

SAHODAYA PREBOARD EXAMINATION, 2024-25

- Please check that this question paper contains 7 printed pages.
- Please check that this question paper contains 34 questions.
- Please write down the Serial Number of the question before attempting it.
- 15 minutes time has been allotted to read this question paper. The students will read the question paper only during this time and will not write any answer on the answer-book during this period.

BUSINESS STUDIES (054)

Time Allowed: 3 hours

Maximum Marks: 80

General Instructions:

- This question paper contains 34 questions.
- Marks are indicated against each question.
- Answers should be brief and to the point.
- Answers to the questions carrying 3 marks may be from 50 to 75 words.
- Answers to the questions carrying 4 marks may be about 150 words.
- Answers to the questions carrying 6 marks may be about 200 words.

1. A leading pizza chain recently introduced “momo-mia” pizza- a combination of pan pizza with momos in its crust. Their market research had revealed that momos are the second most loved street food of India right after golgappas. They wanted to be the first company to take advantage of this opportunity rather than losing out to competitors. The point of importance of understanding of business environment discussed above is [1]
 - (a) Tapping useful resources
 - (b) Identifying opportunities & getting the first mover advantage
 - (c) Improvement in performance
 - (d) Copping with rapid changes.
2. This test is an indicator of a person’s learning ability or the ability to make decisions and judgments. [1]
 - (a) Trade test
 - (b) Personality test
 - (c) Intelligence test
 - (d) Aptitude test
3. Rishabh has joined as a Creative Head in an entertainment company. He always ensures that the work has been divided into small and manageable activities and also the activities of similar nature are grouped together. Identify the related step in organizing process being mentioned in the above lines. [1]

- (a) Identification and division of work
- (b) Departmentalization
- (c) Assignment of duties
- (d) Establishing reporting relationships

4. [1]



Identify the right of a consumer from the above image which can be exercised by a consumer:

- (a) Right to safety
- (b) Right to be assured
- (c) Right to be heard
- (d) Right to seek redressal

5. [1]

Identify the reason which makes management important in the light of the fact that it is generally seen that individuals in an organization resist change, as a change often means moving from a familiar, secure environment into a newer and a more challenging one.

- (a) Management helps in achieving group goals.
- (b) Management creates a dynamic organization
- (c) Management increases efficiency
- (d) Management helps in the development of society

6. [1]

Identify the correct sequence of the steps involved in the staffing process

- (a) Recruitment, Estimating the Manpower Requirements, Placement and Orientation, Selection
- (b) Estimating the Manpower Requirements, Selection, Placement and Orientation, Recruitment
- (c) Selection, Estimating the Manpower Requirements, Recruitment, Placement and Orientation
- (d) Estimating the Manpower Requirements, Recruitment, Selection, Placement and Orientation

7. [1]

In a marketing firm, the Financial Manager pays more attention towards an increase of 3% in the marketing cost as compared to a 15% increase in the courier expenses. Identify the concept being used by the manager.

- (a) Management by exception
- (b) Critical point control
- (c) Corrective action
- (d) None of the above

8. [1]

Monu, a chief engineer in a company using highly sophisticated machines and equipment wants that every employee should be fully trained before using the machines and equipment. Identify method of training that Monu can use for training of the employees.

- (a) Internship Training
- (b) Vestibule Training
- (c) Apprenticeship Training
- d) Job Rotation

9. Read the following statements carefully: [1]

Statement I: Capital Market deals with instruments with a maturity of less than one year.

Statement II: Capital market instrument enjoy a high degree of liquidity as compare to money market instrument

In the light of given statements, choose the correct alternative from the following:

- (a) Both the statements are true.
- (b) Both the statements are false.
- (c) Statement I is true, Statement II is false.
- (d) Statement II is true, Statement I is false.

10. If any aggrieved party is not satisfied with the order of the District Commission, then he can appeal before the State Commission within how many days of passing of the order: [1]

- (a) 25 days
- (b) 30 days
- (c) 40 days
- (d) 45 days

11. Wealth maximization depends on [1]

- (a) Market price per share.
- (b) Market price of finished goods.
- (c) Market price of inventory.
- (d) Market price of fixed assets

12. Read the following statements carefully: [1]

Statement I: Dividend can be paid only out of the earning of current year.

Statement II: A firm with limited access to capital market is likely to declare high dividend.

In the light of given statements, choose the correct alternative from the following:

- (a) Both the statements are true.
- (b) Both the statements are false.
- (c) Statement I is true, Statement II is false.
- (d) Statement II is true, Statement I is false.

13. Match the dimensions of Business Environment given under A with the suitable statement under B [1]

A	B
A. Legal Environment	i. Includes the economic factors that can affect management practices in a business enterprise.
B. Technological Environment	ii. Reflects specific attitudes that elected Govt. representatives hold towards business
C. Political Environment	iii. Refers to various legislations within which business transactions are to take place.
D. Economic Environment	iv. Includes forces relating to scientific improvements and innovations.

Find the correct option.

