



## S.R. Study Material

### S R SAMPLE PAPER 3

#### Class 12 - Business Studies

**Time Allowed: 3 hours**

**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 4 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. **A manager in a conscious manner has to ensure that even where members of a department willingly cooperate, coordination gives direction to the willing spirit.** The characteristic of coordination being highlighted above is: [1]
  - a) Coordination is the responsibility of all managers.
  - b) Coordination is a continuous process.
  - c) Coordination is a deliberate function.
  - d) Coordination integrates group efforts.
2. NSE commenced futures trading in the year: [1]
  - a) 2002
  - b) 2000
  - c) 2001
  - d) 1999
3. Which one is a specific force for a garment manufacturing industry? [1]
  - a) Change in technology
  - b) Change in law
  - c) Change in fashion
  - d) Change in government
4. With the introduction of Photostat Machines in the market, the carbon paper industry was adversely affected. Which component of the environment was responsible for it? [1]
  - a) Economic
  - b) Technical
  - c) All of these
  - d) Political
5. Which of the following is related to the finance and accounting standard? [1]
  - a) Sale expenses
  - b) Capital expenditure
  - c) Labour turnover
  - d) Quantity
6. Highlight the feature of management depicted by the image given here. [1]



- a) Both the Statements I and II are correct.
- b) Statement I is correct and Statement II is not correct.
- c) Both the Statements I and II are not correct.
- d) Statement II is correct and Statement I is not correct.

14. What creates fear in the minds of investors to invest in long term projects? [1]

- a) Privatisation
- b) Liberalisation
- c) Political Uncertainty
- d) None of these

15. **The basic role of a firm is to identify a need and fill it.** [1]

The marketing management philosophy highlighted in the given statement is:

- a) The marketing concept
- b) The production concept
- c) The selling concept
- d) The product concept

16. **Statement I:** The focus of the marketing concept is on customer needs and the customer satisfaction becomes the means to achieving the firms' objective of maximising profit. [1]

**Statement II:** The purpose of marketing is to generate customer value at a profit.

- a) Statement II is correct and Statement I is not correct.
- b) Both the Statements I and II are correct.
- c) Both the Statements I and II are not correct.
- d) Statement I is correct and Statement II is not correct.

17. Sumit has been using **Smooth Shave**, a famous shaving cream available in the market. On watching numerous advertisements in the television, he decided to try a new brand of shaving cream. When he went to the near-by store to purchase the same, he saw shaving creams by other producers making similar claims. Hence, he could not make up his mind as to which shaving cream to purchase. Which of the following objection to advertising is being discussed in this case? [1]

- a) Confuses the buyers
- b) Adds to cost
- c) Encourages sale of inferior products
- d) Undermines social values

18. Match the columns on the basis of nature of management. [1]

Column I	Column II
(a) Principles are based on observation and experimentation.	(i) Management as an art.
(b) Principles are based on practice and creativity.	(ii) Management as a profession.
	(iii) Management as a science.

Identify the correct option.

- a) (a) - (iii), (b) - (i)
- b) (a) - (ii), (b) - (i)
- c) (a) - (i), (b) - (iii)
- d) (a) - (ii), (b) - (iii)

19. Which function of marketing is concerned with the cost and location of target market? [1]

- a) Warehousing
- b) Transportation
- c) Promotion
- d) Branding

20. Which of the following is the ideal situation? [1]

a) None of these

b) Authority > Responsibility

c) Authority = Responsibility

d) Authority < Responsibility

21. Mr. Vikas Goel is an H.R. Manager of **Sanduja Furniture Pvt. Ltd.** At the beginning of the new year, he anticipated that the company will need new 30 additional persons to fill up different vacancies. He gave an advertisement in the newspaper inviting applications for filling up different posts. As many as 120 applications were received. The same was scrutinized. Out of these, conditions of 15 applicants were not acceptable to the company. Letters of regret, giving reasons, were sent to them. The remaining candidates were called for a preliminary interview. The candidates called for were asked to fill up the blank application form. Thereafter, they were given four tests. [3]

The objective of the first test was to find out how much interest the applicant does take in his work.

