**KENDRIYA VIDYALAYA SANGATHAN**

**BHUBANESHWAR REGION**

**MODEL QUESTION PAPER - 6**

**CLASS- XII**

**SUBJECT- BUSINESS STUDIES FULL MARK-80 TIME ALLOWED-3 Hrs**

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| **Q.NO** | **QUESTION** | **MARK** |
| 1. | Levels of management in an organisation serve as a \_\_\_\_\_\_\_\_ line among the  different managerial posts.  (a) Strong (b) Dividing  (c) Weak (d) Straight | 1 |
| 2. | The violation of which principle of management results in ‘disorderly flow of  information’?  (a) Scalar Chain (b) Unity of Command  (c) Authority and Responsibility (d) Stability of employees | 1 |
| 3. | Which of the following deals with the process of simplification of Import- Export?  (a) Liberalisation (b) Privatisation  (c) Liberalisation and Privatisation (d) Globalisation | 1 |
| 4. | ‘Smoking is prohibited in the factory’ what element of planning does it exemplify?  (a) Policy (b) Rule  (c) Procedure (d) Method | 1 |
| 5. | Rules are \_\_\_\_\_\_\_\_ details.  (a) Special (b) General  (c) Uncommon (d) None of these | 1 |
| 6. | Which is not a feature of formal organisation:  (a) It is personal (b) It is more stable  (c) It is deliberately created (d) It is based on rules and procedures | 1 |
| 7. | How many standardised forms of organisation structure are there?  (a) Two (b) Three  (c) Four (d) No definite number | 1 |
| 8. | Which of the following are parts of formal organisation?  (a) Functional organisation (b) Line organisation  (c) Line and staff organisatiion (d) All of these | 1 |
| 9. | Which source of recruitment is not available to the new organisations?  (a) Internal (b) External  (c) Both the above (d) Direct Recruitment | 1 |
| 10. | Loss of letter during the process of communication is the example of \_\_\_\_\_\_\_\_.  (a) Decoding (b) Message  (c) Encoding (d) Noise | 1 |
| 11. | Which of the following is associated with the Personnel Management?  (a) Individual production (b) Target of sales persons  (c) Absenteeism Rate (d) Flow of capital | 1 |
| 12. | The importance of ‘Trading on Equity’ lies in the fact that if the company is  earning more profit, it can make use of borrowed capital and preference share  capital and by doing so it can increase the income of \_\_\_\_\_\_\_\_  (a) Preference Shareholders (b) Lenders  (c) Equity Shareholders (d) Government | 1 |
| 13. | A fixed asset should be financed through:  (a) Long-term liability  (b) A short-term liability  (c) A mix of long and short-term liabilities | 1 |
| 14. | Current assets of a business firm should be financed through:  (a) Current liability only  (b) Long-term liability only  (c) Both types (i.e. long and short-term liabilities | 1 |
| 15. | Financial leverage is called unfavourable if:  (a) Return on Investment is lower than the cost of debt  (b) ROI is higher than the cost of debt  (c) Debt is easily available  (d) If the degree of existing financial leverage is low | 1 |
| 16. | Customer’s satisfaction alone can ensure success. Which marketing concept  holds this view?  (a) Production concept (b) Product concept  (c) Marketing concept (d) Selling concept | 1 |
| 17. | Which of the following is a factor of marketing mix?  (a) Product (b) Price  (c) Promotion (d) All the above | 1 |
| 18. | Who, of the following, cannot be considered a consumer?  (a) A person who buys things to further sell them consideration.  (b) A person who gets things without consideration.  (c) A person who uses things without the permission of the purchasers.  (d) All the above | 1 |
| 19. | Which of the following is not the example of unfair trade practice?  (a) Wrong information about goods/services.  (b) Compelling consumers to buy gas stove while getting gas connection.  (c) Not observing prescribed standards.  (d) Indulging in hoardings | 1 |
| 20 | Which of the following is a consumer organisation?  (a) Common Cause, New Delhi (b) Voice, New Delhi  (c) Consumer Forum, Udipi (d) All of these | 1 |
| ***Answer 5 questions carrying 3 marks.*** | | |
| 21. | No country is capable enough to produce all the goods and services itself required for its use. Almost all the countries have certain goods and services in surplus and in certain others, deficiency. In this way all of them feel the necessity for exporting the goods and services in surplus and those of deficiency, to import. In order to solve this problem several countries have zeroed in the complexities of import-export business. Consequently, balance is getting established in the demand and supply of goods and services.  Identify the concept of business environment described in the paragraph above and explain its meaning. Write one advantages of such concept. | 3 |
| 22. | “It is a process of equipping the employees with the required skill to perform the job”. Identify the process mentioned above. Also explain any two benefits of the identified process for the organization. | 3 |
| 23. | Vikash has completed his C.A. by clearing a specified examination by the Institute of Chartered Accountants of India. Nobody can become a C.A. without this step. He is working as finance manager in Kajaria Ltd, Which is involved in manufacturing of tiles. There are other Chartered accountants, too, in the company but Vikash has the reputation of creative application of existing theoretical knowledge which he has gained during his education. He integrates the activities of finance department with production and sale department due to which performance of the company is getting better day-by-day.   1. Mention the characteristics of profession discussed above. 2. At which level of management Vikas is working in the company? 3. Which nature of management is mentioned above? | 3 |
| 24. | Principles of management are not exact as the principles of science and they have to be modified according to a given situation. Which feature of science in not applicable to this statement? State any other two features of principle of management.  Or  Explain the following:-   1. Functional foremanship 2. Differential piece wage system | 3 |
