CBSE Class 12 Business Studies 2018 - Set 66/2

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. VXL Ltd. is a company dealing in dairy products. It procures these products from Rajasthan and sells them to various parts of Delhi. A month before 'Merio Ltd.', a Haryana based company entered Delhi market with a similar range of products. State the impact of entry of Haryana based 'Merio Ltd.' on the working capital requirements of VXL Ltd. Also, name the factor affecting the working capital requirements of VXL Ltd.

2. 'My Bakery', a biscuit manufacturing company, launched biscuits with different flavours based on quality and features like 'Crunchy biscuits', 'Sweet Potato', 'Coffee Jolly' etc.

The labels on the package of the biscuits are with pictures and different colours indicating and specifying the flavours of the biscuits and their contents.

Identify the two functions of labelling discussed above.

3. What is meant by 'functional structure' of an organisation ?

4. Zamon Ltd. is manufacturer of electronics goods based in Pune. On one hand it deals in items like books, music instruments, videotapes etc., and on the other hand it deals in laptops and mobile phones.

The company had a functional structure with separate heads for production, marketing and finance. All the functional heads were looking after the products, but at times their activities overlapped. This led to problems related to coordination and inter-departmental conflicts. To facilitate specialisation Ramit, the CEO of the company decided to group books, music instruments, videotapes etc. under 'Media' and laptops and mobile phones under 'consumer electronics'. While doing so Ramit has performed a step in the process of one of the functions of management. Identify the step.

5. How does planning reduces the risks of uncertainty ?

6. 'Vani Oil Refinery' is a large company, engaged in processing crude oil and refining it into more useful products like Petroleum, Kerosene, LPG etc. It has build good reputation over the years. It has been consistently earning profits and paying regular dividend to its shareholders. It needs additional working capital immediately to finance a project. It expects to return this amount after seven to eight months. Ashish Batra, the Finance Manager of the company does not want to get into procedural requirements of securing finance from a Commercial Bank.

Suggest how the company can raise the required finance for meeting its additional working capital requirements.

7. Give the meaning of Marketing Mix.

8. If the company has enough funds and the management also wants to have greater control on the channel members, which channel of distribution should the company adopt ? Give reason in support of your answer.

9. Lakhan, an expert in the area of Financial Management, sent an e-mail to his subordinate Thomas about a new project for a client in France. Though, the mail was in English, a language known to Thomas, he was not able to understand the actual meaning of many words used in the mail. He was also not a specialist in the field of Financial Management. Not only this, some portions of the mail were translated from French to English in such a manner that many mistakes crept in, causing different meaning to the message.

(a) Identify two specific barriers to communication in Lakhan's e-mail.

(b) State any two measures which can be taken by Lakhan to overcome the barriers identified in part (a) above to improve in future the effectiveness of his communication.

10. Explain any three points of importance of consumer protection from the point of view of consumers.

11. Neelabh Sarin, the Finance Manager and Atul Chopra, the Managing Director of Ghokerns Ltd. were discussing regarding the source of finance to be raised for modernisation of their existing plant. Quoting that 'Sensex has soared by 5078 points' in the last three years, Neelabh Sarin suggests that equity should be preferred while Atul Chopra wanted to opt for debt.

Keeping in mind the high operating costs of the company, suggest the source of finance that should be used for modernisation of existing plant. Also, explain the two factors highlighted above which should be kept in mind for taking this decision.

12. Distinguish between 'delegation' and 'decentralization' on the basis of (i) Freedom of action; (ii) Status and (iii) Purpose.

13. State any three financial incentives other than 'Pay and Allowances' to motivate employees.

14. Explain the steps to be followed in the process of controlling function of management after 'Setting Standards.'

15. A.V.M. Ltd. set-up its electric appliances manufacturing factory in a backward area of Himachal Pradesh where subsidies are provided by the government and labour is available at cheaper rates. A.V.M. Ltd. was able to produce its products at low cost thereby generating enough profits in the first year itself. It was because of the fact that the limits of authority and responsibility of the employees were clearly defined and the activities of various departments were co-ordinated and integrated. The Production Manager of the company also came to know about the availability of raw-materials at cheaper rates from a vendor. For this he wrote a letter to the Managing Director of the company for getting sanction. But because of procedural delays in getting this sanction and procuring funds from the Finance Manager, the order could not be placed.

(a) Identify the type of organisation, that led to procedural delays and because of which the company could not get the advantage of procuring raw material at cheaper rates.

