

# AMRITA VIDYALAYAM

## AMRITA PRE BOARD EXAMINATION 2 - 2018 - '19

Class : XII

Marks : 80

Time : 3 hrs

### BUSINESS STUDIES

#### FOUNDATIONS OF BUSINESS AND CORPORATE ORGANISATIONS

#### FINANCE AND TRADE

#### GENERAL INSTRUCTIONS:

1. All questions are compulsory.
2. Answers to questions carrying 1 mark may be from one word to one sentence.
3. Answers to questions carrying 3 marks may be from 50 - 75 words.
4. Answers to questions carrying 4 - 5 marks may be about 150 words.
5. Answers to questions carrying 6 marks may be about 200 words.
6. Attempt all parts of a question together.

1. Your grandfather has retired from an organization in which he is responsible for implementing the plans developed by the top management. At which level of management was he working? State one more function performed at this level. 1
2. Give an example of organizational barrier in communication. 1
3. A Company wants to establish a new unit in which a machinery worth ` 10 lakhs is involved. Identify the type of decision involved in financial management. 1
4. 'Sohan filed a case against 'Mahindra Ltd' in the 'National Commission'. But he was not satisfied with the order of the 'National Commission'. Name the authority where he can appeal against the decision of the 'National Commission'. 1
5. Which component of general environment of business prohibits advertisements of alcoholic beverages? 1
6. What is the process of allocation of funds called? 1
7. A company is manufacturing hosiery products, cosmetics and shampoos. What kind of organizational structure is suitable for this company? 1
8. A company manufacturing bikes and cars should have separate divisions for both, headed by separate divisional managers, separate plans and resources. Identify the principle emphasized by this example. 1
9. Explain any 3 features of planning. 3
10. 'Choice of an appropriate channel of distribution is very important marketing decision which affects the performance of an organization'. Explain any 3 factors on which the choice of an appropriate channel depends. 3
11. 'Human beings cannot be motivated only through monetary incentives, non - monetary incentives are also necessary to motivate them.' Explain any 3 such non - monetary incentives. 3
12. Raman Industries is a company dealing in office furniture. The company choose to diversify its operations to improve its growth potential and increase market share. As the project was important many alternatives were generated for the purpose and were thoroughly discussed amongst the members of the organization. After evaluating the various alternatives Rahul, the MD of the company decided that they should add 'Home interiors and Furnishings' as a new line of business activity.
  - a) Name the frame work, which the diversified organization should adopt to enable it to cope with the emerging complexity. 1
  - b) State any two limitations of this frame work. 2
13. Malavika is the marketing manager of a company dealing in laptops. She plans the target sale of 2000 laptops per month and allocates necessary resources to carry out the plan. She has six sales persons working under her. She works with them; guiding and motivating them to achieve the target

- sales. At the end of the month, after comparison of actual sales with the target sales she found that actual sales exceeded the target sales. She rewards the efficient salespersons to motivate them. In the light of above facts, state the importance of management. 3
14. What are the limitations of planning? Explain any four. 4
15. New Delhi has been declared as the most polluted city in the world. Bengaluru, Mumbai, Patna, Lucknow, Kanpur etc. are also highly polluted Indian cities. This has resulted into a dramatic increase in the sale of home air purifiers. The prices of these devices range from ` 2,000 to ` 25,000 depending upon the type of pollutant these purifiers remove. Looking at the increasing demand of these air purifiers 'Pure Air Technology India Ltd' has developed a low cost home air purifiers in its R and D lab. The company has estimated that a commercial production of 1,00,000 units per year may cost the company ` 500 per unit. For this capital, the company decided to have both equity and debt as its capital structure. Explain any four factors that the company should consider while deciding its capital structure. 4
16. Resolutions Pvt Ltd is a publishing company. Its book on Business Studies for class XII is in great demand. As a result, the employees in the marketing department are always racing against time. The employees have to work overtime and on holidays to cater to the demand. Managers in the marketing department are under stress as they have to handle more than two territories. The work stress has led to dissatisfaction among the employees and managers.
- a) Name and explain the step of staffing process which has not been performed properly. 2
- b) State the next two stages immediately following the step identified in part a). 2
17. Briefly explain any four importance of business environment. 4
18. Distinguish between delegation and decentralization. 4
19. Briefly explain the instruments used in money market. Any four. 4
20. 'Energy Drinks India Ltd', have scanned a profitable opportunity for marketing of soft drinks with Indian traditional flavour. The company wants to market its products in India and in neighbouring countries. A board meeting of the company was held on 14.12.2015 where in the marketing manager was asked to give a presentation to develop this market offering. For this it was also decided to set up its manufacturing unit in a village of Bihar. This will not only help in the development of the village but also provide employment to the youth of that village. The marketing manager chooses a combination of variables to prepare its market offering. He used a set of marketing tools that the firm will use to pursue its marketing objectives in the target market.
- a) Name and state the concept of marketing used by marketing manager for creating its market offering. 1
- b) Also explain briefly the various elements of this concept. 3
- c) State any two values that the company wants to communicate with the society. 1
21. The first two steps involved in selection process is preliminary screening and selection tests. Explain the various other steps involved in selection. 5
22. What do you mean by dividend decision. Explain any four factors affecting it. 5
23. Explain the characteristics of co ordination. 6

OR

Explain the characteristics of principles of management.

24. Sumitra had been working as an Assistant Manager with Johnson Enterprises for the last 10 years. She was very popular amongst her colleagues because of her commitment and dedication towards work. When the manager senior to her retired, all her colleagues thought that now Sumithra would be promoted. But to every one's surprise, the vacant post was filled by an outsider, Mrs Saritha. Sumitra felt demoralized and her performance started declining. She would absent herself often and could not meet her targets.
- Mrs Saritha was a good leader who would not only instruct her subordinates but would also guide and inspire them. She notices Sumitra's behavior and felt that her performance could be improved. She started involving Sumitra in the decision making issues related to the organization and made her a part of a high level joint management committee. Now Sumitra was punctual in office and her

performance started improving.

a) Identify the function of management being performed by Mrs Saritha. **1**

b) Name the element of above function of management which helped Saritha improve Sumitra's behavior. **1**

c) State any 3 features of the element identified in b) above. **4**

OR

'Human beings can be satisfied only through the satisfaction of their needs'. Comment.

25. You are a toothpaste manufacturer and you have introduced a new brand of toothpaste in the market. How will you determine the price of this product? **6**

OR

Pramod purchased a bottle of tomato sauce from a local grocery shop. The information provided on the bottle was not clear. He fell sick on consuming it. He filed a case in the district forum under Consumer Protection Act and got the relief.

a) Identify the important aspect neglected by the marketer in the above case.

b) Explain briefly the functions of the aspect identified in a) above.