



PRINCE ACADEMY

OF HIGHER EDUCATION

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SAMPLE PAPER SET - 02 (202-25)

SUBJECT : BUSINESS STUDIES (054)

CLASS - XII COMMERCE

TIME : 3:00 Hours

M.M. : 80

General Instructions :-

- (i) The question paper contains 34 questions.
- (ii) Marks are indicated against each question.
- (iii) Answer should be brief and to the point.
- (iv) Attempt all parts of the questions together.
- (v) Q. No. 1 to 20 are multiple choice questions, carrying 1 mark each.

1. Kashish is running a take away restaurant in Delhi under the name "Eat Out". beeping in view the pandemic situation she has made certain changes in the process of packaging and delivery of orders. Identify the characteristic of management which is highlighted in the above paragraph. 1
- (a) Management is a goal-oriented process
 - (b) Management is multidimensional
 - (c) Management is a dynamic function
 - (d) Management is an intangible force
2. Match the following by choosing the correct option. 1

Column - A		Column - B	
(i)	To achieve and result on time	(a)	Management
(ii)	To conduct cost-benefit	(b)	Coordination
(iii)	Intangible force	(c)	Effectiveness
(iv)	Synchronise the various activities of an organisation	(d)	Efficiency

- (a) (i)-(a); (ii)-(b); (iii)-(c); (iv)-(d)
- (b) (i)-(b); (ii)-(a); (iii)-(d); (iv)-(c)
- (c) (i)-(c); (ii)-(d); (iii)-(a); (iv)-(b)
- (d) (i)-(d); (ii)-(c); (iii)-(b); (iv)-(a)

3. It acts as the binding force between departments and ensures that all action is aimed at achieving the goals of the organisation. Identify the related feature of coordination. 1
- (a) Coordination integrates group efforts. (b) Coordination ensures unity of action
(c) Coordination is a continuous process (d) Coordination is an all pervasive function
4. Nirv Lad was a market leader in the Healthcare segment, but with the entry of MNCs its market share is declining. In order to deal with the situation the General Manager of the company dispensed some of his authority to different levels throughout the organisation so as to enable the managers take suitable decisions and actions which are within their respective jurisdiction. Identify the concept of management which has been described above. 1
- (a) Delegation (b) Decentralisation
(c) Span of management (d) None of the above
5. Aayush joins a e-commerce company as a delivery executive. The Arva Team Leader Shekar is very happy with his performance. However, after a few months, due to some family problems Aayush becomes irregular to work and is not able to meet the work related deadlines. As a result, Shekar, is not able to realise his team targets. Under such a situation which of the following statement will hold true? 1
- (a) Shekar can absolve himself of his accountability to the extend of work assigned to Aayush
(b) Shekar cannot absolve himself of his accountability to the extend of work assigned to Aayush
(c) Shekar can partly absolve himself of his accountability to the extend of work assigned to Aayush
(d) None of the above
6. The objective of is to ensure that adequate funds are available at right time for smooth running of an enterprise 1
- (a) Capital structure decision (b) Financial decision
(c) Financial planning (d) Investment decision
7. Which component of capital structure determines the overall financial risk? 1
- (a) Debt (b) Equity (c) Both debt and equity (d) None of the above
8. Manoranjan is a leading telecommunications company in India. On taking the annual subscription of a DTH connection the company is charging only for 11 months and offering one month free subscription. Identify the component of promotion mix adopted by the company to boost its sales. 1
- (a) Advertising (b) Personal selling (c) Sales promotion (d) Public relation
9. Match the concept of marketing in Column I with their respective explanation in Column II. 1
- | Column - I | Column - II |
|---|--|
| (a) Long term decision | (i) Disposal of profits |
| (b) Short term decision | (ii) Buying a new machinery |
| (c) Dividend decision | (iii) Raising capital through debt |
| (d) Financing decision | (iv) Affects liquidity and profitability of business |
| (a) (i), (ii), (iii), (iv) (b) (ii), (iv), (i), (iii) | (c) (iii), (iv), (ii), (i) (d) (iv), (iii), (iii), (i) |

