

**JB ACADEMY, (AYODHYA)**  
**HALF YEARLY EXAMINATION-(2023-24)**  
**BUSINESS STUDIES -CLASS XII**

**Duration: 3:00 Hrs.**

**MM:80 Marks**

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

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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, 2022. 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. 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

- a). Selling concept    b). Product concept    C) Production concept    d). Societal Marketing concept (1)

4. IND Dyechem Ltd. is a chemical manufacturing company producing dyes and pigments both for domestic and international market. It has enjoyed a considerable market share but lately, it has been facing problems in terms of target sales and customer satisfaction. This is due to the reason that new entrants have emerged with better technology and competitive pricing. The Chairman of the company addressed this issue in the departmental meeting. The production head, Mr. Kamble, advised the Chairman to revamp the system and take immediate necessary actions to rectify the problem so that sales are achieved as per the plans.

Identify the relevant function of management being discussed here.

- a) Organising            b) Staffing            c) Controlling            d) Planning (1)

5. The campaign led by the Indian government urging people to use mask and practice distancing to curb spread of COVID-19, is an example of a/an

- a) Service            b) Experience            c) Idea            d) Event

(1)

6. Terry International Ltd. earned a net profit of Rs. 50 crores. Ankit, the finance manager of Terry International Ltd, wants to decide how to appropriate these profits. Identify the decision that Ankit will have to take-

- a) Investment Decisions    b) Dividend Decisions    c) Financing Decisions    d) None of these    (1)

8. Match the philosophies in Column I with their main focus in Column II and choose the correct alternative

Column I	Column II
A    Product Concept	production on a large scale    i
B    Production Concept	Enhancing quality and Product    ii
C    Marketing Concept	Customer Satisfaction    iii

- a) A-i, B -ii, C-iii    b) A-iii, B-ii, C-i    c) A-ii, B-iii, C-i    d) A-ii, B-I, C-iii    (1)

9. Rohan Inherited a very large area of agricultural land in Haryana after the death of his grand father. He plans to sell this piece of land and use the money to set up a small-scale paper factory to manufacture all kind of stationery items from recycled paper. He consulted friends. Ramesh, who is working in a financial consultancy firm. Ramesh helped him to prepare a blue print of his future business operations. On the basis of sales forecast in next five years, based on these estimates he helped Rohan to asses the fixed and working capital requirements of business. In the context of above case-

Identify the type of financial service that Ramesh has offered Rohan.

- a) Financial Management    c) Financial Planning  
b) Trading in Securities    d) Capital Budgeting Decision    (1)

10. The Principle of Unity of Command states that if an employee gets order from other than one superior, then he will get confused and may not be able to fulfil either, which feature of management is being highlighted over here?

- a) Universal Applicability    c) General Guidelines  
b) Mainly Behavioural    d) Cause and Effect Relationship    (1)

11. Pricey Medicines was a world level medicine manufacturing company. However, recently its fame had come down under the impact of resignations put forth by two of its departmental heads. These departmental heads were experts in their fields. One was leading the marketing department and the other was a scientist of repute who headed the manufacturing department. In the top-level management meeting, it was found that such departmental heads who were specialists in their areas cannot be tackled by unity of command. They were egoistic as they were specialists. After the meeting, things started to change for the organisation as all the departments started to work with one single target of giving the company its lost fame. There was a combined effort which doubled the revenue of the organisation. A special regulation system of including every level manager was brought into action. Thus, the overall functioning of the organisation was improved. In this case a concept of management was missing. Identify it.

- (a) Cooperation    (b) Coordination    (c) Management    (d) Efficiency    (1)

12. Radiance Paint Company, which is manufacturing paints has been enjoying a prominent market position as it manufactures best quality paints and timely payment of taxes to the government. It assembles various inputs like finance, machines, raw materials, etc. from its business environment. But since last year, it has been dumping its untreated poisonous waste on the river bank which has created many health problems for the people. As a result, the court has passed an order to seal the manufacturing unit of the company. Identify the importance of business environment. highlighted in the above case.

- (a) It helps in identifying the opportunities and making first mover advantage.  
(b) It helps the firm in identifying threats and early warning signals.  
(c) It helps in tapping useful resources.

