

# First Mock Examination – December 2017

Roll No.

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Series SSR / 1

Code No. 054/ 1 / 2

- Please check that this question paper contains 6 printed pages.
- Code number given on the right hand side of the question paper should be written on the title page of the answer-book by the candidate.
- Please check that this question paper contains 26 questions.
- Please write down the serial number of the question before attempting it.

## Business Studies

Class : XII

Date : 27-12-2017

Time allowed : 3 hrs.

Max marks : 80

### General Instructions:

- (i) Answer to questions carrying 1 mark may be from one word to one sentence.
- (ii) Answer to questions carrying 3 marks may be from 50 -75 words.
- (iii) Answer to questions carrying 4-5 marks may be about 150 words.
- (iv) Answer to questions carrying 6 marks may be about 200 words.
- (v) Attempt all parts of the questions together.

1. Future group after preparing a long term plan to best the competitors, decided to launch a discount scheme on the first term fifteen days of every month at the country's largest supermarket chain Big Bazaar in an aggressive attempt to compete with Amazon and Flipkart that have recently entered online grocery retailing. What type of plan is this? (1)
2. What is Simplification? (1)
3. In order to check the suitability of a candidate for the specific job, an organization conducted these test:
  - (a) To know the pattern of interests.
  - (b) Good indices of a person's future success score.Name the type of test conducted. (1)
4. While deciding about capital structure, risk consideration is crucial. Further, the total risk depends on business risk and financial risk. Give an example of each type. (1)

5. Identify the concepts:  
(a) The origin of accountability  
(b) Initiative for the growth of employees. (1)
6. Swachh Bharat Abhiyan was launched on 2nd October 2014 by BJP government around ₹ 94 crores have been spent on promotion of the programme, critics commented that the programme is not a product, then why is it being promoted. Give reasons. (1)
7. Yale graduate Indira Nooyi become Pepsi Co's first female CEO. She has helped the company double net profits to more than 5.6 billion by focusing on better nutrition and by promoting workforce diversify. She is a great listener and follows the maturity opinion. Identify the leadership style displayed by Indira Nooyi. (1)
8. Rahul had got a confirmed ticket of Jet Airways, the flight was later canceled due to technical problems. State any two reliefs that consumer court can order for Rahul in this regard. (1)
9. Give three situations in which a person will not be termed as "Consumer of Goods" under Consumer Protection Act. (3)
10. The General Manager-GM of "Rex Kids Wear Limited", Mr. Sam has divided all the employees of his company into levels (Top level, Middle and Lower level) at the top level the General Manager and the Board of Directors themselves work, the middle level work is looked after by the four departmental managers like the Production manager, Purchase manager, Sales manager and Finance manager. The lower level is constituted of one Supervisor for each of the four departments, the supervisors look after the daily activities of their subordinates.

Often, it is observed that the managers of all the levels remain busy sometimes with the planning of their respective departments and sometimes with the comparison of the desired and actual results. Similarly there are busy with recruitment, selection and training of the employees and at times with their motivation.

Mr. Sam knew it very well that the job of management cannot be done by a single person alone but when all join hands to work together the meaning of management is realized, this is why he makes all his efforts to effect coordination in the activities as his employees work with team spirit.

In the above paragraph two special features of management have been described. Identify and explain them by quoting the relevant lines. (3)

11. Distinguish between Delegation and Decentralisation (3)
12. ABC pharmaceuticals is an established company, the company had recently got the license to produce Dengue vaccines. The company has the required plant but some raw materials, chemicals and additives are required to be bought. The company decided to access market for raising capital. Suggest and explain any two instruments that can be used by the company. (3)

13. Explain three functions of Financial Market. (3)
14. Star cricketer MS Dhoni backed footwear and apparel brand "7" which is manufacturing and marketing athletic leisure wear apparel and footwear has crossed Dollar ₹ 2.5 million in turnover in the first three months of its operations, he is known to be closely associated with design and development of 7 range of footwear. Identify the aspect of one of the element of marketing mix involved here and state three advantages. (4)

15. The Managing Director CHD construction limited, Delhi Mr. Praveen got the information from a business magazine that the government was worried about rural development, with this aim in mind the government has announced to give several exemptions for setting up industrial units in the rural areas. Mr. Praveen presented this matter in the meeting of Board of Directors, this proposal was granted approval, the chairperson of the Board of Directors said that through such a decision the company will get lot of profits and employment in the rural areas.

After few days Mr. Praveen read another news in the business magazine that the construction companies had been earning lots of profits for the last many years, now attracted by the profit in this business, several multinational companies were going to enter the market. Mr. Praveen once again presented this information before the meeting of Board of Directors, in the meeting it was decided that in order to face the situation they should concentrate on quality and advertisement, by doing so on the one hand they would be able to compete with full force and on the other hand the society will get better services.

