

Sample Questions 2020-21

Class 12th

Business Studies (054)

MM – 80

Time: 3 Hours

General Instructions:

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- 1 This question paper contains 34 questions.**
- 2. Marks are indicated against each question.**
- 3. Answer 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.**

Solutions

1	Answer. (b) Organising	1
2	Answer. (b) Social dimension and Economic dimension	1
3	Answer. (d) All of the above	1
4	Answer. (c) Economic dimension, Technological dimension and Social dimension	1
5	Answer. (b) Different levels in the organisation	1
6	Answer. (a) Legal dimension and Social dimension	1
7	Answer. (b) Privatisation	1
8	Answer. (c) Both (a) and (b)	1

9	Answer. (c) Objectives	1
10	Answer. (c) It helps in improving employee motivation.	1
11	Answer. (a) Increases	1
12	Answer. (b) Production concept	1
13	Answer. D. All of these are the objectives of SEBI	1
14	Answer. A. Developmental function	1
15	Answer. D. People having secret information of the company	1
16	Answer. C. Regulatory function	1
17	Answer. D. Cost of per person reach is very low	1
18	Answer. D. Makes Shopping difficult.	1
19	Answer. B. Should be able sell any how	1
20	Answer. C. He should have technical knowledge about the product	1
21	<p>The concept of management which is followed is Cooperation. Since the workers help each other and the general environment in the company is of cooperation. The advantage of cooperation is that there is satisfaction within the employees in its presence.</p> <p>The concept of management which is violated is Coordination. They hardly know how to make their work synchronized as a team. One disadvantage of not following coordination is the wastage of effort and time.</p>	3
22	<p>(a) External</p> <p>(b) External</p> <p>(c) Internal</p>	3