(d) None of the above (1)

13. Which of the following statements is false about FW Taylor and Henry Fayol?(a) Fayol was a mining engineer whereas Taylor was a mechanical engineer.

(b) Fayol's principles are applicable in specialised situations whereas Taylor's principles have universal application.

(c) Fayol's principles were formed through personal experience whereas Taylor's principles were formed through experimentation.

(d) Fayol's principles are applicable at the top level of management whereas Taylor's principles are applicable at the shop floor. (1)

14. Crackers Ltd., a fire-cracker manufacturing company launched some new products on eve of Diwali which attracted many buyers. To meet the increased demand, the company employed children from nearby villages. Although the product was in great demand, appropriate safety warning for use were not mentioned on the packets that led to many accidents. Identify the important product-related decision that was not taken into consideration by the company.

(a) Branding

b) Packaging

(c) Labelling

d) None of these (1)

15. Beta Ltd. manufactures files and folders from old clothes to discourage the use of plastic files and folders. For this, they employ people from nearby villages where very less job opportunities are available. An employee, Satish, designed a plan for cost reduction but it was not welcomed by the production manager. Another employee gave some suggestions for improvements in design, but it also was not appreciated by the production manager. State the principle of management that is violated in the above paragraph.

(a) Initiative

(b) Discipline

(c) Order

(d) Equity (1)

16. Match the features of Business Environment in column I with their explanations in Column II and choose the correct alternative.

Column I	Column II
A Differs from country to country	Complexity I
B Difficult to grasp the change in its totality	Relativity II
C Keep on changing in terms of competition, technology etc	Dynamic Nature III

a) I, II, III

c) II, I, III

b) II, III, I

d) III, II, I (1)

17. Match the levels of management in column given in Column I with functions performed by them in Column II and choose the correct alternative.

Column I	Column II
A Top-level Management	I Responsible for the activities of the first line Managers
B Middle Level Management	II Through their efforts quality of output is maintained
C Supervisory Management	III They analyse the Business Environment and implications for the survival of the firm

- a) III, I, II    c) II, I, III  
 b) I, II, III    d) III, II, I (1)

18. XYZ Limited has been experiencing growing competition in the market. The company doesn't see any forthcoming viable business expansion opportunities in the near future. So, the management of the company has decided to declare high dividends for the current financial year. Identify the factor related to dividend decision being described above.

- (a) Cash flow position    (b) Growth opportunities  
 (c) Stability of earnings    (d) Stability of dividends (1)

19. For the following two statements choose the correct option:  
 Statement I: Branding helps in differentiating the product from that of its competitors.  
 Statement II: Packaging facilitates the use of a product.  
 Choose the correct option from the options given below:

- (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 (1)

20. Within two years of its inception, Bharti Limited has created a very positive reputation about itself and its products in the eyes of general public by participating extensively in various social welfare programs. Identify the component of promotion mix described in the given lines-

- (a) Advertising    (b) Personal selling  
 (c) Public relation    d) Sales promotion (1)

21. Tomato Ltd., a food delivery service app has recently faced criticism for the tampering of their product, by their delivery boys. Tomato Ltd. decided to put a hologram seal on the food packets in order to protect the content from spoilage, leakage, pilferage, damage, along with a tag with a safety warning for the consumers to check the seal. a) Which concept of marketing discussed above is performing the important function of communicating with the potential buyer and promoting the sale (b) Also explain the points of its importance.

(3)

22. Arman works as the cost and risk management head of a company in power sector. As a result of his excellent managerial competence, the company is able to reduce costs and increase productivity. The company belongs

to infrastructure sector, wherein regular amendments are made in the government regulations and policies. He holds regular meetings to ensure that people in his department are not only aware of the related changes but are also able to adapt to these changes effectively. This helps the company to maintain its competitive edge. He motivates and leads his team in such a manner that individual members are able to achieve their personal goals while contributing to the overall organisational objective. In the process of fulfilling his duties for the growth of the organisation, he helps in providing competitive services, adopting new technology, creating more employment opportunities etc. for the greater good of the people at large. Identify three reasons that have made management so important by quoting lines from the paragraph. (3)

