JB Academy, Ayodhya

Half -Yearly Examination(2025-26)

Class- XII, Business Studies (054)

Time allowed: 3 Hrs. **Max. Marks: 80**

General instructions:

1. This question paper contains 34 questions.
2. Marks are indicated against each question.
3. Answers to the questions carrying 3 marks may be from 50 to 75 words.
4. Answers to the questions carrying 4 marks may be about 150 words.
5. Answers to the questions carrying 6 marks may be about 200 words.
6. Attempt all parts of the questions together.

1. Read the following passage and answer the questions given below- **(1x4)**

Pradip works in a bulb manufacturing company. Each bulb that is manufactured is of standard size and quality. Further, if there is any unrequired type of bulb manufactured then its production is stopped. Last month when the company came to know that 10-watt bulbs were no longer liked by customers, their production was stopped. He works in the purchasing department. His job is to purchase the filaments required to make bulbs. This time when he purchases the filameant, he gets the instruction from the seller that some special care needs to be taken in the first hour of fixing the filaments inside the bulb. Pradip knows this information should be given immediately to the production department before the assembling process starts. However, he finds that his company's policies only allow him to give the message to his immediate boss who will further pass this message to his boss. The passing of this message will continue until it reaches the desired person in the production department. Based on the passage answer the following questions:

1.) Which technique of management is followed here?

a) Method study b) Fatigue study

c) Standardization and simplification d) None of these

2.) Name the principle of management followed here by the company?

a) Scalar chain b) Departmentalization

c) Division of Work d) None of the above

3.) Which option is now available to Pradip since the company is not allowing him to interact with the concerned worker in the production department?

a) Organization b) Authority and Responsibility

c) Gang plank d) All of these

4) Which principle of management is followed by the company by creating a separate department?

a) Division of work b) Method study

c) Departmentalization d) Scalar Chain

5. Prem Lal, the Managing Director of Awasthi Ltd., retired after 33 years of service. The responsibility was given to Raj. Raj realised that there was lot of rivalry, confusion and misunderstanding among the

departmental heads. He detected inefficiencies, took corrective measures and developed a master plan for the organisation to follow. This served as a basis for coordinating the activities of all the departments, led to clarity of thought and action and work got off to a smooth start. (1)

The point of importance of planning discussed above is:

(a) Planning reduces overlapping and wasteful activities

(b) Planning establishes standards for controlling

(c) Planning reduces the risks of uncertainty

(d) Planning promotes innovative ideas

In the following Questions, read the following statements and choose the correct alternative among those given below:

(a) Both the Statements are true

(b) Both the Statements are false

(c) Statement 1 is true and Statement 2 is false

(d) Statement 2 is true and Statement 1 is false

6. **Statement 1: Like Science, management is an exact and systematised body of knowledge.**

Statement 2: Management principles are as exact as the principles of science **(1)**

7. **Statement 1: Financial Planning has a wider scope as compare to financial management.**

Statement 2: Financial planning is the preparation of a financial blueprint of an organisation's future opera. **(1)**

8. **Statement 1: Dividend can be paid only out of the earnings of current year.**

Statement 2: A firm with limited access to capital market, is likely to declare high dividend. **(1)**

9. **Which of the following statement is not correct?** (1)

(a) Financial leverage is the proportion of debt in the overall capital

(b) Purchase of Machinery is linked to working capital decision

(c) EPS will rise with increase in debt only when ROI < Cost of Debt

(d) Both (b) and (c)

In the following Questions, read the following statements: Assertion (A) and Reason (R). Choose the correct alternative among those given below:

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 and 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.

10. Assertion (A): Equal pay to male and female workers for equal work is an example of social environment.

Reason (R): Analysis and understanding of social environment is important as it determines the products, services and standards of conduct that are acceptable to society. (1)

11. Assertion (A): Management Principles cannot be used as tailor-made tools and have to be adjusted as per demand of the situation.

