

D.A.V. INSTITUTIONS, CHHATTISGARH

SAMPLE QUESTION PAPER-10: 2023-24

CLASS –XII

SUBJECT: BUSINESS STUDIES [054]


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	Which characteristic of the business environment is highlighted when changes are taking place too frequently and it becomes difficult to predict the future? a). Uncertainty b). Complexity c). Inter-relatedness d). Relativity	1
2	Airlines will be able to offer the benefit of lower pricing to customers on sectors/routes due to the decision of the civil aviation ministry to remove price caps from August 31, 2023. This can help an airline to do better performance if they take early decisions regarding future courses of action after understanding and doing analysis. Which importance of business environment and its understanding by managers is not highlighted above: a. It helps in improving performance b. It helps in assisting in planning and policy formulation c. It helps in tapping useful resources d. It enables a firm to identify opportunities and get first mover advantage.	1

3	 <p>Identify the dimensions of the business environment illustrated by the picture given above in which Sapna who has joined the workforce recently is working on an accounting software.</p> <p>a. Technological and social. c. Political and economic</p> <p>b. Technological and political d. Social and legal</p>	1
4	<p>One of the following is considered to be an extension of the marketing concept, which apart from customer satisfaction pays attention to ethical and ecological aspects of marketing. Identify the concept.</p> <p>a. Selling concept c. Production concept</p> <p>b. Product concept d. Societal Marketing concept</p>	1
5	<p>The revenue of Khazana Ltd has nearly doubled in the last three years. However, due to huge production costs, the company is not making any profits. Considering the financial situation of the company, the management has decided not to declare any dividends. This has made the shareholders of Khazana Ltd very upset. Is the shareholders' reaction justified in this scenario? Choose the correct answer.</p> <p>A Yes. The management has no right to decide whether or not dividend can be declared. This right is with the shareholders</p> <p>B No. The management is right in not declaring dividend since the company will need cash to meet the huge costs</p> <p>C Yes. The revenue of the company has doubled and hence dividend should be given to the shareholders</p> <p>D No. The management is right in not declaring dividend since the company does not have any profits</p>	1
6	<p>In a company the decision-making authority is retained by higher management levels. What can be DEFINITELY said about its organisational structure?</p> <p>(a) integrated (c) centralised</p> <p>(b) diversified (d) decentralised</p>	1
7	<p>“Availability and affordability of the product were considered to be the key to the success of a firm.” Identify the concept of marketing management highlighted by this statement.</p>	1

	<p>(a) Production concept</p> <p>(c) Societal concept</p>	<p>(b) Product Concept</p> <p>(d) Marketing Concept</p>	
8	<p>Taylor believed that there was only one best method to maximise efficiency. This method can be developed through study and analysis. Identify the principle of Scientific management being discussed above:</p> <p>a) Harmony not discord</p> <p>b) Science not rule of thumb</p> <p>c) Development of each and every person to his or her greatest efficiency and prosperity</p> <p>d) Cooperation not individualism</p>		1
9	<p>Aiming to revive Jammu and Kashmir's attraction as a top location for film shooting the J&K film policy, 2021 offers a host of incentives to the filmmakers, such as subsidies and low long term interest rates, for films with patriotic and certain other themes shot in J&K, for giving work opportunities to local artistes, etc. This will have an impact on business enterprises in the state. Which component of business environment is highlighted above:</p> <p>(a) Specific and general forces</p> <p>(c) Economic environment</p>	<p>(b) Technological environment</p> <p>(d) Totality of external forces</p>	1
10	<p>Arrange the steps involved in trading procedure at the stock exchange in correct sequence :</p> <p>i) Settlement of order</p> <p>ii) Opening of Demat Account</p> <p>iii) Placing of order</p> <p>iv) Execution of order</p> <p>a) (ii) ; (iv);(iii);(i) b) (ii) ;(i) ;(iii);(ii)</p> <p>c) (iii);(ii);(ii);(i) d) (ii);(iii);(iv);(i)</p>		1
11	<p>Which of the following claims about financial markets is correct?</p> <p>(a) They serve as a link between households that save money and businesses that invest it.</p> <p>(b) They act as a link between savers and investors by facilitating the transfer of funds.</p>		1

