these are Diet Coke, along with others including Caffeine free Coca-Cola, Diet Coke Caffeine free, Coca-Cola Zero Sugar, SCoca-Cola Cherry, Coca-Cola Vanilla and the list goes on. It has Capitalized on each and every opportunity to market itself effectively and place itself in the middle of every gathering. The main reason for such an outstanding placement of product goes to the way they have established the connection between every occasion and the need for Coke to be present there, product design and creative advertising, Identify the feature of Business Environment which the Coca-Cola Company managed to get in their favor.

- A) Complex
- (B) Specific and general forces
- (C) Futuristic
- (D) Mental exercise

[1]

14. Ensures that the heads of separate business units in the organization are responsible for profit or loss of their unit and have authority over it.

- (A) Span of management
- (B) Divisional structure
- (C) Functional structure
- (D) Hierarchy of authority

[1]

15. “The increase in the demand for many Ayurvedic medicines, health products and services in the past few months, is related to the need for building immunity and an increased awareness for health care due to the spread of Coronavirus.” Identify the feature of business environment being described above.

- (A) Specific and general forces
- (B) Inter-relatedness
- (C) Relativity
- (D) None of the above.

[1]

16. Statement I: The market price of equity share increases, if the benefit from a decision exceeds the cost involved.

Statement II: All financial decisions aim at ensuring that each decision is efficient and adds some value.

Choose the correct option from option given below:

- (A) Statement I is correct but Statement II is wrong.
- (B) Statement II is correct but Statement I is wrong.
- (C) Both the statement are correct.
- (D) Both the statement are wrong.

[1]

17. Match the CONCEPT of Marketing in Column I with their respective DEFINITIONS in Column II.

Column I		Column II	
(a)	Product Concept	(1)	Relates to maintaining high quality of the product.

(b)	Selling Concept	(2)	Relates to satisfying customer needs.
(c)	Marketing Concept	(3)	Relates to availability and affordability of products
(d)	Production Concept	(4)	Relates to aggressively persuading buyer to purchase the product.

(A) (a) (1), (b) (2), (c) (3), (d) (4)

(B) (a) (2), (b) (1), (c) (4), (d) (3)

(C) (a) (4), (b) (3), (c) (2), (d) (1)

(D) (a) (1), (b) (4), (c) (2), (d) (3) [1]

18. Identify the reason which makes management important in the light of the fact that it is generally seen that individuals in an organization resist change, as a change often means moving from a familiar, secure environment into a newer and more challenging one.

(A) Management helps in achieving group goals.

(B) Management creates a dynamic organization.

(C) Management increases efficiency.

(D) Management helps in the development of society. [1]

19. Business environment is called dynamic because:

(A) It keeps on changing.

(B) It is not static.

(C) Its components are highly flexible.

(D) All of the above. [1]

20.



Identify the concept of management illustrated in the picture above

(A) Coordination

(B) Cooperation

(C) Both (A) and (B)

(D) Neither (A) nor(B) [1]

21. Top management plans for the entire organization. According to these plans the organizational structure is developed and staffed. In order to ensure that these plans are executed according to plans, directing is required. Any discrepancies between actual and realized activities are then taken care of at the stage of controlling. Name and explain the process highlighted above which started at the planning stage itself and is implicit and inherent in all the functions of management in an organization.

[1]

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

OR

Explain "Management by exception" with respect to analyzing deviations, a step in the process of controlling. Give a suitable example. [3]

23. HRA & Co. is looking for a Sales Manager. It has posted an opening on its website post on which it received 1000 applications. The human resource manager is suggesting to do the first step filter exercise by holding a selection test. However, not everyone is convinced with this idea. Mention any

three importance of selection tests which the human resource manager can use to convince the team.

[3]

24. Mention any three protective functions of SEBI.

OR

What is meant by 'Financial Management'? State the primary objective of Financial Management[3]

25. State any four elements involved in the communication process.

OR

State any four semantic barriers of communication.

26. Name the mechanism that attempts to measure certain characteristics of individuals in the process of identifying and choosing the best person out of the number of prospective candidates for the job. Enumerate any three of its types.

OR

Explain briefly 'transfers' and 'promotions' as internal sources of recruitment.

