

KENDRIYA VIDYALAYA SANGATHAN: CHENNAI REGION
CLASS XII COMMON PRE-BOARD EXAMINATION 2016-17

BUSINESS STUDIES

TIME: 3 HOURS

Marks:80

General Instructions

1. Answer to questions carrying 1 mark may be from one word to one sentence.
2. Answers to questions carrying 3 marks may be from 50 – 75 words.
3. Answers to questions carrying 4 – 5 marks may be about 150 words.
4. Answers to questions carrying 6 marks may be about 200 words.
5. Attempt all parts of a question together.

1. ABC Ltd. decided to float its shares through ‘Sree Kotak Bank’ in primary market. Name the method of floatation used by ABC Ltd. (1)

2. The Anushka Fabric Ltd. has been able to achieve its production targets as per plans using new German technology. Its employees are happy and satisfied with their pay scale and working environment in the organization. All the work proceeds as per plans and there is orderliness in the entire functioning of the organization.

Identify the feature of the management discussed above. (1)

3. Summer Salt Ltd. is a mid-cap company whose shares are traded in the stock market. The company needs large amount of funds to expand its business. Currently, the company is incurring very high fixed operating costs.

Identify which source of finance would cater to the company’s requirement in the given case. (1)

4. Raman has been working with ABC Company Ltd. for the past 7 years. Recently, he has been promoted to the managerial post. Along with other benefits, the company agreed to pay school fees of his two children.

Identify the kind of incentive offered by the company to Raman. (1)

5. A firm is dealing in ‘Gel Pen’. The turnover of the firm is one lakh pens per day. The firm believes in making the product available at every nook and corner of the city at a reasonable price. As a result the firm is earning huge profits.

Identify the marketing management philosophy being followed by the firm. (1)

6. “No parking “ – belongs to which type of plan (1)

7. How does operating efficiency influence the working capital requirement of a trader. (1)

8. Ravi bought a second hand car worth Rs. 21 lakhs from an authorized dealer. The dealer promised a warranty period of one year from the date of purchase, in case any technical problem arose in the car. However, after 30 days, Ravi started facing technical problems in the car. The air-conditioner of the car stopped cooling, the engine started making a sound and even, the mileage of the car reduced significantly. Despite repeated visits to the dealer, the dealer did not show an interest in solving these problems and after sometime stopped entertaining Ravi. Eventually, Ravi decided to approach the consumer forum. Where can he file his complaint? (1)

9. Leather Right Ltd. started its business with leather jackets for men and women. The product gathered huge popularity in the market due to its specialty in leather segment and soon became a status symbol. The size of the organization increased manifold. After some time, the company realized that a lot of leather trimming goes waste. Therefore, it decided to use these trimmings to make new products. After thorough research, the management identified some products to be added in its offerings. Gent's wallets were to be introduced in the first phase, followed by belts and gloves, and lastly key rings and pouches.

Suggest, what kind of organizational structure should the company opt for and why? Give two reasons in support of your answer. (3)

10. How does motivation improve the efficiency of workers in an organization? (3)

11. XYZ Courier Company was engaged in delivering packets and letters to the customers in India. The company started receiving complaints about delayed delivery or non-delivery of couriers. Therefore, to check this, it decided to introduce a tracking system for every consignment. Henceforth, every courier was allotted a special number through which the customer could track the exact location of the consignment and when it would reach its destination on the company's website. In addition to ensuring timely-delivery through implementing this system, the company was also able to identify locations with high potential. The company decided to concentrate in these high revenue-generating areas by improving its network.

(1) Identify the functions of management discussed above.

(2) What kind of relationship exists between these functions? (3)

12. Buildtech Enterprises Ltd. currently has money sufficient to invest only in one of the two projects. First project known as Aashiana is building a residential complex while second project known as Commercia is building a shopping complex.

Identify the factors, which are going to influence the company's decisions. (3)

13. Sunshine Shampoo Ltd. is offering a wide range of shampoos to its customers. These are categorized on the basis of quality of hair. The range includes shampoos for dry hair, oily hair, damaged hair and normal hair.

- (1) Identify element of marketing mix and the type of decision taken under it.
- (2) Identify the function performed by it, in the given case. (3)
14. What are the benefits derived from Technological Environment ? (4)
15. “Management does not have some features of a profession”. Explain those features. (4)
16. Write any four measures to improve effective communication. (4)
17. Vikas is the COO of an automobile company. Recently the company has imported very expensive and sophisticated German technology to make auto parts in India. The use of this technology will help the company to produce quality products at reasonable cost. Considering the huge capital investment, Vikas wants that employees should be fully trained before using the machines and equipment
- (1) Identify and explain the method of training which should be employed in the given case.
- (2) Identify the two values which the company wants to communicate to the society. (4)
18. The return on investment of ‘ Five Elements India Ltd.’ was 11%. Last year the company borrowed money from the financial market and enjoyed favourable financial leverage due to lower cost of debts. In continuation of its expansion plan, the company needs more funds. Currently, the stock market is passing through bearish phase. Therefore, the company is contemplating to borrow more money from the financial institutions.
- Identify the impact on equity shareholders, if the company
- (a) borrows at a rate higher than ROI , or
- (b) borrows at a rate lower than ROI. (4)
19. Beta Food processing Ltd. is engaged in manufacturing Jam, Squashes and Jelly for the consumers. The labels on the products clearly mention the date of manufacturing, date of expiry, contents, etc. the products are packaged in standardized units. The company’s products also bear the FPO authentication. It believes in fair dealing and from time to time conducts consumer awareness programmes. The company also maintains a consumer grievance handling centre.
- Give any four reason why Alpha Food Processing Ltd. is promoting consumer protection. (4)
20. Explain in brief any five types of plans. (5)
21. ‘The Stock Exchange performs many vital functions in today’s commercial world’. Explain any five such functions. (5)

22. Pintex Paperworks Ltd. is a small firm, manufacturing paper plates. It produces fifty thousand paper plates per day. During the period of Durga Puja, it got an urgent order of supplying one lakh plates per day for six days.

(1) Identify the source of recruitment that Pintex Paperworks Ltd. should employ and why?

(2) List the most suitable methods of recruitment identified that can help Pintex Paperworks Ltd. to fulfill this order. (5)

23. Our Vidyalaya is facing a severe space problem in its library. It decided to weed out old books so that new course books for the students can be bought. Looking at the amount of books, which are redundant, it was decided that books would be sorted out first on the basis of departments, like, Commerce, Science and Arts. Then, subject teachers of each department according to the subjects they are teaching will visit the library on the scheduled date and identify the books. The teachers of each subject will give in writing the edition and year prior to which the books of each subject are to be weeded out. The same information was passed on to departmental heads so that report can be prepared and handed over to the principal of the school. The work was over in a month's time. Some of the weeded out books were given to the poor children studying in the evening classes and rest were donated to the public library in the nearby village.

(1) Identify the function of management being performed by Our Vidyalaya.

(2) Quoting lines from the above case, identify and explain the process carried out by that function.

(3) Identify any two values being communicated by the school to the society in the above case. (6)

24. Explain the following principles of management:

(1) Unity of direction

(2) Stability of personnel (6)

25. Explain any four factors affecting the determination of the price of a product. (6)

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