(b) State an advantage of the type of organisation identified in (a) above other than those discussed in the above case.

(c) Also, state any two values communicated by A.V.M Ltd. to the society.

16. Vardan Patel started the business of preparation and supplying sweets through home delivery at a production cum show-room 'Express Sweets' at Ahmedabad.

He made a plan forecasting the sales of different types of sweets in various localities of Ahmedabad for each month of the year to earn a profit of 20% on Capital employed.

He set a sales target of ₹ 20,00,000 in the current year with a 10% increase every year.

He then set the criteria for selecting suppliers from whom he would make purchases of raw material. The planning paid off and the business was able to achieve its targets.

(a) Identify any two types of plans by quoting the lines from the above.

(b) Also give the meaning of the types of plans identified in part (a) above.

17. Describe any four functions of Financial Market.

18. Sara was pursuing her graduation. Everyday she saw her mother working tirelessly at home after coming back from her work-place. She decided to start a tiffin service to increase her family income. To begin with she started supplying tiffin only in the neighbourhood. Everyday she detailed out the menu after consulting her mother. For informing the people about her service she designed a beautiful informative pamphlet, got it printed and started distributing it through the daily newspapers. She also appointed two delivery boys to deliver tiffins.

The business was slow to begin with but picked-up well afterwards. She was able to earn a profit of 20% of the revenue in the first month.

(a) Identify the promotional tool used by Sara to communicate to the customers about her tiffin service.

(b) State any three roles of the promotional tool identified in (a) above in marketing of goods and services.

19. After passing his secondary school examination, David left the school at the age of 15 years and started getting training under his father. His father, a renowned electrician, had worked for many companies. He everyday started accompanying his father on work and watched him carefully while working. David was a good learner and learnt the techniques of work quickly. Now his father started passing on the tricks of the trade to David. With the passage of time David acquired a high level skill and became a well-known electrician at Indore. Big business-houses started calling him for electrical-wiring.

(a) Name the method of training discussed in the above para.

(b) State any three benefits which David could get on being trained.

20. Deewan Ltd. is a multinational consulting company with its headquarters at Washington D.C. It hires young people from different countries of the world.

It is a company in which people dream to work because of its work-environment, pay and growth prospectus. The company has a culture of open communication and people of various nationalities work together in a discrimination free environment. The behaviour of managers of Deewan Ltd. emphasises kindliness and justice which ensures loyality and devotion of workers.

It also promotes mutual trust and belongingness among team members. In this way management of Deewan Ltd. is able to achieve its objectives by promoting team work. By doing so Managers of Deewan Ltd. are following some principles of management.

Identify and explain any two such principles.

21. 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 e-mail id of 'Dantik Consumer Services and Grievance Cell'. The toothpaste became very popular and she started getting orders from reputed traders.

(a) Identify and explain any two Rights of Consumers discussed above.

(b) State any two values being communicated by 'Dantik Ltd.' to the society.

22. State any five characteristics of co-ordination.

23. What is meant by 'New Issue Market' ? Explain the various methods of floatation of new securities issues in this market.

24. With rapid advancements in the field of replacing manual work with machines, a robot named 'Sujan' has been invented and developed and is likely to get the citizenship of the country of its origin.

It has led to a stage where machines are being used in place of human beings.

'Sujan' is doing all types of work whether routine or hazardous and even answering the queries of people. However, this issue has to be carefully looked into keeping in mind the consumer attitude towards product innovations, problem of unemployment and its impact on the quality of life. Through the orders and decisions of various commissions and agencies at Centre, State or local level the Indian Government is playing a very significant role in balancing the use of human and machine power.

Various dimensions of business environment are being discussed in the above para.

By quoting the lines from the above identify and explain any three dimensions.

25. There were two vacancies for the post of Assistant Manager in 'Gyan Electrics Private Ltd.'. 'Parth' the Human Resources Manager identified one suitable candidate 'Vishwas' from within the organisation and promoted him to the post of Assistant Manager. For another post, the Manager 'Parth' took help of a placement agency and selected 'Saleem'. After six months, Parth observed that 'Vishwas's' performance was much better than 'Saleem's' performance though 'Vishwas' was less qualified than 'Saleem'. Hence, 'Parth' decided that in future he will not make any appointment with the help of an outside source.

Explain any four reasons on the basis of which 'Parth' would have taken the above decision.

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