27. Sameeksha is a Class XII student having Business Studies as one of her subjects. After studying 'Consumer Protection' as one of the chapters in Business Studies she tried to apply the acquired knowledge while purchasing and using the goods. She checked online about the various brands of 'Bread Maker' available in the market and compared their prices, so that an intelligent and wise choice can be made. Then she went to a nearby market to buy it. Being an informed consumer she looked for the Standardization Mark, negotiated the price printed on the label, checked the date of manufacturing and asked for guarantee or warranty of the product.

After satisfying with all the concerned information she purchased the 'Bread Maker' and as a responsible consumer asked for the cash-memo. After coming back home she opened the package of the 'Bread Maker' and found an instruction booklet inside. She carefully read all the instructions and operated the Bread Maker step-by-step and succeeded in making nice 'Atta Bread' for her family. Sameeksha has fulfilled many responsibilities of a consumer while purchasing and using the 'Bread Maker'

State any four responsibilities fulfilled by Sameeksha besides asking for a cash-memo. [4]

28. Explain the following factors affecting financing decision:

(i) Cost of Capital

(ii) Cash flow position of business

(iii) Level of fixed operating cost.

(iv) Control considerations [4]

29. Identify and state the non-financial incentives used in the following cases:

(i) Fiza Ltd. Try to keep the employees even after retirement as an advisor to the company.

(ii) The employees of Tine Ltd. get promotions easily or there is an increase in their status if they work well.

(iii) The management of Lokesh Enterprises is very friendly and take care of their employees very well.

(iv) Sana Housing does not only give promotions to their best employees but also help in developing new skills in them. [4]

30. Saksham Ltd., a firm manufacturing textile, wished to diversify its business. They were considering two options, either to diversify into manufacturing toothpaste or switches. They wanted to invest in the purchase of land, to set up a manufacturing unit in the backward areas of Gujrat, which would also lead to the generation of employment opportunities in the area, but only after fulfill all legal requirements and taking appropriate steps to ensure that the environment was not polluted. The

finance manager of the company, Mr. Ramakant was asked by the management to prepare a report on the factors which should be considered while making the above investment decision.

- (i) State any two factors that Mr. Ramakant would give in his report.
- (ii) Also state any two reasons which makes it important for the above decisions to be made carefully. [4]

31. (i) Explain any two of the following importance of principles of management:

- (a) Providing managers with useful insights into reality
- (b) Optimum utilization of resources and effective administration
- (c) Scientific decisions

(ii) Differentiate between scientific principles of management and principles of general management On any three bases.

OR

(i) Explain any two of the following features of principles of management:

- (a) Formed by practice and experimentation.
- (b) Flexible
- (c) Mainly behavioral

(ii) How is unity of command different from unity of direction ?

32. 'The pros and cons of each alternative need to be weighed.' Name and briefly explain the logical steps in the process of planning which are followed by a manager before performing the step highlighted in the above statement.

OR

Briefly explain the next three steps in the process of planning which the manager will have to follow after using conjecture about what might happen in the future. [6]

33. Read the statement given in point (i) and (ii) and answer the questions that follows:

(i) Radha believes that a happy customer is best for the business. She listens to the grievances of her customers and make changes accordingly.

- (a) Identify and explain the function of marketing that enables Radha to build a brand.
- (b) State any two benefits that the marketer gets from the function.

(ii) Tiara sells different grades of rice at different prices.

- (a) Identify and explain the function of marketing that enables to achieve the goal.
- (b) Why do you think this function is important?

34. Fly Colours Ltd. is a profit making colour producing company. The company deals in making different types of colours used in painting. The organization has always been systematic in its approach and due to good organizing has seen a continuous increase in its revenue. Workers are given their respective jobs clearly which leads to gaining of experience since they do their respective jobs on a regular basis leading to high productivity. The organization has many challenges and it wants to improve. There is no doubt in the lines of communication and everyone knows who has the report whom. With the passage of time, there is more need to connect with the employees. They are the most important asset to the organization. When managers delegate work to their subordinates they set themselves free from routine jobs and this leads to great amount of learning for the subordinates in practical situations. Identify and explain the importance of organizing that have been highlighted in the above case? [6]