Reason (R): Real business situations are very complex and dynamic. (1)

12. Assertion (A): Management Principles are applied in static or absolute manner.

Reason (R): They deal with unpredictable human behaviour. (1)

Read the extract given below and answer the questions on the basis of the same:

Mr. Sohan Seth has set up his enterprise 'Apparels Ltd.' to manufacture different types of apparels. But he is confused regarding the philosophy or approach that would guide his thinking for marketing of his products and thereby enhancing his profits. So, he constituted four teams who would advise him regarding the same. Team 1, came with the proposal to produce at a large scale thereby reducing the per unit cost of production thereby increasing profits. Team 2, suggested that firms should focus on the quality of products rather than the quantity to increase profits. Team 3, suggested that profits can be increased only when aggressive selling and promotional efforts are performed. Mere focussing on quality and quantity won't suffice. Team 4, put forward a different view altogether. It suggested that firms can achieve the objective of profit maximisation by finding out needs and requirements of customers and satisfying them in an effective manner. After listening to the views of all 4 teams, Sohan Seth decided to go by the opinion of team 4 and adopt the strategy put forward by them is pursuing the marketing efforts of the firm. (1x4)

13. Which marketing philosophy is put forward by Team 1?

a. Product concept | b. Production concept

c. Selling concept | d. Societal marketing concept

14. Which marketing philosophy is suggested by Team 2?

a. Production concept | b. Selling concept

c. Pr5oduct concept | d. Marketing concept

15. Which marketing philosophy is suggested by Team 3?

a. Production concept | b. Marketing concept

c. Product concept | d. Selling concept

16. Which marketing philosophy is adopted by Sohan Seth after considering all the proposals?

a. Marketing concept | b. Societal marketing concept

c. Selling concept | d. Product concept

17. Zolo, a marketer of cars having 40% of the current market share of the country aims at increasing the market share to 70% in next few years. For achieving this objective, the manager of the company specified the action programme covering various aspects. Identify the function of marketing discussed above.

a. Customer support services | b. Gathering and analysing market information

c. Product designing and development | d. Marketing planning. (1)

18. Dolma' and 'Una' were gardeners with decades of hands-on experience. They were the first ones to recognise the need of indoor gardens specially for plant-lovers living in apartments. They took advantage of this opportunity and decided to offer beautiful designing ideas for indoor gardening through their innovative venture 'My Space’. ‘My Space' offered creative ideas like 'Garden Wall', 'Hanging Garden', 'Window Garden', 'Book-shelf Garden' and many more. Since there were no competitors, they soon became the market leaders in this field. From the following points, identify the importance of business environment highlighted above:

a. Business environment helps the firm to identify threats and early warning signals

b. Business environment helps in tapping useful resources

c. Business environment enables the firm to identify opportunities and getting the first mover advantage

d. Business environment helps in assisting in planning and policy formulation (1)

19. Increase in the profit earned by the equity shareholders due to the presence of fixed financial charges like interest' is called:

a. financial planning b. Dividend decision

c. Financing decision d. Trading on equity (1)

20. Crackers Ltd. a fire-cracker manufacturing company, launched some new products on eve of Diwali which attracted many buyers. To meet the increased demand, the company employed children from nearby villages. Although the product was in great demand, appropriate safety warnings for use were not mentioned on the packets that led to many accidents. Identify the important product related decision that was not taken into consideration by the company. (1)

21. Financial market is a market for creation and exchange of financial assets. It helps to link the savers with the investors and directs available funds into their most productive investment opportunity. It also facilitates easy purchase and sale of financial assets through the stock exchange. The stock exchange not only facilitates buying and selling of existing securities but also educates public about how their investments in the financial market can yield good returns.

(i) State any one functions performed by financial market.

(ii) Explain two more functions of the stock exchange, other than those stated in the above case. (3)

22. Captcha Ltd. is a construction company in which all the employees learn various ways of dealing with diverse situations from their seniors. Company provides financial as well as non-financial incentives. This helps the employees to grow and develop their abilities. The organisation behaves as a responsible constituent of society and always creates good quality products. It has a positive image in the market. The training modules are excellent and the employees always try to find unique ways of providing solutions in the context of rapidly changing business environment. This has helped the organisation to adjust smoothly. Identify and state three points of importance of management being highlighted here. (3)

23. Nikita and Salman completed their MBA and started working in a multinational company at the same level. Both of them worked hard and were happy with their employer. Salman had the habit of back-biting and wrong reporting about his colleagues to impress his boss. All the employees in the organisation knew about it. At the time of performance appraisal, the performance of Nikita was judged to be better than Salman. Even then their boss, Mohammed Sharif, decided to promote Salman stating that being a female,

Nikita, would not be able to handle the complications of a higher post. Identify and explain the principle of management which was not followed by this multinational company (3)

OR

Krish limited is in the business of manufacturing and exporting carpets and other home decor products. It has a share capital of ₹ 70 lakh at the face value of ₹ 100 each. Company is considering a major expansion of its production facilities and wants to raise ₹ 50 lakh. The finance manager of the company, Mr. Prabhakar, has recommended that the company can raise funds of the same amount by issuing 7% Debentures. Given that earning per share of the company after expansion is ₹ 35 and tax rate is 30%, did Mr. Prabhakar give a justified recommendation? Show the working.