	<p>(c) They invest the money they have available in their most profitable investment option.</p> <p>(d) All of the above</p>	
12	<p>PK Enterprises Limited has sold an entire lot of 5,00,000 equity shares @ ₹9 each to Prosperous Bank Private Limited. The bank intum will offer the shares to general public for subscription @ ₹11 per share. Identify the method of floatation being described in the given lines.</p> <p>(a) Private placement (b) Offer through prospectus (c) Offer for sale (d) Rights issue</p>	1
13	<p>Read the following statements Assertion(A) and Reason(R). Choose one of the correct alternatives given below-</p> <p>Assertion(A)- The marketing concept strives to identify and meet the wants and requirements of customers in an efficient manner.</p> <p>Reason(R)- Products are purchased based on their quality and other attributes, according to the marketing theory</p> <p>(a) Both A and R are correct (b) A is correct R is incorrect (c) Both A and R are correct and R is the correct explanation of R (d) Both A and R are correct and R is not the correct explanation of R</p>	1
14	<p>According to the modem marketing concept, which of the following statements is true?</p> <p>(a) It refers to the group of people who do not have the ability but willingness to buy a particular product.</p> <p>(b) It refers to only the set of people who have the purchasing power to buy a particular product.</p> <p>(c) It refers to the set of actual and potential buyers for a product.</p> <p>(d) It refers only to the people who show interest in a particular product.</p>	1
15	<p>Identify the correct sequence of steps to be followed in the trading procedure at the Stock Exchange.</p> <p>(a) Opening a trading account and Demat account, Placing an order, Settlement of order, Execution of order</p> <p>(b) Settlement of order, Opening a trading account and Demat account, Placing an order, Execution of order</p> <p>(c) Opening a trading account and Demat account, Placing an order, Execution of order, Settlement of order</p> <p>(d) Placing an order, Opening a trading account and Demat account, Execution of order, Settlement of order</p>	1

16	<p>Drishti Limited is a chain of trusted optical centers for prescription & fashion eyewear. It caters to affluent people with a range of premium sunglasses for men, women and kids. In order to raise the level of buyers' satisfaction, the company has decided to create a special section in each of its outlets for handling customer complaints and adjustment requirements. Identify the type of marketing function described in the given lines.</p> <p>(a) Product designing and development (b) Customer support services (c) Promotion (d) Physical distribution</p>	1
17	<p>Read the following statements of Assertion(A) and Reason(R) and choose the correct alternative:</p> <p>Assertion(A) -Economic uncertainty, low brand loyalty, and market division and subdivision are just a few symbols that can be used to define the business environment. Reason(R) – Business environment is getting dynamic where changes are taking place at a slow pace.</p> <p>(a) Both A and R are correct (b) A is correct R is incorrect (c) Both A and R are correct and R is the correct explanation of R (d) Both A and R are correct and R is not the correct explanation of R</p>	1
18	<p>Management by exception an critical point. Control techniques of controlling</p> <p>(a) waste energy and efforts of managers (b) saves energy and efforts of manager. (c) does not affect any energy and effects of manager. (d)All of the above</p>	1
19	<p>The marketing management philosophy which is based on the premise that any activity which satisfies human needs but does not pay attention to the ethical and ecological aspects of marketing cannot be justified is known as:</p> <p>(a) Marketing concept (b) Societal marketing concept (c) Production concept (d) Product concept</p>	1

20	Match the various terms of Financial Markets Column - I with their respective Statements in Column-II																			
	<table border="1" data-bbox="236 376 1209 824"> <thead> <tr> <th data-bbox="236 376 331 488"></th> <th data-bbox="331 376 655 488">Column -I</th> <th data-bbox="655 376 730 488"></th> <th data-bbox="730 376 1209 488">Column - II</th> </tr> </thead> <tbody> <tr> <td data-bbox="236 488 331 600">a</td> <td data-bbox="331 488 655 600">Financial market</td> <td data-bbox="655 488 730 600">i</td> <td data-bbox="730 488 1209 600">It is also known as the Stock market</td> </tr> <tr> <td data-bbox="236 600 331 712">b</td> <td data-bbox="331 600 655 712">Primary market</td> <td data-bbox="655 600 730 712">ii</td> <td data-bbox="730 600 1209 712">It is a market for creation and exchange of financial assets.</td> </tr> <tr> <td data-bbox="236 712 331 824">c</td> <td data-bbox="331 712 655 824">Secondary market</td> <td data-bbox="655 712 730 824">iii</td> <td data-bbox="730 712 1209 824">It is also known as New issue market</td> </tr> </tbody> </table> <p data-bbox="284 898 480 972">(a) (ii), (iii), (i) (b) (iii), (ii), (i)</p> <p data-bbox="815 898 1011 972">(b) (i), (iii), (ii) (d) (i), (ii), (iii)</p>					Column -I		Column - II	a	Financial market	i	It is also known as the Stock market	b	Primary market	ii	It is a market for creation and exchange of financial assets.	c	Secondary market	iii	It is also known as New issue market
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21	<p data-bbox="236 1081 1294 1238">Mrs.Riya is the Principal of a prestigious school in Raipur. The school has a vacancy of a headmistress/headmaster of the junior wing of the school. The senior teachers of the school have the opinion that only internal candidates should be considered</p> <p data-bbox="236 1249 1362 1451">for this post. However, Mrs. Riya and the management would like to invite applications from external sources too. Briefly explain any three justifications the management can provide to convince the staff for inviting applications of external candidates for the vacant post.</p>			3																
22	<p data-bbox="236 1491 1331 1603">Lavanya is working in OLX Limited, a company manufacturing room heaters. She is responsible for all the activities of business and for its impact on society. Her job demands long hours and commitment to the organisation.</p> <p data-bbox="284 1641 1299 1715">(A) Identify the level at which Lavanya is working. (B) State two more functions required to be performed by Lavinia at this level.</p>			3																
23	<p data-bbox="236 1760 1331 1827">Financial market place an important role in the allocation of scarce resources in an economy by performing many important functions. Explain any three such functions.</p> <p data-bbox="236 1865 293 1899">OR,</p> <p data-bbox="236 1933 959 1966">Differentiate between capital market and money market.</p>			3																