23. Prabhakar started a Publishing house named 'Entire' signifying the wide range of books it will offer ranging from comic series for children to novels and documentaries for serious readers. As a part of its marketing strategy, it decided to organise a mega reading event for which it even opened a Facebook page through which it invited people to come, attend and like the event. The event gave special invitation to the underprivileged children and to the orphanages who do not have access to such facilities. Prabhakar wanted to gain a lot of publicity through this. Do you think the brand name 'Entire' is relevant in context of the publishing house started by Prabhakar. Give any two reasons to justify your answer. (3)

24. "Mr. Ajay, Production Manager, and Mr. Raman, Human Resource Manager, were discussing the plans related to fresh recruitment of employees in the organisation. Mr. Ajay wanted that Mr. Raman should scientifically select the person and the work assigned to him should suit his/her intellectual capabilities. Mr. Raman wanted that the work should be divided into specialised tasks and then assigned to the worker according to his capability which will lead to increased efficiency in the production process." The given statement proves that the principles of Fayol and Taylor are complementary. Identify and explain the principles of management referred to above. (3)

25. Somnath Ltd. is engaged in the business of export of garments. In the past the performance of the company had been up-to the expectations. In line with the latest technology the company decided to upgrade its machinery. For this the Finance Manager Dalmia estimated the amount of funds required and the timings. This will help the company in linking the investment and the financial decisions on a continuous basis. Dalmia therefore began with the preparation of a sales forecast for the next four years. He also collected the relevant data about the profit estimates in the coming years. By doing this he wanted to be sure about the availability of funds from the internal sources of the business. For the remaining funds he is trying to find out alternative sources from outside.

- a) Identify the financial concept discussed in the above para.
- b) Also state the objectives to be achieved by the use of financial concept so identified.
- c) State any two importance of the Financial concept discussed in the above para..

(4)

26. It is heartening that the implementation of compliance requirements of the Companies Act 2013 has progressed substantially with NIFTY 500 companies. Data shows a significant increase in women's participation in the top management of Indian Companies from 5% few years ago to 13% now. Even companies which are not in NIFTY 500 have undertaken drives to increase women's participation across different areas of work. The government had also announced that it would support such companies. Identify and explain the dimensions of business environment discussed above which brought about the change.

**OR**

(4)

After identifying that the majority of Indians were vegetarians, the big giants like KFC and McDonalds introduced Veggie Wraps and Paneer Burgers for them. This not only helped them to fetch a good response in the market but also provided them with an opportunity to continue to succeed in the market for a longer period. What does the above situation talk about the importance of environment scanning to the big giants? Explain any three other benefits.

27. Identify and explain the principle of management being violated in the following situations:
- (a) When manager grants one-month medical leave to a supervisor with pay and only one-week medical leave to an accountant.
  - (b) When worker is wasting time in search of toolbox in the organisation. (4)
28. HCL Technologies is one of the leading information technology outsourcing services providers in India. The company provides business consultancy and outsourcing services to its clients. Over the past five years, the company has been paying dividends at high rate to its shareholders. However, this year, although the earnings of the company are high, its liquidity position is not so good. Moreover, the company plans to undertake new ventures in order to expand its business.
- (a) State any three reasons because of which you think HCL Technologies has been paying dividends at high rate to its shareholders over the past five years.
  - (b) Comment upon the likely dividend policy of the company this year by stating any two reasons in support of your answer. (4)
29. Vikas has completed his CA by clearing a specified examination by The Institute of Chartered Accountant of India. Nobody can become a CA without the step. He is working as finance manager in ABC Limited which is involved in manufacturing of tiles. There are other chartered accountants to this company but Vikas has the reputation of integrating department due to which performance of the company is getting better day by day.
- a) Mention the characteristic of profession discussed above application of existing theoretical knowledge which he has gained during his education He integrated the activity of Finance Department which increased production and sales.
  - b) At what level of management Vikas is working in the company
  - c) Which nature of management is mentioned above
  - d) Name the concept of management which Vikas is performing by integrating the activity of his department with another department give one importance of this concept. (4)
30. Kanpur Leather Ltd.' is the manufacturer of leather products. It is producing on large scale and its organisational structure is functional. In the production department various foremen have been employed. Each foreman has been made responsible for production, planning, implementation and control. This has led to a situation of confusion and uncertainty. Suggest a technique of scientific management to Kanpur Leather Ltd. which may help it to effectively organise planning and its execution.