- (a) Identify by quoting the lines the importance of business environment discussed in the above paragraph.
- (b) Which two values are being provided to the society by the company. (4)

16. Ringing Bells Pvt Ltd introduced a Smart phone called Freedom 251 for just ₹251, what are the factors affecting the price of this Smartphone. (4)

17. Mr. Siddharth has completed his MBA during the course of his MBA he got the full theoretical knowledge of management, now he has full knowledge of management and is ready to work as a manager, he got selected in Voltas Limited for the post of Finance Manager.

Within a few days of joining the company he speed up the working of his department, although his predecessor was more qualified and experienced, Mr. Siddharth faced several problems while working but he never felt discouraged and overcame them with firmness, during this period he got the opportunity to visit several other companies besides he participated in several seminars relating to the problems of management and learned the modern methods of management, he had a special interest in reading and writing articles on the problems of management, because of this reason there has been a continuous growth in his knowledge and experience of management, now he is working as a successful manager, he has obtained a distinct recognition in the field of finance.

(a) In the above paragraph three points of a concept of the nature of management has been described. Identify them

(b) Describe briefly the three points identified in (a) above by quoting the relevant lines. (4)

18. Mr Patel joined a chemical factory in Vaddodara, Gujarat as HR Manager, at the time of his joining the company was passing through a phase of employee dissatisfaction and fears because of many incidents of workers accidents and injuries, the management was facing severe liquidity crunch because of the compensation claims. Mr Patel's top priority was to reduce injuries, the causes; motivate workers and increase the revenues

(a) Which management function should be the priority of Patel to turn the situation around.

(b) State any two ways by which number of accidents and injuries to workers can be minimized.

(c) Identify two significance of controlling from the above paragraph (4)

19. You are the Finance manager of a newly established company. The Directors have asked you to determine the amount of Fixed Capital requirement for the company. Explain any four factors that you will consider while determining the fixed capital requirements for the company. (4)

20. Physical distribution includes some components for physically moving the goods from manufacturers to the customers. Explain these components. (5)

21. How is Formal Organisation different from Informal Organisation. (5)

22. Explain the duties of a Human Resource Manager in detail (5)

23. Patanjali group a manufacturer of Beauty and Healthcare products is growing at a rapid rate as compared to this competitors, the company manufactures 444 products including 45 types of cosmetic products and 30 types of food products, all the products manufactured by Patanjali are from Ayurveda and natural components, the value of Patanjali group in the market today is estimated at ₹ 13,000 crores. Patanjali sells through nearly 4,000 retail outlets as of 2015, Patanjali also sells its products online and is planning to open outlets at railway stations and airports, it has tied up with Pittie Group and Kishore Biyani Future Group to make its consumer products available for the direct sale in future group outlets.

Patanjali products are cheaper than competitors in the market due to low production and marketing cost, there is a definite shift (on patanjali's part to make themselves more visible) said Vandana Das President DDB Mudra North an agency that handles advertising for Patanjalis key products- noodles and ghee. "they take up some key products and go for full blast advertising depending on the demand and supply situations" According to media experts Patanjali has set aside more than ₹ 300 crores for making themselves visible in the market and is set to setup its publicity campaign further.

Identify and explain specific to the case quoted above the various mixes the company is strategizing to achieve its target revenue of ₹ 5,000 crores for the fiscal year 2015-16 and also explain how these strategies related to the mixes are benefiting the company. (6)

24. Five students of BBA took part in a discussion, the subject of the discussion was; "Why do people get motivated to do anything". The main portions of the discussion were as under.

"Max said people work because they want to deposit wealth enough to protect themselves from the diseases and to be relieved from the tension of old age.

" Rex said "people work because they want to reach the top of the field in which there are, they therefore put in untiring efforts"

"Jim said "people work because they want to arrange food, cloth and shelter for themselves at any rate"

"Tom said "people work so that they may get respect in the society and that they maybe recognized as exceptions persons"

"Alex said "people work so that when they have money, people will become friendly with them and they will stand by them through thick and thin".

- (a) Identify and state the function of management discussed above  
(b) The five friends spoke about the different needs of people as the basis of their doing work. Identify and state these needs. (6)

25. Seiko Limited approached the capital market again for additional share capital of ₹ 30 lakhs by shares @ face value of ₹ 10 each and 10% debentures of ₹ 20 lakhs to its already existing capital of ₹ 50 lakhs from Equity of the face value of ₹ 10 each and ₹ 20 lakhs from 10% debentures. The company has stability of earnings and is a consistent performer. The current year earnings of the company before interest and tax is ₹ 14 lakhs as compared to that of ₹ 8 lakhs of last year.

- (a) State whether the shareholders gained or lost as compared to the last year after the expansion plan. Show your comparative calculations clearly  
(b) Would the company enjoy trading on equity if the additional capital is raised only by Debt financing? (6)

