CBSE Class 12 Business Studies 2017 - Set 66/3

Question Paper

Conducted by the Central Board of Secondary Education (CBSE)

Time Allowed: 3 Hours **Maximum Marks: 80**

General Instructions

(i) This question paper contains 25 questions.
(ii) Answers to questions carrying 1 mark may be from one word to one sentence.
(iii) Answers to questions carrying 3 marks may be 50–75 words.
(iv) Answers to questions carrying 4–5 marks may be about 150 words.
(v) Answers to questions carrying 6 marks may be about 200 words.
(vi) Attempt all parts of a question together.

Questions

1. On the introduction of 'Goods and Services Tax Act', experts in the field of business started analysing and forecasting its impact on various sectors and industries. Arun, an established businessman, attended a few seminars and conferences organised by such experts to familiarize himself with this information. He wanted to use these forecasts and conjectures to reduce the uncertainty in making decisions for the future in his business.

Name the step in the planning process that is being discussed in the above paragraph.

2. How do principles of management provide managers with useful insights in real world situations ? State.

3. Seema, a student of management likes to relate what she learnt in class to real life situations. She observed many situations while watching educational programmes on television that reminded her the concepts of Scientific Management. In one such programme, factories manufacturing components for products like automobiles, computers and mobile phones were shown.

Name the concept of Scientific Management that should be adhered to, while manufacturing components for such products.

4. Give the meaning of leadership.

5. Amar, the marketing manager of Narmada Garments Ltd. allows the salesmen working under him to freely express their frank opinion and feelings regarding work related matters before him.

Identify the organisational barrier to communication that has been overcome because of Amar's behaviour.

6. What is meant by a 'Treasury Bill' ?

7. How does 'availability of raw material' affect the working capital requirement of an enterprise ? State.

8. Satvik is the finance manager of Mars Ltd. He is facing difficulty in deciding the amount of profit earned by the company that should be distributed as dividend to the shareholders. In the current year the company earned high profit. However, Satvik thinks that it is better to declare higher dividend as he is sure about the earning potential of the company in the coming years.

Name the factor that affected Satvik's choice regarding dividend decision.

9. Explain the following methods of training :

(i) Vestibule Training; and

(ii) Internship Training.

10. After completing her studies in product design, Sarah wishes to start her own business to design products to cater to the mobility and communication requirements of persons with special needs. She told her friend that she wanted to focus on supplying high quality and affordable products on "no profit - no loss basis". The Unique Selling Proposition (U.S.P.) of the products will be sensitivity to the challenges and needs of the differently abled. She has to follow a series of steps to attain her predetermined objectives.

In the above lines, Sarah has discussed about one of the functions of management. Identify the function and state its steps in chronological order other than the one discussed in the above para.

11. State any three limitations of external sources of recruitment.

12. Differentiate between 'Capital Market' and 'Money market' on the basis of :

(i) Participants;

(ii) Instruments; and

(iii) Safety.

13. Miracle Ltd. deals in the sale of stationery and office furniture. They source the finished products from reputed brands who give them four to six months credit. Because of increase in the demand for electronic items, they are planning to sell these items also. For this, they have decided to join hands with a Japanese electronic goods manufacturer, to open sales outlets throughout India.

State any three factors affecting working capital requirement of Miracle Ltd. other than the factors discussed above.

14. Vindhya Ayurved Ltd., a new and leading manufacturer of herbal and ayurvedic medicines and grocery products has captured a large share of the market in a short span of time. The Research and Development (R & D) department of the company spends considerable time and effort in developing eco-friendly, chemical-free and healthy alternatives for a variety of products of daily use, from toothpaste to biscuits, instant noodles to soaps, shampoos and detergents etc. Their business orientation differs from competitors who are short-sighted and want to maximize profit by maximising sales. Instead Vindhya Ayurved considers maximization of profit by understanding needs and wants of customers in the target market and development of products or services for satisfying such needs and wants.

