



Delhi Public School, Howrah
PREBOARD EXAMINATION- (2024-2025)
Class-XII

Care must be taken not to write anything on the question paper. All the questions must be attempted in the correct sequence.

SUBJECT: BUSINESS STUDIES (CODE-054)

Time Allowed - 3 Hours

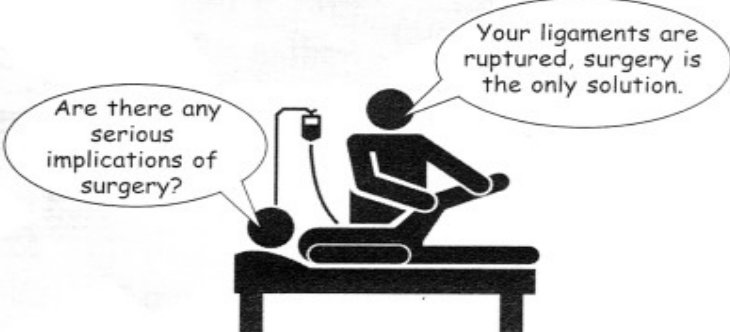
Maximum Marks - 80

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 should be within 50 to 75 words.
5. Answers to the questions carrying 4 marks should not be more than 150 words.
6. Answers to the questions carrying 6 marks should not be more than 200 words.
7. Attempt all parts of the questions together.

1.	According to the United Nations Environmental Agency, the world produces around 300 million tons of plastic each year, half of which constitutes single-use items. Ford is recycling over one billion plastic bottles every year to develop elements of the car's interior, reducing the amount of plastic ending up in a landfill. The American car maker has revealed that their Romanian-built EcoSport SUVs' carpets are made using 470 recycled single-use plastic bottles. The process for making Ford EcoSport carpets involves shredding bottles and their caps into tiny flakes and then heating them to 260° C. Identify the related dimension of business environment. (a) Economic dimension (b) Social dimension (c) Technological dimension (d) Political dimension	1
2.	Choose one of the correct alternatives given below based on the given Assertion (A) and Reason(R). Assertion (A): Capital budgeting decisions are very crucial and must be taken with utmost care. Reason (R): Investment decisions affect the earning capacity of the firm over the long run and are irreversible except at a huge cost. Alternatives: (a) Both Assertion (A) and Reason (R) are True and Reason (R) is the correct explanation of Assertion (A). (b) Both Assertion (A) and Reason (R) are True but Reason (R) is not the correct explanation of Assertion (A). (c) Assertion (A) is True but Reason (R) is False. (d) Assertion (A) is False but Reason (R) is True.	1
3.	Aharshi has started his own consultancy firm under the name 'Happy Go Lucky' after working for five years in a company as a wedding planner. Considering the fact that he is into a labour-intensive business and motivation is a complex process, Aharshi wants to offer such rewards and benefits that will help to fulfil the various needs of the employees and will inspire them to give their best to the organisation. Which of the following is not an example of a non-financial incentive? (a) Career Advancement Opportunity (b) Perquisites (c) Status (d) Organisational Climate	1
4.	Max Ltd. needed funds to fulfil a big order. The management of the company borrowed money from a financial institution @ 15% interest, while the prevailing rate of interest was 11%. As a result of this the company was able to achieve the target. According to you, management was _____.	1

	(a) Effective (b) Efficient (c) Both (a) and (b) (d) Inefficient																	
5.	Rishabh has joined as a Creative Head in an entertainment company. He always ensures that the work has been divided into small and manageable activities and also the activities of similar nature are grouped together. Identify the related step in organising process being mentioned in the above lines. (a) Identification and division of work (b) Departmentalisation (c) Assignment of duties (d) Establishing reporting relationships	1																
6.	Considering the fact that it is difficult to find one single person with all the needed qualities, Taylor suggested appointment of a specialist through this technique of scientific management. Identify the technique from the given lines. (a) Standardisation and simplification of work (b) Method study (c) Functional foremanship (d) Motion study	1																
7.	The growing awareness about healthcare has led to an increase in the demand for healthcare products and services in the country. Identify the feature of business environment being described in the above case. (a) Dynamic nature (b) Uncertainty (c) Relativity (d) Interrelatedness	1																
8.	The manager of ABC Ltd. asked his workers to work overtime to increase the production and earn more but he did not pay extra wages to workers for extra time worked. The workers started feeling dissatisfied and stop contributing maximum. Which principle of Fayol is violated in the above case? (a) Discipline (b) Equity (c) Esprit De Corps (d) Order	1																
9.	Match the various terms of Planning. Column - I with their respective Statements in Column-II. <table border="1" data-bbox="224 1199 1367 1430"> <thead> <tr> <th colspan="2">COLUMN – I</th> <th colspan="2">COLUMN – II</th> </tr> </thead> <tbody> <tr> <td>A</td> <td>Rule</td> <td>i)</td> <td>Provide the prescribed ways or manner in which a task has to be performed considering the objective.</td> </tr> <tr> <td>B</td> <td>Policy</td> <td>ii)</td> <td>Specific statements that inform what is to be done</td> </tr> <tr> <td>C</td> <td>Methods</td> <td>iii)</td> <td>General statements that guide thinking or channelise energies towards a particular direction.</td> </tr> </tbody> </table> (a) A(ii), B(iii), C(i) (b) A(i), B(iii), C(ii) (c) A(iii), B(ii), C(i) (d) A(i), B(ii), C(iii)	COLUMN – I		COLUMN – II		A	Rule	i)	Provide the prescribed ways or manner in which a task has to be performed considering the objective.	B	Policy	ii)	Specific statements that inform what is to be done	C	Methods	iii)	General statements that guide thinking or channelise energies towards a particular direction.	1
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10.	Pragati Limited has chalked out an action plan in order to increase its market share in the international market by 20% in the next one year. The action plan contains the details about how the production levels will be increased, promotional activities will be carried out and so on. Identify the type of marketing function being described in the given lines. (a) Gathering and analysing market information (b) Marketing planning (c) Product designing and development (d) Packaging and labelling	1																