24. Yash, Ahmad and Shubham are partners in a firm engaged in the distribution of dairy products in Maharashtra state. Yash is a holder of a Senior Secondary School Certificate from the Central Board of Secondary Education with Business Studies as one of his elective subjects. Ahmad had done his post-graduation in History and Shubham in dairy farming. One day there was a serious discussion between Ahmad and Shubham regarding the nature of management. Ahmad argued that management was a profession whereas Shubham argued against it saying that the legal and medical professions are the only professions because they fulfil all the conditions of the profession. Yash on the basis of his knowledge of business studies explained the nature of management as a profession to Ahmad and Shubham. Explain how Yash would have satisfied both Ahmad and Shubham. (3)

25. After finishing her BBA degree course, Rani gets a job of an Assistant Manager in a retail company through the reference of her cousin Taruna who works in the same company as a Senior Manager. Taruna decides to guide Rani through her experience by making her aware of the important facts about management in practice. She tells her that neither the principles of management provide any readymade, straitjacket solutions to all managerial problems nor are they rigid prescriptions, which have to be followed absolutely.

In context of the above case:

1. Identify the two features of principles of management mentioned in the above paragraph by quoting lines from the paragraph.
2. Why do the principles of management not provide readymade, straitjacket solutions to all managerial problems? (4)

26. Mr. Sanjay Nehra was the Chairman of ‘Taran Bank’. The bank was earning good profits. Shareholders were happy as the bank was paying regular dividends. The market price of their shares was also steadily rising. The bank was about to announce taking over of ‘Yena Bank’. Mr. Sanjay Nehra knew that the share price of Taran Bank would rise on this announcement. Being a part of the bank, he was not allowed to buy shares of his bank promising him the capital gains. He called one of his rich friends Sudhir and asked him to invest ₹5 crores in shares of Taran Bank promising him the capital gains.

As expected, the share prices went up by 40% and the market price of Sudhir’s shares was now ₹7 crores. He earned a profit of ₹2 crores. He gave ₹1 crore to Mr. Sanjay Nehra and kept ₹1 crore with himself. On regular inspection and by conducting enquiries the brokers involved, Securities and Exchange Board of India (SEBI) was able to detect this irregularity. The SEBI imposed a heavy penalty on Mr. Sanjay Nehra.

By quoting the lines from the above para identify and state any two functions that were performed by SEBI in the above case

18. Suhasini, a home science graduate from a reputed college, has recently done a cookery course. She wished to start her own venture with a goal to provide 'health food' at reasonable prices. She discussed her idea with her teacher (mentor) who encouraged her. After analysing various options for starting her business venture, they short listed the option to sell readymade and 'ready to make' vegetable shakes and sattu milk shakes. Then, they weighed the pros and cons of both the short-listed options.

On the basis of above para, answer the following:

(i) Name the function of management being discussed above.

(ii) Give any one of its characteristics.

(iii) Also briefly discuss any two) limitations of the function discussed in the case. (4)

27. Dua got 10,00,000 rupees after selling her parental property which she had got as a gift from her grandmother. Her friend advised her to invest in securities in the stock market. Dua was unaware of the procedure for the same. Her friend introduced her to a stock broker, who was registered with the National Stock Exchange. Dua approached the broker. The broker guided her to open a DEMAT account with a Depository, as well as a Bank account. Dua opened a Bank account and DEMAT account with Exim Bank.

(a) Identify the steps in the trading procedure for buying and selling of securities which have been discussed above. and explain it

(b) State the next steps of the trading procedurein an explanatory manner. (4)

28. Haldi ram's is a famous chain selling a variety of snacks in the Indian market. Their product includes sweets, mixtures, chips, etc. It charges a comparatively higher price as it sells high quality products. Besides, it offers regular discounts to its customers. It has several shops located in different cities at convenient locations. It also sells its products through grocery stores so that the products are made easily available to the customers at the right place, in the right quantity and at the right time. It regularly uses different communication tools to increase its sales. The above para describes the combination of variables used by Haldi ram's to prepare its market offering. **Identify and explain the variables.** (4)

29. An Auto Company, Win Ltd. is facing a problem of declining market share due to increased competition from other new and existing players in the market. Its competitors are introducing lower priced models for mass consumers who are price sensitive. The Board of Directors of the Company announced a meeting to discuss the decisions regarding pricing and launching a new range of models, in order to increase the market share of the company. Attending the meeting was not a discretion for the directors and a penalty was announced for not attending the meeting. The following decisions were taken in the meeting:

(i) To define the desired future position of the company, as acquiring a dominant position in the market by increasing the market share to 10% in 1 year.