23	<p>Answer. - The given statement is not true. Because controlling is both a backward looking as well as a forward-looking function</p> <table><tr><td>Controlling is both a backward looking as well as a forward-looking function</td><td><p>Controlling is like doing a post-mortem of past activities which helps in finding deviation from predetermined standards. So, in this way controlling is a backward-looking function.</p><p>Example:</p><p>An AC manufacturing company will try to know the reasons for lack of demand in the previous year so that it can estimate the future demand to avoid excess production.</p></td></tr></table>	Controlling is both a backward looking as well as a forward-looking function	<p>Controlling is like doing a post-mortem of past activities which helps in finding deviation from predetermined standards. So, in this way controlling is a backward-looking function.</p> <p>Example:</p> <p>An AC manufacturing company will try to know the reasons for lack of demand in the previous year so that it can estimate the future demand to avoid excess production.</p>	3								
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24	<p>Answer.</p> <table><tr><td>(a) Meaning of business</td><td>Business is an integral component of our economic system.</td></tr><tr><td>(b) Business consists of two main constituents</td><td>Households which save funds – savers business firms which invest the funds - investors</td></tr><tr><td>(c) Meaning of financial market</td><td>The financial market acts as a link between savers (household) and investors (business firms) and helps in useful transferring of funds between them.</td></tr><tr><td>(d) Meaning of financial intermediation</td><td>This process of allocation of funds by the financial market from households (savers) to business firms (investors) is known as financial intermediation.</td></tr><tr><td>(e) financial intermediation has two major advantages</td><td>growth of economy households get higher returns</td></tr></table>	(a) Meaning of business	Business is an integral component of our economic system.	(b) Business consists of two main constituents	Households which save funds – savers business firms which invest the funds - investors	(c) Meaning of financial market	The financial market acts as a link between savers (household) and investors (business firms) and helps in useful transferring of funds between them.	(d) Meaning of financial intermediation	This process of allocation of funds by the financial market from households (savers) to business firms (investors) is known as financial intermediation.	(e) financial intermediation has two major advantages	growth of economy households get higher returns	3
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25	<p>Two types of selection tests:</p> <p>Intelligence tests. Such tests are designed to check the level of intelligence of the candidates. It reflects the learning ability of an individual along with his ability to make judgments and decisions.</p> <p>Aptitude test. Aptitude test is designed to measure the potential of an individual for learning new skills. It reflects the candidate's capacity to develop in the future.</p>	4		
26	<p>Answer:</p> <p>1. Labelling</p> <p>2. Functions of Labelling:</p> <p>Identification of product/brand. A label helps in identifying and differentiating the product or brand from other similar types of products or brands produced by the company as well as by the competitors.</p> <p>Grading of products. With the help of labels, products can be graded and put in different categories.</p> <p>For example, Brooke Bond Red Label Tea, Brooke Bond Yellow Label Tea, Green Label Tea, etc. Marketers assign different grades to different features or different qualities of the product.</p> <p>Providing information required by Law. Labelling also provides statutory warning or important information as required by law.</p>	4		
27	<p>Answer.</p> <table><tr><td>Meaning of controlling</td><td><p>Controlling is the process of monitoring organisation performance continuously finding deviation between set standards and actual performance and taking corrective action, minimizing the deviation and achieving organizational goals.</p><p>Example: Suppose, the production team is given a target to produce 2000 units in a day. At the end of the day their performance is measured and analysed that they have produced only 1800 units. Here, corrective action is to be taken to remove the deviation of 200 units, in order to achieve their daily target.</p></td></tr></table>	Meaning of controlling	<p>Controlling is the process of monitoring organisation performance continuously finding deviation between set standards and actual performance and taking corrective action, minimizing the deviation and achieving organizational goals.</p> <p>Example: Suppose, the production team is given a target to produce 2000 units in a day. At the end of the day their performance is measured and analysed that they have produced only 1800 units. Here, corrective action is to be taken to remove the deviation of 200 units, in order to achieve their daily target.</p>	4
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29	<p>Answer.</p> <p>the financial planning includes following steps:</p> <table><tr><td>(a) Financial planning</td><td><p>Financial planning is the process of estimating the fund requirement of a business and satisfying the sources of funds.</p><p>In other words, financial planning helps in identifying the amount of funds required by a firm and what will be the source of the funds.</p></td></tr><tr><td>(b) Importance of financial planning</td><td><p>Helps in facilitating optimum utilization of funds.</p><p>Helps in fixing appropriate capital structure.</p><p>Helps in investing in the right project at the right time.</p><p>Helps in operational activities.</p></td></tr></table>	(a) Financial planning	<p>Financial planning is the process of estimating the fund requirement of a business and satisfying the sources of funds.</p> <p>In other words, financial planning helps in identifying the amount of funds required by a firm and what will be the source of the funds.</p>	(b) Importance of financial planning	<p>Helps in facilitating optimum utilization of funds.</p> <p>Helps in fixing appropriate capital structure.</p> <p>Helps in investing in the right project at the right time.</p> <p>Helps in operational activities.</p>	4
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30	<p>Answer.</p> <p>consumer rights</p> <table><tr><td>(a) Right to safety</td><td><p>Consumers have the right to be protected from such products which are unsafe and hazardous to life and health.</p><p>A consumer should buy only standardized products which conform to safety norms as prescribed by the law.</p><p>Example:</p><p>While buying electrical appliances, a consumer should buy isi mark products only. This mark provides safety from electric shocks.</p></td></tr><tr><td>(b) Right to be informed</td><td><p>a consumer has the full right to get information about each and every fact related to a product like the quality, quantity, price, date of manufacture, date of expiry, direction to use, ingredients, purity etc.</p></td></tr></table>	(a) Right to safety	<p>Consumers have the right to be protected from such products which are unsafe and hazardous to life and health.</p> <p>A consumer should buy only standardized products which conform to safety norms as prescribed by the law.</p> <p>Example:</p> <p>While buying electrical appliances, a consumer should buy isi mark products only. This mark provides safety from electric shocks.</p>	(b) Right to be informed	<p>a consumer has the full right to get information about each and every fact related to a product like the quality, quantity, price, date of manufacture, date of expiry, direction to use, ingredients, purity etc.</p>	4
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	(c) Right to choose	<p>Marketers should offer a wide variety of products (on the basis of size, color, design, brand, prices etc.) to the consumers and allow them to make choices out of the offered products.</p> <p>Thus, a consumer enjoys 'freedom to choose' in the form of a right.</p>	
	(d) Right to be heard	<p>Every consumer has the right to file a complaint in case he feels cheated, dissatisfied or defrauded.</p> <p>Business organizations have also set up their grievances cells to entertain consumer complaints.</p>	
	(e) Right to seek redressal	<p>This right secures justice to the consumers in case product or service falls short of expectations.</p> <p>The consumer may get redressed in the form of replacement of product, removal of defect compensation for any loss or injury.</p>	
31	<p>(a) Taylor's principle</p> <p>Cooperation not individualism</p> <p>There should be complete cooperation between the workers and the management instead of individualism.</p> <p>For this management should welcome suggestions from employees.</p> <p>Workers should not go on strike and make unreasonable demands on the management.</p>		6