11.	<p>Statement I: A decentralisation policy helps to identify those executives who have the necessary potential to become dynamic leaders.</p> <p>Statement II: Decentralisation awards greater autonomy to the lower levels of management as well as divisional or departmental heads.</p> <p>Choose the correct option from the following:</p> <p>(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.</p>	1
12.	<p>In 2019 alone, Swiggy has launched operations in 300 towns and cities. Swiggy follows a two-step sequence while expanding to a small town. First, it provides more laborious training to restaurants and delivery partners compared to their counterparts in the city. Second, it focuses on building scale in operations and increase the restaurant's reach to a larger base of consumers, including optimizing kitchens, resource planning among others. Identify the type of plan being described in the above lines.</p> <p>(a) Method (b) Strategy (c) Programme (d) Procedure</p>	1
13.	<p>Identify the responsibility of consumers being highlighted in the picture given below.</p>  <p>(a) Be honest in your dealings. (b) Learn about the risks associated with products and services. (c) Assert yourself to ensure that you get a fair deal. (d) Respect the environment.</p>	1
14.	<p>Silicon Ltd offers IT services to clients across the country. During Covid 19, to accommodate changes taking place in the business environment, it suitably modified its organisation structure in a way that work from home became the new way of working for all employees bringing cost benefits and flexibility in the organisation. Identify the importance of organising from the following points.</p> <p>(a) Benefits of Specialisation. (b) Adaptation to change. (c) Development of Personnel. (d) Clarity in working relationships.</p>	1
15.	<p>_____ is the learning experience that seeks relatively permanent change in an individual which will improve his ability to perform on job.</p> <p>(a) Training (b) Development (c) Attitude formation (d) Job analysis</p>	1
16.	<p>'One of the incentives includes a greater variety of work content, giving workers more autonomy and responsibility and providing the opportunity for personal growth.' Which of the following incentives are discussed here?</p> <p>(a) Employee recognition programme (b) Career advancement opportunity (c) Job enrichment (d) Employee Participation</p>	1

