

MAHARAJA AGRASEN MODEL SCHOOL
BUSINESS STUDIES (2014-2015)
CLASS XII

SAMPLE PAPER – 1

1. Define 'Management'. 1
2. State how Management Principles are 'behavioural'. 1
3. What do you mean by 'Planning is Pervasive'. 1
4. Which type of organisational structure is formed by grouping of jobs of similar nature under functions and organising these major functions as separate departments like Production, Marketing, Finance etc. 1
5. What is 'Management of fixed capital'? 1
6. Mr. Ranjeet and Mr. Ganesh, Directors of Aqua Ltd. Co. were discussing about how to raise the funds in market. Mr. Ganesh said that they wanted to earn high yield of return irrespective of the risk involved in it.

Mr. Ranjeet and Mr. Ganesh were talking about the "market". Identify the market? 1
7. A company wants to retain the control over the distribution process. What type of distribution should it choose? 1
8. Mr. Raju bought olive oil from Department Store and took the cash memo of Rs.500/- which he had paid to them. Later on, he found that MRP of olive oil was Rs.425/- only but the shopkeeper had put a sticker of Rs.500/- on the original price. Do you think that the consumer right is violated here? If yes, name it. 1
9. Astha Ltd. has 10 sales executives for selling its goods in a district. Now the company desires to sell its products in two more districts. It needs 20 additional sales executives. If 5 sales executives already working are due to retire shortly, then 5 more sales executives will have to be appointed in their place. Thus, in all 25 sales executives will be needed by the company. The company has reserved additional requirements for women.

(a) In the above case one of the management functions has been highlighted. Identify the management function.
(b) Enumerate the process of the above function of management. 3
10. Mr. Saurabh, Manager of the Customer Relations Department of RT Ltd., promoted Ms. Samira as Office Supervisor, earlier a typist in the department. As a supervisor, she manages work assignments effectively but does little to supervise the staff. She doesn't check the work of staff in compliance with quality standards or to see completion of work in time. Saurabh received a number of complaints from department regarding poor work performance, staff taking long coffee breaks and spending time on personal phone calls.

(a) Which style of leadership is being followed by Ms. Samira?
(b) Did the employees of Ms. Samira deserve such a style of leadership. Explain.

- (c) What steps are required? 3
11. On the one hand investors in general, view an increase in dividend as good news and stock prices react positively to it but on the other hand the Companies Act places certain restrictions on payouts as dividend. These restrictions must be adhered to while declaring the dividend. To avoid these types of restrictions, management of Crompton Ltd. decided to raise funds such as treasury bills, commercial bills etc.
- (a) Identify the factor affecting dividend decision under which investors consider an increase in dividend as a good news.
- (b) Identify the type financial market through which the company decided to raise funds.
- (c) Identify the value which is being emphasized when company declares dividend as per the provisions of the Companies Act. 3
12. Explain any three features of marketing. 3
13. Enumerate any three importance of planning. 3
14. Krishna Ltd. is a finance company. Due to acute shortage of space, Mr. Anwar, a typist, is not assigned a particular place to do his job. Everyday he has to work from a new place and is assigned a new table. One day a document needed to be urgently typed and sent to client's office for approval of a project. Mr. John (Manager) could not find Anwar. As a result, the company lost the important project and could not avail itself of the opportunity.
- (a) Which principle of Fayol is violated here?
- (b) What does it state? 4
15. Enumerate the impact of government policy changes on Business and Industry. 4
16. Naman, working as supervisor in Rainbow Ltd. is given a target of producing 100 shirts a day. Due to his habit of doing things differently, an idea struck him which would not only give job opportunities to the disabled people but also help in reducing per unit cost and increasing the production per day. Naman also decided that after giving job opportunities he would also transfer authority from a supervisor to a subordinate as the superior can not perform all the functions on his even. However, Hari Singh, the Production Manager, does not give any importance to Naman's creativity and hence does not allow Naman to deviate from the pre-decided methods and techniques.
- (a) By not allowing Naman from deviating from the pre-decided methods and techniques, Mr Hari Singh gave rise to one of the limitations of management function. Identify the management function and the limitation.
- (b) Which concept is being followed by Naman by transferring authority from superior to subordinate?
- (c) Which 'values' Hari Singh must have for the employees like Naman. 4
17. Tyre Centre Ltd manufactures tubeless radial tyres for cars. It has laid down the quality standards as follows :
- Weight 6.5 kilos
 Content of Rubber - 90%
 Steel wiring used for making beading of the tyre – 10%
 Depth – 8mm to 10mm

After manufacturing some tyres, they adopted a system which would enable them to verify whether the above standards set were accurate and objective or not. But they found that it was not accurate in terms of quality. Therefore they re-processed it.

- (a) Identify and explain the concept being referred above.
- (b) Identify the system which enables the management to verify whether the standards set are accurate and objective or not.
- (c) Give two importance of the management function identified in part (a). 4

18. Enumerate the functions of stock exchange. 4

19. Manju purchased some households goods from a 'General Store'. After reaching home she found a body lotion in her bag which she had not billed for. She checked the date of expiry and other details and after satisfying herself she started using it. Immediately she developed some rashes on her skin.

- (a) As a consumer where should Manju file a complaint.
- (b) Also state that who can file a complaint under Consumer Protection Act, 1986?(state any two) 4

20. A manager, no matter how capable he is, cannot manage to do every task on his own. The volume of work makes it impractical for him to handle it all by himself. As a consequence, Mr. Rahul, Production Manager of Zee Ltd downwardly transfers some of his authorities to Mr. Hemant, one of his subordinates.

- (a) Name the process under which Mr. Rahul transfers some of his authorities to Mr. Hemant.
- (b) Name the three elements of process identified in (a) above.
- (c) Identify the elements of the above process that cannot be entirely downwardly transferred but flows upwards from subordinates to superiors. 5

21. Raaga Ltd., a leading manufacturer of iron and steel decided to open up new branch in remote areas in Rajasthan so that unemployed youth from the rural areas could get same opportunities as those available in the urban areas. The company also decided to provide these employees with wage incentive plans linked with payment of wages based on actual output against targets. For recruitment and selection of persons for different posts, the company gave an advertisement for the local newspaper of that area. All this requires a particular process which is explained in one of the functions of management.

- (a) Identify the managerial function under which the process of recruitment and selection of employees is done.
- (b) Enumerate the stages in the process of managerial function identified in (a) above.
- (c) Identify the incentive being referred above.
- (d) Identify the value which the Raaga . desires to emphasize by opening a new branch in the remote areas of Rajasthan. 5

22. Explain the meaning and elements of directing. 5

23. Explain any four features of management. 6

24. A State Electricity Board under the ownership of State Government was privatized in 2011. The company raised funds by issue of equity shares of Rs.10 each sold at a premium of 100% i.e. for Rs.20 each. The market price of share reached a value of Rs.32 on first day of trading.

The company has since been in operation for eighty years as a private sector company. The company has shown remarkable growth as indicated by rise in revenues, operating profit,

profit after tax, resulting into maximization of wealth of its shareholders. It has increased its assets base by buying fixed assets. As a private sector company, it has paid dividends in accordance with the policy stated in the prospectus.

(a) What decisions have been taken in achievement of the objectives of financial management after privatization?

(b) Explain the decisions identified in (a).

(c) How has a company maximized the wealth of its shareholders ?

6

25. It pays to advertise.' Do you agree with this statement? Give reasons.

6