

DAV PUBLIC SCHOOLS, ODISHA
PRE-BOARD EXAMINATION , 2023-24

- Please check that this question paper contains **07** printed pages.
- Check that this question paper contains **34** questions.
- Write down the Serial Number of the question in the left side of the margin before attempting it.
- 15 minutes time has been allotted to read this question paper. The question paper will be distributed 15 minutes prior to the commencement of the examination. The students will read the question paper only and will not write any answer on the answer script during this period.

CLASS- XII

SUB: BUSINESS STUDIES (054)

Time Allowed: 3 Hours

Maximum Marks : 80

General Instructions:

- i. This Question Paper contains 34 questions.**
- ii. Marks are indicated against each question.**
- iii. Answers should be brief and to the point.**
- iv. Answers to the questions carrying 3 marks may be from 50 to 75 words.**
- v. Answers to the questions carrying 4 marks may be about 150 words.**
- vi. Answers to the questions carrying 6 marks may be about 200 words.**
- vii. Attempt all parts of the questions together.**

1. The Board of directors of Medex Pharma Ltd. decided to issue debentures worth ₹40 lakhs in order to finance a major Research and Development project. This would increase the Debt Equity ratio from 1:1 to 2:1. However, at the same time it would increase the Earnings per share. The reason that will justify the above situation is: **1**
 - a) Unfavourable financial leverage, as the financial risk will be higher.
 - b) Unfavourable financial leverage, as return on investment is lower than the cost of debt.
 - c) Favourable financial leverage as debt is easily available.
 - d) Favourable financial leverage, as return on investment is higher than cost of debt
2. “You don’t close a sale, you open a relationship, if you want to build a long term successful enterprise”. Identify the promotion tool referred in this line. **1**
 - a) Advertisement
 - b) Personal selling
 - c) Sales promotion
 - d) Public relation

3. Introduction of mobile phones has negatively affected the business of cameras and watches. It is related to which of the following dimension: **1**
- Technological environment.
 - Social environment
 - Political environment.
 - Economic environment
4. One of the following concepts believes that company should not blindly follow the goal of customer satisfaction. Identify the concept. **1**
- Selling concept
 - Product concept
 - Production concept
 - Societal Marketing concept
5. Which among the following sentences is true? **1**
- Primary market has a fixed geographical location.
 - Secondary market is located at specified places.
 - In the secondary market, only buying of securities take place.
 - d. In the primary market, prices are determined by demand and supply
6. Over the past five years there has been an exponential increase in the number of people practicing healthier lifestyles in India. Doctors and nutritionists are advising people to reduce the daily intake of soft drinks as they are aerated, which can lead to obesity and other health issues. In order to cope up with the setback in the demand from the consumers, “ENERGISE”, a soft drink giant decided to introduce a tea brand named ‘SFUR-TEA’ and a wellness drink named ‘FORTY PLUS’ for women. The company received a hearty response from the consumers. Identify the feature of Management reflected in the above paragraph. **1**
- management is intangible
 - management is a dynamic function
 - management is a group activity
 - management is multidimensional
7. Arrange the steps involved in trading procedure at the stock exchange in correct sequence : **1**
- | | |
|------------------------|------------------------------|
| i) Settlement of order | ii) Opening of Demat Account |
| iii) Placing of order | iv) Execution of order |
- (ii) ; (iv);(iii);(i)
 - (ii) ;(i) ;(iv);(iii)
 - (iii);(iv);(ii);(i)
 - (ii);(iii);(iv);(i)
8. ‘Whether the decisions have been translated into desired actions or not’ can be confirmed by performing which of the following function of management. **1**
- Planning
 - organizing
 - controlling
 - directing
9. The symbol which appears on all the ‘Mercedes’ cars and which is not utterable is known as its : **1**