10. If the earnings of a company after interest and tax is 60,00,000. Assuming that the number equity shares of the company is 30,00,000, the Earning per share is 1
(a) Rs. 3.5 (b) Rs. 2.25 (c) Rs. 2 (d) None of the above
11. Vasu runs a chain of Quick Service Restaurant in various parts of Delhi. Through, feedback from the customers he has analysed that there is a need for improving customer satisfaction in his self-service outlets. So, he has deployed a team of executives to study the actual pattern of these activities in all of his QSR chain outlets and give him a report on their assessment.
Identify the step related to one of the function of management being performed by Vasu. 1
(a) Measuring actual performance (b) Analysing deviations
(c) Taking corrective action (d) None of the above
12. Which of the following statement is true with respect to controlling function? 1
(a) It is a forward looking function (b) It's a backward looking function
(c) Both (a) and (b) (d) None of the above
13. Ranveer is a labour contractor in Faridabad. He provides labour which is highly experienced and skilled in all types of construction work. But over the years, there has been a considerable drop in his business. This is primarily a result of his dogmatic approach towards his workers. He adopts the method of one-way communication and doesn't like to seek any advice or opinions from his team.
Name the style of leadership adopted by Ranveer. 1
(a) Autocratic (b) Democratic (c) Participative (d) Laissez-faire
14. Which among the following is a merit of the autocratic leadership style? 1
(a) It helps to create a healthy work environment by developing cordial relationship between the leader and his followers.
(b) It facilitates quick decision making.
(c) It promotes a sense of belongingness and responsibility among the subordinates.
(d) It increases the level of job satisfaction of the subordinates.
15. Which among the following is not a feature of leadership? 1
(a) It tries to bring change in the behaviour of others
(b) It is an internal feeling
(c) It indicates interpersonal relations between leaders and followers
(d) It is a continuous process
16. Identify the level at which the directing function takes place in an organisation? 1
(a) Top level management (b) Middle level management
(c) Lower level management (d) All of the above

17. This approach is applicable in the cases of unsought goods like life insurance, vacuum cleaner, fire fighting equipments including fire extinguishers. These companies are seen having a strong network of sales force. This concept is applicable for the firms having over capacity in which their goal is to sell what they produce than what the customer really wants."

Identify the marketing concept being referred to in the above paragraph. 1

- (a) Product concept (b) Production concept
(c) Selling concept (d) Marketing concept

18. The main focus of the selling concept is 1

- (a) Quantity of product (b) Quality of performance
(c) Existing product (d) Customer needs

19. According to the modern marketing concept, which of the following statements is true? 1

- (a) It refers to the group of people who do not have the ability but willingness to buy a particular product.
(b) It refers to only the set of people who have the purchasing power to buy a particular product.
(c) It refers to the set of actual and potential buyers for a product.
(d) It refers only to the people who show interest in a particular product.

20. **Assertion (A):** Marketing is merely a post-production activity. 1

Reason (R): It only includes the activities that are performed after the goods have been sold.

- (a) Both the statements (A) and (R) are correct and (R) is the right explanation of (A)
(b) Both the statements (A) and (R) are correct but (R) is not the right explanation of (A)
(c) Statement (A) is correct but statement (R) is incorrect
(d) Both statements (A) and (R) are incorrect

21. Explain any three points of characteristics of management. 3

OR

Explain any three points of characteristics of coordination.

22. At Wipro, Project Readiness Program (PRP) a 68 day structured training program is offered to all campus recruits coming from varied background (Engineers + Non- engineers) to be trained on essential behavioral and technical skills that prepare them to work in live customer projects.

E-learning has been introduced in this training for engineering campus new hires. About 25% of the training duration has been adopted in E-Learning mode.

- (a) Identify the method of training being described in the above paragraph. Will it be categorised as an off the job training method why or why not?
(b) Name any two other methods of training which fall in the same category training methods. 3

23. Name the process by which allocation of funds can be done. What are the two major alternative mechanisms through which this can be done and how? 3

OR

State any three features of Capital market.

24. Explain the importance of controlling function (any two). 3

OR

Explain first two steps in the process of controlling.