| 25. | The decision whether to promote from “within or look elsewhere” has always been an organizational dilemma. In 2004, JC Penny a chain of departmental stores in US has faced with this dilemma while appointing the successor for its Chairman and CEO, Allen Questrom.  Subsequently, JC Penny surprised many by surpassing over Mr.Vennessa Castagna, who had played an important role in turning around the company as CEO and Chairman (before 1999 worked as Chief Production Manager) between 1999 and 2004, in favor of an outsider. They appointed Mike Ullman as its Chairman and CEO, previously working as Chief Personnel Manager of Maxim Promotion Pvt. Ltd.  Identify the sources of recruitment mentioned above. State one pros of bringing in an outsider and promoting from within mentioned above? | 3 |
| ***Answer 3 questions carrying 4 marks.*** | | |
| 26. | On Siddhartha’s Birthday his mother gifted him Gold wrist watch with diamond plating. After two months Siddhartha observed the watch is losing its shine. He checked the mark on the watch found that it was not a proper Hallmark and his mother had been cheated by the jeweler, so he filed a complaints in the district forum which was rejected. Not satisfied with the decision of District Forum, he was disturbed and after 50 days decided to appeal further.   1. Can he file a suit further? Give reason in support of your answer. 2. What are the responsibilities that his mother not exercised? 3. State any two values which are violated in the above case? | 4 |
| 27. | Digging out details with the Right-to-information Act, the television news network NDTV reported that the Common Wealth Games, which were expected to earn about Rs. 1, 780 Crores which ended up making just Rs. 400 Crores. Apart from wrong revenue expectations, the organizing committee had also expected a record presence of tourist in Delhi during the game and had accordingly made elaborate arrangements, most of which were left unutilized eventually.   1. Name the function of management and the step in the process of the function in which organizing committee had failed. 2. Explain the next two steps in the process mentioned above. | 4 |
| 28. | Distinguish between Unity of Command and Unity of Direction on any four basis  Or  Distinguish between Method and Budget on any four basis. | 4 |
| ***Answer 3 questions carrying 5 marks.*** | | |
| 29. | Explain any five points which highlights the importance of “controlling” functions in management.  Or  Controlling and planning are inseparable as they are interdependent and interrelated. Comment giving proper reason for your answer. | 5 |
| 30. | In 2010 Shivraj Puri, a relationship manager employed with Citibank’s Gurgaon Branch, allegedly collected fund from wealthy customers and corporate by showing them a forge notification of SEBI. He lured them into making investment on promise of unusually high returns. Puri was caught and was accused of siphoning off Rs. 300 Crores of account holders money and diverting it into the stock market. Officials from investing department of SEBI questioned Puri about the case.   1. SEBI is a stock market regulator. Then why is SEBI investigating into a banking scam? 2. Mention the function of SEBI explained above. 3. Explain any three functions under the functions identified above. | 5 |
| 31. | Proctor and Gamble Company an American multinational consumer goods company is known for various products like pet food, cleaning agents and personal care products.  There are 39 members in the executive team of P&G. Each member is specialist in his/her particular field and handles various operations related to different products manufactured by the company.   1. Identify the type of Organizational structure followed by P&G. 2. Explain any two merits and two demerits of the structure identified.   Or   1. “Authority can be delegated but responsibility can not be”. Give reasons in support of your answer. 2. Responsibility is different than authority. Comment with reason. | 5 |
| ***Answer 3 questions carrying 6 marks.*** | | |
| 32. | The workers of a reputed automobile plant went on a rampage. They claimed that a superior has passed castiest remarks against a worker and slapped him after which the management had suspended the worker.  The worker’s Union demanded reinstatement of the workers, which the management refused. This sparked a huge violence in the plant. Hundreds of workers stormed into the management’s office. They assaulted the GM, HR and about 100 other executives. The GM HR was burnt alive and tortured to death.   1. Determine the functions that the supervisor had contravened, which led to the worker’s protest? 2. State and explain any other element of directing. 3. Name any two values violated in the above case. | 6 |
| 33. | Define Capital Structure. Explain how the following factors determine capital structure of an organization.   1. DSCR 2. Tax Rate 3. Control 4. Flexibility   Or  Define the meaning of fixed capital. How does the following factors determine the need of fixed capital requirement.   1. Nature of business 2. Scale of operation 3. Technique of production 4. Technology upgradation | 6 |
| 34. | Samsung is famed for its various innovative eco-friendly product in the market. It ensures that its products comply with the global environmental regulations as well as satisfy consumer demand for eco friendly products. For refrigerators, the company developed reusable packaging technology by replacing paper and polystyrene with expanded polypropylene (EPP). The EPP packaging containers can be reused upto forty times for delivering refrigerators; hence it has a considerably lower impact on the environment as compared to the paper packaging system.   1. From the above given case, identify and explain the marketing philosophy adopted by Samsung. 2. Also write the main focus of the marketing philosophy identified. 3. Write any two advantages of the element packaging mentioned here? 4. Which values is Samsung catering to by adopting this packaging?   Or  What do you mean by packaging? State and explain any four functions of packaging? | 6 |