- a) Brand b) Brand Name c) Brand Mark d) Trade Mark

- 10.** Read the following statements: Assertion (A) and Reason(R). Choose the correct alternative from those given below: **1**
- (A): The Supervisory Level performs the activities according to the plans of Top and Middle level management.
- (R): The Supervisory Level motivates the employees and boosts their morale.
- a) Both (A) and (R) are true and (R) is the correct explanation of (A)
- b) Both (A) and (R) are true but (R) is not the correct explanation of (A)
- c) (A) is true but (R) is false
- d) (A) is false but (R) is true
- 11.** Tia has been appointed as the manager of the sales department, and she has been given a target to increase the sales by 20% by the end of the quarter. The company is in the business of selling naturally made lipsticks and perfumes. Tia has drawn out two separate plans for both the products respectively. What is the process of segregation followed by Tia in this scenario? **1**
- a) Departmentalisation
- b) Assignment of duties
- c) Identification and division of work
- d) Establishing authority and reporting relationships
- 12.** Which of the following is not a step in the process of 'controlling' function of management? **1**
- a) Setting performance standards
- b) Assignment of duties
- c) Taking corrective action
- d) Comparing actual performance with standards
- 13.** Which of the following statement about sales promotion activities is not CORRECT? **1**
- 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.
- d) Quantity gift means offering another product as a gift along with the purchase of product.
- 14.** Increase life expectancy of people and increased awareness for health care have increase the demand for any health products and services like diet coke, fat free cooking oil, and health reports. **1**
- Which feature of business environment is highlighted by the above statement?
- a) Specific and general forces

- b) Dynamic nature
- c) Inter-relatedness
- d) Totality of external forces

15. Name the outcome of the function of management which includes designing of roles to be filled by suitably skilled people and defining the inter relationship between roles so that ambiguity in performance of duties can be eliminated. **1**

- a) Organization structure
- b) Delegation of authority
- c) Decentralization
- d) controlling

16. STATEMENT I: The Capital market deals in medium and long term securities. **1**
STATEMENT II: Money market securities enjoy higher degree of liquidity.

Choose the correct option from the following:

- 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 statements are false

17. Match the various characteristics of Business environment given in Column I with their respective explanations in Column II : **1**

Column I	Column II
A. Dynamic nature	(i) Environment is a phenomenon that is relatively easier to understand in parts but difficult to grasp in its totality.
B. Complexity	(ii) Business environment differs from country to country and even region to region.
C. Relativity	(iii) Business environment keeps on changing, whether in terms of technological improvement or shifts in consumer preferences.

- a) A (iii), B (ii), C (i)
- b) A (ii), B (iii), C (i)
- c) A (iii), B (i), C (ii)
- d) A (i), B (ii), C (iii)

18. A person feeling hungry may get food by offering to give money or some other product or service in return to someone who is willing to accept the same for food. The important feature of marketing illustrated above is: **1**

- a) Exchange mechanism
- b) Customer value
- c) Creating a marketing offering
- d) Needs and wants

19. To complete the task by hand a manager gets the desired amount of money at the rate of 10% interest well in time whereas the prevalent rate of interest is 9%. What would you call such a manager out of the following? **1**

- a) Efficient
- b) Efficient and effectiveness
- c) Effective but not efficient
- d) Inefficient

20. In a recent ruling, the Supreme Court of India has ordered an immediate stop on commercial activities in a 500-meter radius of the Taj Mahal and asked Agra **1**

Development Authority to ensure compliance of its directive. Which dimension of business environment is reflected here?

- a) Social
- b) Technological
- c) Legal
- d) Political

21. XYZ Power Ltd. set up a factory for manufacturing solar lanterns in a remote village as there was no reliable supply of electricity in rural areas. The revenue earned by the company was sufficient to cover the costs and the risks. As the demand of lanterns was increasing day- by-day, the company decided to increase production to generate higher sales. For this/they decided to employ people from a nearby village as very few job opportunities were available in that area. The company also decided to open schools and creches for the children of its employees. Identify and explain the objectives of management discussed above. **3**

22. Explain “Management by exception” with respect to Analyzing deviations, a step in the process of controlling. Give a suitable example **3**

OR

State any three points that highlight the importance of ‘controlling’ function of management.

23. Nishant, the director of a garment company, is planning to manufacture bags for the utilisation of waste material from one of his garments unit. He has decided that his manufacturing unit will set-up in a rural area of Odisha where people have very few job opportunities and labour is available at very low rates. He also thought of giving equal opportunities to men and women. **3**

For this, he wanted four different heads for sales, accounts, purchase and production. He gave an advertisement and short listed ten candidates per post after conducting different selection tests.

Identify and state the next two steps for choosing the best candidate out of the shortlisted candidates.

24. Distinguish between Money Market and Capital Market. (any three points) **3**

OR

Mention any three Regulatory functions of SEBI.

25. Explain the Maslow’s Need Hierarchy theory. **4**

OR

Discuss any four financial incentives.

26. Enumerate the merits of using external sources for recruitment. **4**

OR

Explain the following selection test.