25. Naveen has started with a private taxi service business in Rajasthan under the name "Sarathi". The use of appropriate incentives to the 'Sarathi' drivers encourages them to drive on the 'Sarathi' system when (i) riders need them most and (ii) when they will make the most money. Thus when they driver more, they earn more. "TPH" stands for "trips per hour." TPH refers to how many trips a driver completes in 1 hour. TPH is calculated per period. Each weekday morning, weekday evening, and each weekend day is counted as a separate period. Moreover, he is offering a special health package for the day-long driving, free insurance and job security to the drivers. 4

In context of the above case:

(a) Keeping in view the Maslow's need hierarchy theory mention the various types of human need of the drivers that Naveen seeks to fulfil through these incentives.

(b) Give any two assumptions related to Maslow Need Hierarchy Theory.

26. Distinguish between training and development (any four). 4

OR

Different types of selection tests may be carried out in order to evaluate a candidate on different parameters. Explain (any four).

27. Identify and explain the related feature of business environment for each of the following cases: 4
- (a) There is a growing concern for the rapid rise in obesity across the world. The main cause of which has been identified as our modern lifestyles, including our reliance on the car, TVs, computers, desk-bound jobs and high-calorie food. Obesity reduces life expectancy mainly because of the increased risk of cardiovascular disease and diabetes. Therefore, many companies are offering new health products and services that products and services aim to help change people's life styles.
- (b) The "McAloo Tikki burger" is not available anywhere but in the Indian outlets of McDonalds.
- (c) Over the years, "Teleface Ltd.' had been enjoying good market share in telecom sector, but with the entry of 'Alliance Tech Ltd' a new competitor in the market, the competition in the telecom segment has Intensified and is likely to squeeze the market share of Teleface Ltd."
- (d) "Suhana' is an alumni of National Institute of Fashion Technology and has been running a shopping arcade in Hauz Khas Village in Delhi for the past 15 years. She, offers high-end apparels with a designer tag for every occasion for both men and women. She shares that many a times people in fashion industry have to suffer major losses due to constant changes in fashion.

28. 'Relish Ltd.' is a name in the food industry to reckon with. It runs over 150 franchises in India and around the world. It is one of the first restaurants to offer the Punjabi cuisine to the rest of the world and many other famous dishes including malaikofta, tandoori chicken, butter chicken and dal makhani. Now, the company has decided to make an entry into the branded and packaged foods business the market with a series of new launches. The company is planning to set up a composite foods manufacturing facility in Bangalore shortly, involving an investment of up to 700 crores out of which 400 crores will be raised through equity so as to make its capital structure optimal. In context of the above case: 4

(a) Outline the concept of capital structure.

(b) How does financial leverage affect the cost of capital and financial risk of a business?

OR

Rajani, after acquiring a degree in Hotel Management joined her family business of manufacturing dairy products. The business had been established by her great grandfather and enjoyed a good reputation. Since she wanted to undertake modernisation of the existing business to introduce the latest manufacturing processes and diversify into the organic food segment it would require an additional capital of 50 Crores. The fixed operating costs of the business were high and the cash flow position was weak. She also noticed that the stock market index was going through a bullish phase.

(a) Keeping the above considerations in mind, name the source of finance Rajani should not choose for financing the modernisation and expansion of her business. Give reasons in support of your answer.

(b) Explain any three other factors, apart from those stated in the above situation, which Rajani should keep in mind while taking this decision.

29. State the reliefs available to the grieved consumer under Consumer Protection Act. 4

OR

State the role of consumer organisations/NGOs in consumer protection.

30. What do you understand by Investment Decision ? Explain the factors affecting the long-term investment decision. 4

31. Differentiate between Taylor & Fayol in their approaches for principles of management. 6

OR

Briefly Explain.

(i) Initiative

(ii) Equity

(iii) Discipline

32. Name and Explain any two types of plans which are not part of the operational planning process and usually are not classified as single use or standing plan. 6

OR

Discuss the steps in the process of planning after developing assumptions.

33. Discuss any four points of importance of organising function.

6

OR

Differentiate between Delegation & Decentralisation on the basis of any four points.

34. Aakriti has decided to set up a designer studio in a posh market in Udaipur. Through a survey she has assessed that the level of competition in this segment is high Describe briefly any four factors which Aakriti has not assessed so far and are likely to affect her pricing decisions. 6

OR

"It refers to the act of designing and producing the container or wrapper of a product Explain briefly any four functions of the concept being described in the above lines.