24	<p>Explain “Critical point control” with respect to Analyzing deviations, a step in the process of controlling. Give a suitable example.</p> <p>OR,</p> <p>Explain “Management by exception” with respect to Analyzing deviations, a step in the process of controlling. Give a suitable example.</p>	3
25	<p>Accenture Limited is a global information technology consulting company with 50,000 employees serving over 600 clients in 24 countries. Its Chief Executive Officer, Mr Neil Simon, guided the company through two decades of diversification and growth to Emerge as one of the leading Indian companies in the software industry. The company has set standards in ensuring the best training opportunities for its employees. The Project Guidance Program is a 52 days structured training program offered to all recruits of varied background to be trained on essential behavioral and technical skills that prepares them to work in live customer project. These recruits are hired from universities and management institutes for technical, professional as well as managerial jobs. It is to help the new employees in setting down quickly into the job by becoming familiar with the people, the surroundings, the job. And the business.</p> <p>(a) Identify the external source of recruitment used by the company to hire new employees.</p> <p>(b) Explain the method of training used by the company to train employees selected by the source of recruitment identified in part (a).</p> <p>(c) State two ways in which the Project Readiness Program can benefit Accenture limited.</p>	4
26	<p>PVR is a renowned Multiplex operators in India. It owned 254 screens in 52 properties at 24 locations in the country. Considering the fact that there is more growing trends among the people to spend more of their disposable Income on entertainment. company planned to add more screen at existing locations and start at new locations also. They also planned to add food chain also at their locations. The company planned to float equity shares in the market to raise the desired capital. The issue was fully subscribed and paid. Over the years the sale and the profit of the company have increased tremendously and it has been declaring higher dividend and the market price of. Its share has increased many folds.</p> <p>(a) Name the different kinds of financial decisions taken by PVR Limited by quoting lines from para.</p> <p>(b) Do you think the financial management team of the company has been able to achieve its prime objectives? Why or why not?</p>	4

27	<p>Jaguar Limited set up manufacturing unit and Peabody at Himachal Pradesh to manufacture electric geezers and supply them to dealers all over the country. Their production target was 500 geezers per week. It was decided by the management that variation in the production up to 10 units would be acceptable.</p> <p>At the end of first week the production was 450 geezers. The next week production increased to 470 geezers. A week later production was 460 geezers. On investigation it was found out of their fluctuation in production. Was due to irregular supply of electricity.</p> <p>(a) The above para discusses some of the steps of one of the function of management. explain the steps .</p> <p>(b) Also state the steps not discussed in the para.</p> <p>OR,</p> <p>Controlling should not be misunderstood as the last function of management. It is a function that brings back the management cycle back to the planning function. In the light of the statement, discuss the importance of controlling function.</p>	4												
28	<p>Smartest Stationary Limited wants to raise funds of 40 Lac rupees for its new project. The management is considering the following mix of debt and equity to raise this amount.</p> <table border="1" data-bbox="236 1182 1380 1393"> <thead> <tr> <th>Capital Structure</th> <th>Alternative I</th> <th>Alternative Ii</th> <th>Alternative Iii</th> </tr> </thead> <tbody> <tr> <td>Equity</td> <td>40,00,000</td> <td>30,00,000</td> <td>10,00,000</td> </tr> <tr> <td>Debt</td> <td>0</td> <td>10,00,000</td> <td>30,00,000</td> </tr> </tbody> </table> <p>Other details are as follows:</p> <p>Interest rate on debt 9%.</p> <p>Face value of equity Shares rupees 100 each</p> <p>Tax rate 30%</p> <p>Earning before Interest and Tax (EBIT)</p> <p>(a) Under which of these three alternatives will the company be able to take advantage of trading on equity?</p> <p>(b) Does earning per share always rise with increase in debt?</p>	Capital Structure	Alternative I	Alternative Ii	Alternative Iii	Equity	40,00,000	30,00,000	10,00,000	Debt	0	10,00,000	30,00,000	4
Capital Structure	Alternative I	Alternative Ii	Alternative Iii											
Equity	40,00,000	30,00,000	10,00,000											
Debt	0	10,00,000	30,00,000											
29	Explain in brief, the following Rights:	4												