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**MODEL QUESTION PAPER – 6 - MARKING SCHEME**

**CLASS- XII**

**SUBJECT- BUSINESS STUDIES FULL MARK-80 TIME ALLOWED-3 Hrs**

|  |  |  |
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| **Q.NO** | **QUESTION** | **MARK** |
| 1. | Dividing | 1 |
| 2. | Scalar Chain | 1 |
| 3. | Liberalisation | 1 |
| 4. | Rule | 1 |
| 5. | Special | 1 |
| 6. | It is personal | 1 |
| 7. | Two | 1 |
| 8. | All of these | 1 |
| 9. | Internal | 1 |
| 10. | Noise | 1 |
| 11. | Absenteeism Rate | 1 |
| 12. | Equity Shareholders | 1 |
| 13. | Long-term liability | 1 |
| 14. | Both types (i.e. long and short-term liabilities | 1 |
| 15. | Return on Investment is lower than the cost of debt | 1 |
| 16. | Marketing concept | 1 |
| 17. | All the above | 1 |
| 18. | A person who buys things to further sell them consideration. | 1 |
| 19. | Compelling consumers to buy gas stove while getting gas connection. | 1 |
| 20 | All of these | 1 |
| ***Answer 5 questions carrying 3 marks.*** | | |
| 21. | Globalization- it means bringing about integration of economic situation with the rest of the world. One advantages of globalization. | 3 |
| 22. | Process mentioned here is Training.  Any three benefits of training to the organization | 3 |
| 23. | 1. Restricted entry to a profession 2. Vikash is working at middle level of management 3. Management as an Art | 3 |
| 24. | Universal validity and application.  Any other two feature of principles of management.  Or  Correct explanation of the topic | 3 |
| 25. | sources of recruitment are  a. internal source  b. external source  c. one advantage of both the sources | 3 |
| ***Answer 3 questions carrying 4 marks.*** | | |
| 26. | 1. No he cannot file a suit further. Because he must file the suit further within 30 days from the date of hearing in the district forum. 2. Responsibilities not exercised by his mother are   a. Cautious customer  b. consumer must be quality conscious  iii. values that are missing  Honesty, Responsible (any other) | 2  1  1 |
| 27. | 1. Planning function and   Developing planning premises   1. Listing the various alternatives for achieving objectives and 2. Evaluation of different alternatives | 1  1  1  1 |
| 28. | Correct distinction between the topic on any four basis | 4 |
| ***Answer 3 questions carrying 5 marks.*** | | |
| 29. | Five importance of controlling  Or  Reasons which defines the relationship between planning and controlling, how they are interrelated and interdependent. | 5 |
| 30. | 1. Because Mr. Puri has make the investment in stock market indulging in fraudulent trade practices. When a stock market affair is involved it comes under the purview of SEBI. 2. Protective function 3. Checks price rigging   It prohibits insider trading  SEBI prohibits fraudulent and unfair trade practices | 1  1  1  1  1 |
| 31. | i. Divisional structure  ii. Any two Advantages of divisional structure  iii. Any two disadvantages of divisional structure  or   1. Correct explanation of how authority can be delegated but responsibilities can not be. 2. Distinction between authority and responsibility. | 5 |
| ***Answer 3 questions carrying 6 marks.*** | | |
| 32. | the functions that the supervisor had contravened   1. Maintaining friendly relationship with workers 2. Improving morale of workers 3. Maintaining group unity among workers 4. Values that are violated here are: 5. Other element of directing are 6. leadership 7. communication 8. motivation   values violated in the above paragraph  a. Humanity  b. Cooperation  c. Patience (any two) | 6 |
| 33. | Correct explanation of the factors, how they determine the related topic i.e. capital structure and fixed capital. | 6 |
| 34. | 1. Societal concept and its explanation 2. Customer satisfaction with in ethical and ecological boundaries of our society. 3. Any two advantages of packaging 4. Concern towards environment, Ethical act (any other)   Or  Meaning of packaging  Any four functions of packaging | 6 |