The objective of the second test was to find out the **specialisation** of the applicant in any particular area.

The third test aimed at making sure whether the applicant was capable of learning through training or not.

The purpose of the fourth test was to find out how much capability a person has to a mix-up with other persons, and whether he can influence other persons and get influenced by them.

Answer the following questions on the basis of the above information:

- a. Quoting the lines, identify the first two steps of staffing.
  - b. Identify different tests given to the applicants by Mr. Goel.
22. Incorporated in 1990, Raju Dairy Ltd., is one of the leading manufacturers and marketers of dairy-based branded foods in India. In the initial years, its operations were restricted only to the collection and distribution of milk. But, over the years it has gained a reasonable market share by offering a diverse range of dairy-based products including fresh milk, flavoured yogurt, ice creams, buttermilk, cheese, ghee, milk powders etc. In order to raise capital to finance its expansion plans, Raju Dairy Ltd. has decided to approach capital market through a mix of Offer for sale of Rs.4 crore shares and a public issue of Rs.2 crore shares. [3]
- In context of the above case:
- a. Name and explain the segment of capital market being approached by the company.
  - b. Identify the two methods of floatation used by the company to raise the required capital. Give one difference between them.

OR

During Navratri, Varun finalises a deal to buy a new house. So, he visits a nearby branch of 'Subh Bank' to withdraw Rs. 10 lakhs from his account in order to pay the token money to the seller. In the bank, he observes that a large number of customers are present to make cash with drawls, probably because it is an auspicious time to make purchases. After sometime, he overhears one of the bank staff members telling his colleague that, "Today 'Subh Bank' is likely to fall short of cash and to make up for the deficit and maintain its cash reserve ratio it will have to approach another bank.

In the context of the above case:

- a. Identify the instrument that 'Subh Bank' will use to meet its short term requirements of funds.
  - b. State any three feature of the instrument as identified in part (a).
23. IBM. Tech Ltd. is a company producing IT services. The company's profits are enough for the survival and growth. The management of the company believes that a satisfied employee creates a satisfied customer, who in turn creates profits that lead to satisfied shareholders. So, it pays competitive salaries and perks to all its employees. All the employees are happy working in the organisation because of personal growth and [3]

development.

The company has a strong sense of social responsibility. It has set up an engineering college in which one-third of the students are girls to whom the company gives 50% scholarship. Is the management of IBM. Tech Ltd. fulfilling its objectives? Justify your answer by quoting the lines from the above.

24. What factors have to be considered while deciding standards? [3]

OR

Seeta, Geeta and Babita Ltd is engaged in manufacturing machine components. The target of production is 250 units per day per worker. The company had been successfully attaining this target until two months ago. Over the last two months, it has been observed that daily production varies between 200-210 units per worker.

- i. Name the function of management and identify the step in the process of this function which helped in finding out that the actual production of a worker is less than the set target.
  - ii. To complete the process of the function identified in and to ensure the performance as per set targets, explain what further steps a manager has to take.
25. Explain in brief, the following methods of training the workers: (i) Apprenticeship programme (ii) Vestibule training (iii) Job rotation (iv) Internship training. [4]

OR

Jyoti Public School had a vacancy of a Maths teacher. They were looking for a smart and creative teacher having a drive for excellence. An advertisement was given in all leading dailies. Since the response was huge, the school examined all the application forms and rejected the candidates who did not have the necessary qualifications. Thereafter, a test was conducted to measure the existing skills of the candidates. After that it was followed by a formal in-depth conversation with the Principal of the school and a panel of Maths experts.

- a. Explain the steps that have been performed by Jyoti Public School in the process of identifying and choosing the best candidate.
  - b. Give the name and also the meaning of the test which was conducted by the school.
26. Describe any three barriers to communication. [4]

OR

Explain any three barriers to communication.