	<p>(a) Right to representation, (b) Right to information (c) Right to make choice. (d) Right to consumer education</p> <p>OR, State any 4 remedies available to consumers under Consumer Protection Act,2019.</p>	
30	<p>M/s Beta limited deals in consumer goods. It employs 100 workers and 10 operated managers who give guidance and support to the workers while operating the machinery. The company has a policy of granting leave as per the requirement of workers. Workers are generally granted leaves on festival and special occasions. Recently on Puja festival, it received a big order. Workers are keen to take puja holidays while management is pressing hard for overtime. This matter was placed before the personal manager, who called the meeting of operated managers and workers to inform them about the changes in the incentive plan, which states the payment of double wages for working overtime and triple wages for working on holidays. Workers without any pressure voluntarily took limited holidays and were able to increase their earning by working overtime and on holidays. During Board of directors meeting, Personal manager was asked to update the management for achieving higher output. Meeting timely supplies without any confrontation with workers, personal manager replied. I just used a carrot with no stick approach.</p> <p>quoting the lines from above paragraph. State any two elements of directing.</p>	4
31	<p>‘The pros and cons of each alternative need to be weighed.’ Name and briefly explain the logical steps in the process of planning which are followed by a manager before performing the step highlighted in the above statement.</p> <p>OR Briefly explain the next three steps in the process of planning which the manager will have to have to follow after using conjecture about what might happen in the future.</p>	6
32	<p>Jojo and Jojo is a company known for its consumer business of baby oil and bandages, but many people do not know that the company also runs a medical device and diagnostics business, as well as a pharmaceutical company. With more than 1,80,000 employees worldwide the company has chosen to share decision making authority with lower levels and place it nearest to the point of action. Therefore the response does not take time. This propagates the belief that people are competent, capable and resourceful who can get a chance to prove their abilities. And enables the company in identifying those executives who have the necessary potential to become dynamic leaders, so that the checking required on decisions taken by lower levels of management is the least. This makes it possible to evaluate performance at each level and each department can be individually</p>	6

	<p>held accountable for their results.</p> <p>By quoting the lines given above identify and briefly explain the benefits of the concept discussed above.</p>	
33	<p>Choco Ltd. offers a wide variety of chocolate products. It has an action program of not selling its products by their generic name but under different names like Choco-silk bar, Choco-Munchy and Choco-crunchy etc. for different customer segments. All these names have great popularity and acceptability in the markets.</p> <p>As the company policy the products were offered at reasonable and affordable prices for targeting a mass customer base.</p> <p>During the festive season the company launched a massive promotional campaign to increase its revenue and achieve its communication objectives. The company introduced free gifts for the customers.</p> <p>Their on-ground sales team delivers the product not only to the departmental stores but also to small shops, so that all segments of customers can easily get the products. They also provide information and support services to customers to ensure repeat sales.</p> <p>From the viewpoint of the management function, briefly explain any four activities of marketing which the firm will be involved in, apart from the above-mentioned ones it's already performing</p>	6
34	<p>Karina took over DN Motor Company from her ailing father three months ago. In the past, the company was not performing well. Karina was determined to improve the company's performance. She observed that the method of production as well as selection of employees in the company were not scientific.</p> <p>She believed that there was only one best method to maximize efficiency. She also felt that once the method is developed, the workers of the company should be trained to learn the best method. She asked the production manager to develop the best method to carry out the necessary training. The production manager developed this method using several parameters right from deciding the sequence of operations, places for men, machines and raw material till the delivery of the product to the consumer. This method was implemented throughout the organization. It helped in increasing the output, improving the quality and reducing the cost and wastage.</p> <p>Identify and explain the principles and techniques of scientific management followed by the production manager in the above case.</p>	6