	<p>(b) Fayol's principal Initiative</p> <p>Initiative means taking the first step with self-confidence. Workers should be encouraged to carry out their plans for improvements.</p> <p>A good company should have an employee suggestion system, whereby initiative/suggestions which result in substantial cost/time reduction should be rewarded.</p> <p>Example:</p> <p>Before finalizing any plan, the managers must welcome the suggestions and ideas of employees.</p>	
32	<p>Planning is the function of management being referred.</p> <p>Three limitations of the planning function of management are:</p> <p>Rigidity. One of the limitations of planning is rigidity. The existence of a plan puts the managerial activities in a rigid framework. Programmes are carried out according to the plan and deviations are considered to be highly undesirable.</p> <p>Reduces creativity. Planning involves deciding in advance what is to be done, how it is to be done, when is it to be done and by whom is it to be done. There is very little scope for deviating from the plans. This blind conformity with the predetermined guidelines discourages individual initiative and freedom.</p> <p>Planning Does Not Work in a Dynamic Environment. Planning is based on the anticipation of future happenings. Since the future is uncertain and dynamic, therefore, the future anticipations are not always true. Therefore, to consider planning as the basis of success is like a leap in the dark.</p>	6
33	<p>(a) Formal organisation and Informal organisation are the two types of organisations which have been discussed.</p> <p>Formal organisation is the structure of authority relationships created deliberately by the management to achieve its objectives.</p> <p>Informal organisation is a network of social relationships arising out of the interaction among employees within an organisation.</p>	6

	<p>(b) The difference between Formal organisation and Informal organisation is as follows:</p> <table> <tr> <th>Basis</th><th>Formal organisation</th><th>Informal organisation</th></tr> <tr> <td>Meaning</td><td>An organization type in which the job of each member is clearly defined, whose authority, responsibility and accountability are fixed is formal organization.</td><td>An organization formed within the formal organization as a network of interpersonal relationships, when people interact with each other, is known as informal communication.</td></tr> <tr> <td>Creation</td><td>Deliberately by top management.</td><td>Spontaneously by members.</td></tr> <tr> <td>Purpose</td><td>To fulfill the ultimate objective of the organization.</td><td>To satisfy their social and psychological needs.</td></tr> <tr> <td>Nature</td><td>Stable, it continues for a long time.</td><td>Not stable</td></tr> </table>	Basis	Formal organisation	Informal organisation	Meaning	An organization type in which the job of each member is clearly defined, whose authority, responsibility and accountability are fixed is formal organization.	An organization formed within the formal organization as a network of interpersonal relationships, when people interact with each other, is known as informal communication.	Creation	Deliberately by top management.	Spontaneously by members.	Purpose	To fulfill the ultimate objective of the organization.	To satisfy their social and psychological needs.	Nature	Stable, it continues for a long time.	Not stable	
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34	<p>(a) Labelling and Packaging are the two important decisions related to a product.</p> <p>(b) Branding is considered to be a very important decision by the marketers because it facilitates product differentiation. Through branding the prospective buyers are able to bring about a distinction between a company product and its substitutes available in the market. This helps the company to obtain a desirable market share.</p>	6															

	<p>(c) The four features of a good brand name are stated below:</p> <ul style="list-style-type: none">• The brand name should be short, easy to pronounce, spell, recognise and remember.• A brand should suggest the product's benefits and qualities.• A brand name should be distinctive.• It should be capable of being registered and protected legally.	
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