(i) Identify and explain the marketing management philosophy adopted by Vindhya Ayurved Ltd.

(ii) State any two values that are being promoted by the company.

15. Reema is one of the most successful managers of her company, Globe Ltd. She knows that the principles of management are intended to apply to all types of organisations, business as well as non-business, small as well as large, public sector as well as private sector.

(i) One of the points related to the nature of management principles is being highlighted in the above description. Identify the point.

(ii) Explain any three other points of the nature of principles of management other than the one identified above.

16. Mr. Raman is the human resource manager of Shanti Hospital in Nellore. He has to appoint nurses for the hospital. For this he has conducted preliminary interviews. Since patients in the hospital are of different types, he has also conducted tests to find out the candidates' maturity and emotions in dealing with the patients. He has also conducted tests to know about the candidates' ability to take decisions.

Explain the remaining steps that Mr. Raman should take to complete the selection process.

17. State any four advantages of formal organization.

18. Explain 'Critical Point Control' and 'Management by Exception' used by managers while analysing deviations in the process of controlling.

19. Irma is the chief executive officer of a reputed company. She introduced appropriate skill development programmers and a sound promotion policy for the employees of her company. To motivate and retain the best talent in the company, she designed the jobs of the managers to include greater variety of work content.

Explain any two other incentives that may be introduced by Irma other than those already introduced by her to further motivate the employees of her company.

20. Shivam bought a pain relieving ointment after seeing it being displayed in the chemist's shop. The ointment tube was packed in a cardboard box. The tubes were received by the chemist from the wholeseller in corrugated boxes containing 20 units. Identify and explain the different levels of packaging of the pain relieving medicine.

21. Is management a science ? Explain.

22. Sakaar Foundation is an NGO (Non-Governmental Organization) working to improve the lives of children with medical needs, the homeless and victims of natural disasters. Apart from donations in cash, they collect dry ration, old clothes, shoes, toys, books, medicines etc. from donors. At Sakaar Foundation's office in Lucknow the material collected is segregated, classified and put in shelves and boxes that are labelled systematically. There is a specific place for each of these items and volunteers put everything at their respective places.

The volunteer work is divided into specific jobs like fund raising, field visits, social media updates and so on. Each volunteer is part of a particular team, depending on their competency and training. Each volunteer becomes specialized in their respective field, leading to efficient utilization of human effort.

The management of Sakaar Foundation does not close its ears to any constructive suggestions made by the volunteers. There is an equal division of work and responsibility between volunteers and management. All the day long the management work side by side with the volunteers helping, encouraging and smoothing the way for them.

(i) Identify and explain one principle each of 'Scientific Management' and 'General Management' adopted by Sakaar Foundation.

(ii) State any two values that Sakaar Foundation is displaying and promoting in society through their work.

23. Radha is an enterprising businesswoman who has been running a fishery for the past ten years. She has saved ₹ 10 Lakhs from her business. She shared with her family her desire to utilize this money to expand her business. Her family members gave her different suggestions like buying new machinery to replace the existing one, acquiring altogether new equipment with latest technology, opening a new branch of the fishery in another village and so on. Since these decisions are crucial for her business, involve huge amount of money and are irreversible except at a huge cost, Radha wants to analyse all aspects of the decision, before taking any step.

(i) Identify and explain the financial decision to be taken by Radha.

(ii) Also explain briefly any two factors that affect this decision.

24. Explain any two reliefs that the Consumer Court can grant to consumers in case of genuine complaints in each of the following situations.

(i) Komal was charged more than the printed price for a NCERT business studies book being in short supply.

(ii) Kumar was sold a truck with a defective engine.

(iii) Suresh suffered injury while using a newly bought defective electric iron.

25. 'The divisional structure of organization has certain advantages and disadvantages which an enterprise must take into consideration before adopting it.' Explain any such three advantages and any three disadvantages of this structure.

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