(ii) To change the criteria for choosing vendors for procuring supplies;

(iii) To invest in development of the human resources of the organisation by providing training to higher levels by holding seminars and providing on the job training for the supervisory management. What are standing plans and single use plans? Briefly explain the plans discussed above, which can be classified as standing plans, by quoting the lines (4)

30. The management of Malik Ltd. strongly believes that the members of an organization should work towards fulfilling the common organizational goals. This requires team work and integration of efforts of all individuals, departments and specialists. This is because all the individuals and departments depend on each

other for information and resources to perform their respective activities. Managers need to reconcile differences in approach, timing, effort or interest. At the same time, it should enable all its members to grow and develop. Thus, there is a need to harmonize individual goals and organizational goals.

1. Identify the concept of management discussed above.

2. Explain any three features of the concept identified in (a). (4)

31. Rakesh and Gaurav after finishing their graduation under vocational stream decided to start their own travel agency which will book Rail Tickets and Air Tickets on commission basis. They also thought of providing tickets within ten minutes through the use of the internet. They discussed the idea with their Professor Mr. Mehta liked the idea and suggested they first analyse the business environment which consists of investors', competitors and other forces like social, political etc. that may affect their business directly or indirectly. He further told them about the technological improvements and shifts in consumer preferences that were taking place and hence they should be aware of the environmental trends and changes which may hinder their business performance. He emphasized on making plans keeping in mind the threat posed by the competitors, so that they can deal with the situation effectively. This alignment of business operations with the business environment will result in better performance.

1. Identify and state the component of the business environment highlighted in the above Para.

2. State any two features of the business environment as discussed by Professor Mehta with Rakesh and Gaurav.

3. Also state one point of importance of the business environment as stated by Professor Mehta in the above situation. (6)

32. Sohan inherited a very large area of agricultural land in Haryana after death of his grandfather. He plans to sell this piece of land and use the money to set up a small-scale paper factory to manufacture all kinds of stationary items from recycled paper. Being an amateur in business, he decides to consult his friend Suresh who works in a financial consultancy firm, Suresh, helps him to prepare a blueprint of his future business operations on the basis of sales forecast in next five years. Based on these estimates, he helps Sohan to assess the fixed and working capital requirements of business. In the context of the above paragraph:

(i) Identify and define the type of financial service that Suresh has offered to Sohan. (
(ii) Briefly state any four points highlighting the importance of the type of financial service identified in point (6)

33. Organics Ltd. is a company engaged in production of organic foods. Presently, it sells its products through indirect channels of distribution. But considering the sudden surge in the demand for organic products, the company is now inclined to start its online portal for direct marketing. The financial managers of the company are planning to use debt in order to take advantage of trading on equity. In order to finance its expansion plans, it is planning to raise a debt capital of ₹40 lakh through a loan @ 10% from an industrial bank. The present capital base of the company comprises of 9 lakh equity shares of ₹ 10 each. The rate of tax is 30%. In the context of the above paragraph:

(i) What are the two conditions necessary for taking advantage of trading on equity?
(ii) Assuming the expected rate of return on investment to be same as it was for the current year i.e. 15%, do you think the financial managers will be able to meet their goal. Show your working clearly. (6)

34. Rupali intends to start an enterprise that produces chocolates. Initially, in order to assess the taste and preferences of the people about the chocolates. She used social media and online surveys. Thereafter, she

prepared a detailed SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis of her enterprise to devise a strategy that will give her an edge over the competitors. Based on her analysis of the market, she decided to launch sesame and jaggery based chocolates under the brand name 'Desi Delight'. She has decided to fix up the price of chocolates relatively at lower level in the beginning and later on as the demand picks up she may revise the prices.

In the context of above paragraph:

(i) Identify the elements of marketing mix being taken into consideration by Rupali.

(ii) Explain briefly the functions of marketing highlighted here. (6)