27. What are the main objectives of financial management? Briefly explain. [4]
28. Kumari Ekta Bhandari is working as the Personnel Manager in **Jaishri Limited**. The speciality of her company is that the financial position of all its employees is good. The CEO of Kumari Ekta asked her to suggest a Method of Motivation. He said that the method should be such as should be happily acceptable to all the employees. Ekta spoke to several employees in this connection. The thoughts of some of the employees gave the feeling that they give more importance to Individual Autonomy. One group of the company stressed that good performance should be rewarded. Another group of employees pleaded for recognising the importance of the employees in the company. On the basis of this investigation Ekta- suggested to the CEO a very good method of Motivation, which made him very happy. This method was immediately implemented. Consequently, within a few days, the company's growth rate appeared to have become fast. [4]
- a. Identify the sub-function of management described in the paragraph above.
  - b. Which Motivation Method, in your view, might have been suggested by the Personnel Manager? Explain this Motivation Method.
  - c. Identify the value that has been discussed here.

29. Harish purchased a medicine from 'Bhatia Medical Stores' for his son, who had high fever. Even after giving the medicine his son's condition did not improve and he had to be hospitalised. Doctor informed Harish that the medicine given to his son was spurious. Harish complained about this to Bhatia Medical Stores'. As a result, 'Bhatia Medical Stores' decided to file a complaint against the manufacturer in the consumer court. Can 'Bhatia Medical Stores' do this? Give reason in support of your answer. Also explain who is a consumer as per 'Consumer Protection Act 1986'. [4]
30. The Return on Investment (ROI) of a company ranges between 10-12% for the past three years. To finance its future fixed capital needs, it has the following options for borrowing debt. [4]
- Option A': Rate of interest 9%
- Option 'B': Rate of interest 13%
- Which source of debt, 'Option A or 'Option B', is better? Give reason in support of your answer. Also, state the concept being used in taking the decision.
31. Scientific management has for its foundation the firm conviction that the true interests of the two are one and the same; that prosperity for the employer cannot exist for a long time unless it is accompanied by prosperity for the employees and vice versa. Justify the statement by giving reasons. [6]
- OR
- Explain any four points regarding significance of principles of management.
32. Explain, in brief, any five types of plans. [6]
- OR
- Diamond Public School in Bahadurgarh decides to implement the literacy program of the government in its school. It is decided that within a year the 45 support staff employees of the school will be made literate by the school counselors and social workers. In order to enhance the learning process, the school decided to use audiovisual aids. To start the program the school has to first procure the literacy books from State Resource Centre, at Jamia. Besides the curriculum, each literacy book contains a series of nine tests that the volunteers have to get completed by the learners during the program. Moreover, by implementing the plan of 'each one teach one' each student of the school from class fifth to tenth will be encouraged to make one person literate. The student volunteers may either select a learner by adopting any one of the two ways. Either from the slum areas adopted by the school or on their own within the vicinity of their residence. As per the norms of the Delhi Government, it is mandatory for the volunteers to send back the filled copy of only the ninth test paper in the series to the authorities as conclusive proof of the completion of the course, else the certificate of commendation will not be awarded to them. Considering the implementation of the program to be a part of its corporate social responsibility initiative the school has decided to spend around Rs. 50,000 on the distribution of free stationery items, refreshments of the learners, etc.
- In the context of the above case:
- a. Identify the various types of plans being used by Diamond Public School in order to implement the literacy program in their school.
  - b. Categorize the various types of plans as identified in part (a) into single-use plans and standing plans.
33. Distinguish between formal and informal organisation. [6]
34. A company was marketing 'Juicers' which were very popular due to their quality and after-sale - services provided to the customers. The company was a leading company in the market and earning huge profits. Because of huge profits, the company ignored the after-sales services. As a result its relations with the customers got spoiled and the image of the company in the public was damaged. Top management became concerned when the profits for the current quarter fell steeply. On analysis, it was revealed that ignoring the after sales services [6]

was its reason. Therefore, the company took all possible measures to protect and promote its favourable image. As a result the goodwill of the company improved in the society.

- i. Name and state the communication tool used by the marketer in the above case to improve its image.
- ii. Also explain role of the tool as identified in Part (i).

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