**OR**

(4)

Subramaniam & Co. an aggarbatti manufacturing company in Bengaluru, have two offices in the c within 10 km area. It manufactures aggarbatties under city the brand name 'Aeroplane'. It is famous for its sandal and rose flavoured aggarbatties.

Mahesh and Rahul are accountants in each of the office having same qualification and work on the same post and perform same nature of work. In spite of that, Mahesh is getting salary of Rs.20,000 and Rahul is getting Rs. 16,000 per month. There is no logic behind this difference in salary. Management is also frustrated when they see that staff relating to production department is wasting its time in gossiping with sales department and members of sales team sitting in finance department. People and materials are not in suitable places.

(a) Mention the Fayol's principles of management violated in the given company. Also give one advantage of following each principle identified. (b) Explain the principle of *Espirit De Corps*.

31. Karan, after working as a chef in a reputed restaurant, started his business of catering. He gave the name 'Khana Khazana' to his concern and is very particular about the quality of his products. He advertised his products on different T.V. channels to make people aware about the services. He wants to fix prices for his products and services.

Explain the major factors affecting the price mix of a product to him.

**OR** (6)

A Company is planning to raise funds for a new project. It requires Rs 60,00,000 for installing the plant. It has studied the market and found that the stock market conditions are favourable and the economy is boom. Hence, there seems no issue raising in funds either by equity or debt. The present rate of interest prevalent in the market is 12% p.a. and the rate of tax is 20%. The company is earning Rs 8,00,000 before any interest or tax. The Finance Manager suggested that they can raise 50% amount through debt and other 50% by equity while the Assistant Finance Manager is of the view that the ratio of debt and equity should be 7:3. Who do you think is giving a better suggestion? Support your answer with proper justification.

32. Surekha, the Vice President (Marketing) of Shine Ltd., a shampoo manufacturer, was facing the challenges of increasing competition and decreasing demand. She told the CEO that they are not lagging behind on the product quality rather they need to re-launch their product in an attractive package. Most of their products share the shelf space with other competitors and hence fail to attract the eye of the consumer due to its black and white container. Also, the standard size of their bottle is 600 ml (without pump) which the consumers find inconvenient to handle. Hence, they should re-launch their shampoo with two new bright colours and pump bottles to regain their position in the market.

- a) Which level of Packaging was Surekha talking about?
- b) State two functions of packaging referred to by Surekha in the above case.
- c) State and explain the elements of Marketing Mix that includes the decisions related to packaging.

(6)

33. Reena is one of the most successful managers of her company, Globe Ltd. She knows that the principles of management are intended to apply to all types of organisations, business as well as non-business, small as well as large, public sector as well as private sector.(a) One of the points related to the nature of principles of management is being highlighted in the above description. Identify the point.(b) Explain other five other points of the nature of principles of management other than the one identified

**OR** (6)

An automobile company is a leading manufacturing company in its segment. The company has decided to launch fully solar charged vehicles. This technology will cost the company ₹2000 crores annually. When the relationship manager of the company was asked about the reason of bearing so much extra cost he replied that the company considered environmental friendly techniques as the only solution to increasing pollution. The company feels by bearing extra cost it is fulfilling its responsibility. Which concept of marketing management is being followed (Explain in Detail)

34. Ram, Shyam and Divyam are partners in a firm engaged in the distribution of dairy products in Uttar Pradesh. Ram is a holder of Senior Secondary School Certificate from CBSE with Business Studies as one of his elective subjects. Shyam had done his post-graduation in Hindi literature and Divyam in dairy farming. One day, there was a serious discussion between Shyam and Divyam regarding the nature of 'Management as a Science'. Shyam argued that management is not a science whereas Divyam was of the opinion that management is a science. Ram intervened and corrected both Shyam and Divyam about the nature of management as a science with the help of his knowledge of Business Studies. Explain how Ram would have been able to satisfy both Shyam and Divyam.

**OR**

(6)

Mr. Chauhan is running a poultry farm. He supplies eggs in the neighbouring market under the brand name 'Healthy Anda'. The product is packed in reusable crate of six pieces each. A proper label is also pasted giving the necessary information to the customers. Explain this component of product mix along with its functions.