

Pratap Public School, Karnal

Set-A

TERM-II Practice Test-1

Class - XII

Subject - Business Studies

Time : 2 Hours

M.M :40

Name Roll No. Section

General Instructions :-

i) All questions are compulsory. Marks for questions are indicated against each questions.

ii) Attempt all parts of questions together.

1. "Our assets walk out of the door each evening. We have to make sure that they come back the next morning." This statement relates to which function of management. Why is it important? (2)
2. Selection process may even continue after the offer of employment, acceptance and joining of candidates. Why? (2)
3. Vinber Ltd. set up a manufacturing unit at Bhiwadi in Himachal Pradesh to manufacture electric geysers and supply them to dealers all over the country. Their production target was 500 geysers per week. It was decided by the management that variation in production upto 10 units would be acceptable.
At the end of the first week, the production was 450 geysers. The next week, production increased to 470 geysers. A week later, production was 460 geysers. On investigation, it was found that fluctuation in production was due to irregular supply of electricity.
 - a) The above para discusses some of the steps in the process of one of the functions of management.
Identify the function of management discussed above.
 - b) Explain any two ways in which this function may help the organisation. (2)
4. Saqib Ltd. is a large credit worthy company operating in the Kashmir Valley. It is an export oriented unit, dealing in exclusive embroidered shawls. The floods in the Valley have created many problems for the company. Many craftsmen and workers have been dislocated and raw material has been destroyed. The firm is therefore, unable to get an uninterrupted supply of raw material, and the duration of the production cycle has also increased. To add to the problems of the organisation, the suppliers of raw material who were earlier selling on credit are asking the company for advance payment or cash payment on delivery. The company is facing a liquidity crisis. The CEO of the company feels that taking a bank loan is the only option with the company to meet its short-term shortage of cash. As a finance manager of the company, name and explain the alternative to bank borrowing that the company can use to resolve the crisis. (2)

5. 'Alfa Ltd.' was dealing in renewable energy. To get the business, the team leader and his team used - to travel to different states to give presentation to their clients. As per the policy of the company, the leader used to travel by air, whereas his team travelled by road/train. It was not only time consuming but also at time forced female team members to travel alone. As a result, the subordinates were not acting in a desired manner to achieve organisational goals. The CEO came to know about it. He called the team leader, discussed the matter with him and decided to change the travel policy of the company. It was decided that all the members including the leader would travel together in future and would usefully utilise the travelling time in discussion with the subordinates about presentation to be given to the clients. This made a positive impact and every member of the team started acting in a manner as desired by the team leader.

State the features of the element of the function of management used by the CEO. (3)

6. State three features of directing function of management. (3)

OR

Discuss the concept of formal communication.

7. What is meant by financial planning. State its importance. (3)
8. Textile manufacturer Super textiles reported 43% fall in its profits in the fourth quarter ended 31st March 2017, which is beyond the acceptable range 25% decided by the company. This was due to higher fuel cost and lower yield on account of demonetization. The company aims to implement cost saving measures by restructuring contracts and its business processes to meet its targets in the future.
- a) Name the function of management discussed above.
- b) Also identify and explain the steps of the function of management discussed above. (3)
9. Aarohan Ltd. an automobile manufacturer was diversifying into manufacturing two-wheelers. They knew that India is on a growth path and a new breed of consumer is eager for a first vehicle. The market responded very well to the new product. The company did not have to allow credit, as it had advance orders from four to six months with deposits paid. Also, due to efficiency in managing their operations as soon as a vehicle was off the assembly line, it was out to the dealers. Give any two reasons discussed above which helped the firm in managing its working capital efficiently. (5)

OR

'Viyo Ltd.' is a company manufacturing textiles. It has a share capital of ₹ 60 lakhs. The earning per share in the previous year was ₹ 0.50. For diversification, the company requires additional capital of ₹ 40 lakhs.

The company raised funds by issuing 10% debentures for the same.

During the current year, the company earned profit of ₹ 8 lakhs on capital employed. It paid tax @ 40%.

State whether the shareholders gained or lost, in respect of earning per share on diversification. Show your calculations clearly.

Also, state any two factors that favour the issue of debentures by the company as part of its capital structure.

10. State any five directions which can be issued by the consumer court to the opposite party if it satisfied about the genuineness of the complaint. (5)

OR

Who can file a complaint and against whom a complaint can be filed?

11. Explain the first five steps in the 'Trading Procedure' of stock exchange. (5)

12. Xeno Ltd. is a global information technology consulting company with 45,000 employees serving over 600 clients in 23 countries. Its Chief Executive Officer, Neil Suman, guided the company through two decades of diversification and growth to emerge as one of the leading Indian companies in the software industry. The company has set standards in ensuring the best training opportunities for its employees.

Its 'Project Guidance Program' is a 52-day structured training programme. This is offered to all recruits of varied backgrounds to be trained on essential behavioural and technical skills that prepares them to work in live customer projects. These recruits are hired from universities and management institutes for technical, professional as well as managerial jobs. The training programme helps the new employees in settling down quickly into the job by becoming familiar with the people, the surroundings, the job and the business.

- a) Identify the external sources of recruitment used by the company to hire new employees.
b) State any four ways in which the 'Project Guidance Programme' can benefit Xeno Ltd.

(5)

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Set-B

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2. Vinber Ltd. set up a manufacturing unit at Bhiwadi in Himachal Pradesh to manufacture electric geysers and supply them to dealers all over the country. Their production target was 500 geysers per week. It was decided by the management that variation in production upto 10 units would be acceptable.

At the end of the first week, the production was 450 geysers. The next week, production increased to 470 geysers. A week later, production was 460 geysers. On investigation, it was found that fluctuation in production was due to irregular supply of electricity.

a) The above para discusses some of the steps in the process of one of the functions of management.

Identify the function of management discussed above.

b) Explain any two ways in which this function may help the organisation. (2)

3. Selection process may even continue after the offer of employment, acceptance and joining of candidates. Why? (2)
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7. State three features of directing function of management. (3)

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a) Identify the external sources of recruitment used by the company to hire new employees.

b) State any four ways in which the 'Project Guidance Programme' can benefit Xeno Ltd.

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