17.	<p>OM Sweets is a renowned name for quality sweets since 1915. Amrit, the owner of OM Sweets was worried as the sales had declined during the last two months. When he enquired from the Sales Manager, the Sales Manager reported that there were some complaints about the quality of sweets. Therefore, Amrit ordered for sample checking of sweets. Identify the step taken by Amrit that is related to one of the functions of management.</p> <p>(a) Measurement of actual performance. (b) Corrective action (c) Comparison of actual performance with standards (d) Finding deviations</p>	1
18.	<p>Statement I: When authority is transferred, responsibility is automatically transferred. Statement II: When responsibility is transferred, authority is not automatically transferred. Choose the correct option from the following:</p> <p>(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.</p>	1
19.	<p>ABC Ltd. has debt equity ratio of 3:1 whereas XYZ Ltd. has debt equity ratio of 1: 1. Name the advantage ABC Ltd will have over XYZ Ltd, when the rate of interest is lower than the rate of return on investment of the company.</p> <p>(a) Trading on equity (b) Low risk (c) Low cost of equity (d) Greater flexibility</p>	1
20.	<p>Statement I: A company wants to establish a new unit in which a machinery of worth Rs.50 lakh is involved. Here in the said case, investment decision is involved. Statement II: Working capital involves the allocation of firm's capital to long-term assets or projects. Choose the correct option from the following:</p> <p>(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.</p>	1
21.	<p>Yash Ltd. is facing a lot of problems these days. It manufactures electronic goods like washing machines, microwave ovens, refrigerators and air-conditioners. The company's margins are under pressure and the profits and market share are declining. The production department blames marketing department for not meeting sales targets and marketing department blames production department for producing goods, which are not of good quality to meet customers' expectations. The finance department blames both production and marketing departments for declining return on investment and bad marketing.</p> <p>(a) What quality of management do you think the company is lacking? Justify your answer. (b) State the importance of the concept identified in (a).</p>	3
22.	<p>State any three regulatory functions of Securities and Exchange Board of India.</p> <p style="text-align: center;">OR</p> <p>Differentiate between 'Money Market' and 'Capital Market' on any three bases.</p>	3
23.	<p>Karodimal ltd. manufactures fashionable and designer clothes. Recently it finds that the demand for its product been declining. After market research it was discovered that fashion and tastes of the consumers is changing at a pace. Consumers demand is increasing. New competitors have entered the market with new design. It is difficult for the company to predict future happening. Also, it is difficult to know the extent of the relative impact of the social, economic, political, technological or legal factors on decrease in demand of its product in the market. A meeting was held in which managers from different functional level heading production, marketing, financial etc. for example, chief operating officer, chief finance officer, vice president (marketing) were present to discuss how to deal with the situation. After a long discussion, it was decided that they would study and analyse the market first to identify customers taste and fashion and then manufacture garments accordingly. It was also decided to increase expenditure on advertising, after sale service, etc.</p> <p>(a) Identify any two features a business environment by quoting the lines from the above case.</p>	3

	(b) State the importance of understanding of environment by business managers in the light of the above paragraph.	
24.	<p>Identify the principles/techniques of scientific management in the following cases:</p> <p>(i) An efficient employee produces more and earns more. (ii) Replacing hit and trial methods with rational approach. (iii) Employer will take care of employees as a father would take care of his kids.</p> <p style="text-align: center;">OR</p> <p>Explain the following principles of Scientific Management:</p> <p>(i) Science, Not Rule of Thumb (ii) Harmony, Not Discord (iii) Development of Each and Every Person to His or Her Greatest Efficiency and Prosperity</p>	3
25.	<p>State and explain the type of barrier mentioned in the following statements</p> <p>a) These are concerned with encoding/decoding of messages. b) A worried person cannot communicate properly. c) Authority relationships and rules and regulations obstruct communication.</p> <p style="text-align: center;">OR</p> <p>"Directing initiates every action in the organization". Considering this statement, list any three reasons why directing is important.</p>	4
26.	<p>How are consumer grievances redressed by the three-tier machinery under CPA,2019? Explain.</p> <p style="text-align: center;">OR</p> <p>State any four reliefs available to the consumers if the consumer court is satisfied about the genuineness of the complaint.</p>	4
27.	<p>Mrs. Jaison sent a jacket to a laundry shop. The jacket was purchased at a price of Rs.5,000. She had previously sent the jacket for dry cleaning with 'Angel Dry Cleaners' and the jacket was cleaned well. However, she noticed that her jacket had white discolouration marks when she collected the jacket at that time. On informing the dry cleaner, Mrs. Jaison received a letter confirming that discolouration indeed appeared after the jacket was dry cleaned. She contacted the dry cleaner multiple times and requested for compensation for discoloured jacket. She filed case in consumer court. Upon consumers court's intervention, 'Angel Dry Cleaners' agreed to compensate Rs. 3,000 to Mrs. Jaison for the discoloured jacket.</p> <p>a. Which right was exercised by Mrs. Jaison at the first instance? b. Name and explain the right which helped Mrs. Jaison to avail the compensation. c. State the consumer responsibility that has been fulfilled by Mrs. Jaison in the above case.</p>	4
28.	<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. As the company policy the products were offered at reasonable and affordable prices for targeting a mass customer base. 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. 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 is already performing.</p>	4
29.	<p>After completing her studies in product design, Sarah wishes to start her own business to design products to cater to the mobility and communication requirements of persons with special needs. She told her friend that she wanted to focus on supplying high quality and affordable products on "no profit – no loss basis". The Unique Selling Proposition (U.S.P) of the products will be sensitivity to challenges and needs of the differently abled. She has to follow a series of steps to attain her predetermined objectives. In the above lines, Sarah has discussed about one of the functions of management. Identify the function and state its steps in chronological order other than the one discussed in the above paragraph.</p>	4