- a) Trade Test
- b) Aptitude test

27. Himesh, after completing his graduation, started working with a multinational company in Delhi. But due to ill health of his parents, he had to go back to his village. There he noticed that the villagers were literate but ignorant about their rights. Many vegetables vendors were using stones as weights to sell their **4**

vegetables. Some shopkeepers were selling food items without having the 'FPO Mark'. The villagers did not find anything wrong with these practices. So, to create awareness among the villagers, Himesh decided to publish a weekly journal 'Jan Jagriti.'

- a) State and explain the right which Himesh has exercised by doing so.
- b) Also mention other three rights.

28. "It enables an enterprise to tackle the uncertainties regarding availability of funds." Identify the process that is being discussed here. Also, state its importance in the smooth functioning of an organisation. **4**
29. Identify the barrier to communication and also state the category of the communication barrier in the following cases. **4**
- a) A boss may instruct his subordinate to "take care of guests." Boss may mean to take care of transport, food, accommodation of guest, whereas, subordinate may interpret that guest be taken to hotel with care. In this case, the guest suffers.
 - b) An employee explains about his problems to the boss who is pre-occupied with an important file before him. The boss does not grasp the message and the employee is disappointed.
 - c) A company does not have frequent meetings, conferences, suggestion box, and complaint box to encourage free and timely flow of communication.
 - d) The employees of a company offer useful suggestions to the management but in exchange no reward or appreciation is given to them.
30. Wooden Peripheral Pvt. Ltd. is counted among the top furniture companies in Delhi. It is known for offering innovative designs and high quality furniture at affordable prices. The company deals in a wide product range of home and office furniture through its eight showrooms in Delhi. The company is now planning to open five new showrooms each in Mumbai and Bangalore. In Bangalore it intends to take the space for the showrooms on lease whereas for opening showrooms in Mumbai, it has collaborated with a popular home furnishing brand, 'Creations.'
- a) Identify the factors mentioned in the paragraph which are likely to affect the fixed capital requirements of the business for opening new showrooms both in Bangalore and Mumbai separately.
 - b) Write other two factors which has not specified in the above paragraph.
31. Briefly explain any three of the following principles of management as given by Henri Fayol: **6**
- a) Division of Labour
 - b) Remuneration to employees
 - c) Esprit de corps
 - d) Stability of personnel

OR

Briefly explain the following principles of Scientific Management as given by F.W. Taylor:

- a) Science, not rule of thumb.
- b) Cooperation not individualism.

32. Explain the process of Planning function. 6

OR

Explain the following :

- a) Objective
- b) Procedures
- c) Programmes

33. X Ltd. is engaged in the manufacturing of cars. The company surveyed the market 6

and found that customers need a car which runs on eco-friendly fuel instead of petrol or diesel. Keeping the needs of customers as well as social, ethical and ecological aspects of marketing in mind, the company launched a new model of car that runs on bio-diesel. The launch event was covered by the top news channels and newspapers. This was done to disseminate information about the car and build goodwill of the business. X Ltd. understands that it is imperative to manage public opinion and company's relations with the public on a regular basis.

- a) Identify and explain the marketing philosophy involved in the above case.
- b) Identify and explain the communication tool that was used by the company.
- c) Explain any two other promotional tools that can be used by X Ltd. to achieve its objectives

34. Chanda started 'Bulls Eye' a company for providing cyber security solutions to 6

businesses. Its objective is to prevent, detect and respond to cyber attacks and protect critical data. He was a hardworking software engineer and an expert in cyber security. His reputation grew by leaps and bounds as he was not only a person of integrity but also did his work with utmost honesty and sincerity. The business started growing day by day. He was delighted when he was offered a big project by the Ministry of Defence. While working on the project, he found that the volume of work made it impractical for him to handle all the work by himself. He decided to expand the team. The company maintained a close liaison with a local engineering college. During a campus placement, Ikat and Vasu were appointed to work for the new project. He found the new employees capable, enthusiastic and trustworthy. Chanda was thus, able to focus on objectives and with the help of Ikat and Vasu, the project was completed on time. Not only this Chanda was also able to extend his area of operations. On the other hand Ikat and Vasu also got opportunities to develop and exercise initiative.

- a) Identify and briefly explain the concept used by Chanda in the above case which helped him in focusing on objectives.
- b) Also, state any four points of importance of the concept identified in (a) above