30.	<p>Ms. Ananya had lost her physical share certificates of LKG Ltd while travelling in a transport bus. After a long time, she was able to trace out her lost certificates. Now she is facing difficulties in selling those shares. One of her friends suggested to convert those physical certificates into electronic format. Friend had an opinion that “it would be easy to convert electronic securities into cash”. On the basis of the above discussion, answer the following questions.</p> <p>a) Name the account which is opened to convert physical securities into electronic form. b) With whom will she have to open this account? c) Which are the two major organizations, in India, who keep securities in electronic form?</p>	4												
31.	<p>Which function of management helps in obtaining right people and putting them on the right jobs? Explain any five points of importance of this function.</p> <p style="text-align: center;">OR</p> <p>a) Staffing as a part of Human Resource Management includes many specialised activities. Explain any three such activities. b) Explain (i) Apprenticeship and (ii) Job rotation, as methods of training.</p>	6												
32.	<p>Vedansh Limited has a share capital of Rs.10,00,000 divided into shares of Rs.100 each. For expansion purpose, the company requires additional funds of Rs.5,00,000. The considering the following alternatives for raising funds.</p> <p>Alternative 1: Issue of 5,000 equity shares of Rs.100 each. Alternative 2: Issue of 10% debentures of Rs.5,00,000.</p> <p>The company's present Earnings Before Interest and Tax (EBIT) is Rs.4,00,000 p.a. Assuming that the rate of Return of Investment remains the same after expansion, which alternatives should be used by company in order to maximise the returns to the equity shareholders. The tax rate is 50%. Show the working.</p> <p style="text-align: center;">OR</p> <p>'Smart Stationery Ltd.' wants to raise funds of Rs.40,00,000 for its new project. The management is considering the following mix of debt and equity to raise this amount.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Capital Structure Alternative</th> <th style="text-align: center;">I</th> <th style="text-align: center;">II</th> <th style="text-align: center;">III</th> </tr> </thead> <tbody> <tr> <td>Equity (Rs.)</td> <td style="text-align: center;">40,00,000</td> <td style="text-align: center;">30,00,000</td> <td style="text-align: center;">10,00,000</td> </tr> <tr> <td>Debt (Rs.)</td> <td style="text-align: center;">NIL</td> <td style="text-align: center;">10,00,000</td> <td style="text-align: center;">30,00,000</td> </tr> </tbody> </table> <p>Other details are as follows: Interest Rate on Debt is @ 9% Face Value of Equity Shares Rs.100 each. Tax Rate is 30%. Earnings Before Interest and Tax (EBIT) Rs.8,00,000</p> <p>(i) Under which of the three alternatives will the company be able to take advantage of Trading on Equity? (ii) Does Earning Per Share always rise with increase in debt?</p>	Capital Structure Alternative	I	II	III	Equity (Rs.)	40,00,000	30,00,000	10,00,000	Debt (Rs.)	NIL	10,00,000	30,00,000	6
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Equity (Rs.)	40,00,000	30,00,000	10,00,000											
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33.	<p>Anoop started 'Cat's Eye', a company providing cyber security solutions to businesses. Its objective is to prevent, detect, 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 got delighted when he was given a big project by the Ministry of Science and Technology. While working on the project he found that the volume of work made it impractical for him to handle all the work by himself. Therefore, he decided to expand the team. The company maintained a close liaison with an engineering college in the State. During a campus placement, Arya and Arun were appointed to work for the new project. He found the new employees capable, enthusiastic and trustworthy. Anoop was thus, able to focus on the objectives and with the help of Arya and Arun, the project was completed on time. Not only this, Anoop was also able to extend his area of operations. On the other hand, Arya and Arun also got opportunities to develop and exercise initiative.</p> <p>a) Identify and explain briefly the concept used by Anoop in the above case which helped him in focussing on the objectives. b) Also, explain any four points of importance of the concept identified in part (a).</p>	6												

34. A critical point control (CPC) approach is followed by McDonald in the cooking and handling process so that any food safety threat can be prevented, eliminated, or reduced to an acceptable level. Hence, continuous monitoring of activities are undertaken to ensure that the process is right at each critical point control. The main principle followed for cooking at McDonald's is "less amount many times" which can ensure the high quality and high fresh level of the food. For instance, if your hamburgers have to be made, a worker cannot cook all the four hamburgers at one time. The time figured out for making one hamburger is one hundred and forty-five seconds. Moreover, nearly all foods in McDonald's have a specific holding time, the holding time for hamburgers is ten minutes and for French fries is seven minutes. If it is not sold within that time, it is thrown away. Also, the temperature of the milk sent by the supplier must be under 40c, otherwise, it will be returned.

In context of the above case:

- a) Name the steps involved in the controlling process which is being discussed in the above lines.
- b) What do you understand about 'critical point control'? Explain.
- c) How does the controlling function of management help in accomplishing organizational goals and ensure efficient use of resources?

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