- | | | | | |
|-----|-------|------|-------|-----|
| | A | B | C | D |
| (a) | (iii) | (iv) | (ii) | (i) |
| (c) | (ii) | (iv) | (iii) | (i) |

- | | | | | |
|-----|------|-------|-------|-----|
| | A | B | C | D |
| (b) | (ii) | (iii) | (iv) | (i) |
| (d) | (iv) | (ii) | (iii) | (i) |

14. Identify the incorrect statement with respect to 'Investment decision': [1]
 (a) Net working capital refers to excess of current assets over current liabilities
 (b) Current assets are those assets which get converted into cash within one year
 (c) Capital budgeting decisions are irreversible.
 (d) Size of the assets, Profitability and competitiveness are not affected by capital budgeting decisions
15. Assertion: Controlling is both backward and forward looking process [1]
 Reason; Because the corrective action initiated by control function aims to improve future performance
 (a) Both Assertion and reason are true and reason is correct explanation of assertion.
 (b) Assertion and reason both are true but reason is not the correct explanation of assertion.
 (c) Assertion is true, reason is false.
 (d) Assertion is false, reason is true.
16. The part of brand which cannot be spoken but can be recognized is known as [1]
 (a) Brand name
 (b) Brand marks
 (c) Trade mark
 (d) Brand
17. Who among the following is not considered a consumer under the consumer protection act 2019? [1]
 (a) A person who buys any goods for a consideration which has been paid.
 (b) A person who avails of any service for a consideration which has been promised.
 (c) A person who avails of a service for a commercial purpose.
 (d) Any user of goods when such use is made with approval of the buyer.
18. Which of the following is not an objective of financial planning? [1]
 (a) Ensuring enough funds are available at the right time
 (b) Ensuring excess availability of funds at the right time
 (c) Ensuring smooth business operations
 (d) All of the above
19. Assertion – The fixed capital decisions involve huge funds and also big risk. [1]
 Reason: - The return from fixed capital comes in long run and company has to bear the risk for a long period of time till the returns start coming.
 (a) Both Assertion and reason are true and reason is correct explanation of assertion.
 (b) Assertion and reason both are true but reason is not the correct explanation of assertion.
 (c) Assertion is true, reason is false.
 (d) Assertion is false, reason is true.
20. A producer of Sakti claimed in an advertisement in a national newspaper that his product has [1]
 larger amount of Vitamins, Minerals and Proteins. However, tests indicated that it was a full false claim. Whose example is this?
 (a) Exploitation of consumer
 (b) Welfare of consumer

(c) Information for consumer

(d) None of these

21. 'The first masters' is a leading advertising company in its industry. Recently they had a meeting in which all the reasons which were outside the control of the organisation were discussed. The organisation wanted to maintain its supremacy in the market. They decided to break the meeting into two parts. In the first part customers, competitors, suppliers, etc. were discussed where as in the second part the political, economic, social conditions in the country were discussed. It was concluded that company was doing extremely well in the domestic market and the client base was expanding. However when the company's performance in foreign markets was evaluated it was found that conditions were different in different countries so the strategies adopted would have to be different. After the meeting the company was looking forward to making new gains. Which features of Business Environment have been highlighted in the above case? Also identify the lines. [3]
22. 'Bright stationery Ltd.' wants to raise funds of ₹40,00,000 for its new project. The management is considering the following mix of debt and equity to raise this amount [3]

Capital Structure	I(₹)	II(₹)
Equity	40,00,000	30,00,000
Debt	0	10,00,000
Other details are as follows:		
Interest Rate on Debt	9%	
Face Value of Equity shares	₹100 each	
Tax Rate	30%	
Earning Before Interest and Tax(EBIT)	₹8,00,000	

Under which of the two alternatives will the company be able to take advantage of trading on equity? Does Earning Per Share (EPS) always rise with increase in debt?

23. After developing premises, explain the next three steps of the planning process. [3]

OR

Discuss the importance of planning with the help of any three points.

24. Explain briefly various importance of directing. [3]

OR

Explain various features of motivation.

25. Explain any four importance of staffing. [4]

OR

Give a brief note about the following external sources of recruitment:

a. Casual caller

b. Placement agencies and Management consultant

26. "Packaging has acquired great significance in the marketing of goods". In the light of this statement explain various functions of packaging. [4]

OR

What is inventory control? Explain any three factors which will determine the inventory level.

27. Three groups of employees of 'Alpha Limited' are working at different posts. The first group of employees is responsible for the welfare and survival of the organization. In order to discharge its responsibility properly, this group continuously keeps a watch over the business environment. With a view to coping with the changes going on in the Business Environment, this group immediately discussed the change to be brought about in the company's plans. The second group of employees is responsible for maintaining quality and safety standards and minimizing wastages. The responsibility of the third group of employees is to explain the policies decided by the top management and developing the feeling of cooperation among all the departments of the company. [4]

- i. Identify the concept of management described in the paragraphs given above.
- ii. Identify the three types of the concept identified in (i) by quoting the relevant lines.

28. Explain briefly various points of importance of controlling. [4]

29. Two years ago, Madhu completed her degree in food technology. She worked for sometime in a company that manufactured chutneys, pickles and murabbas. She was not happy in the company and decided to have her own organic food processing unit for the same. She set the objectives and the targets and formulated an action plan to achieve the same. One of her objectives was to earn 10% profit on the amount invested in the first year. It was decided that raw materials like fruits, vegetables, spices, etc. will be purchased on three months credit from farmers cultivating only organic crops. She also decided to follow the steps required for marketing of the products through her own outlets. She appointed Mohan as the Production Manager who decided the exact manner in which the production activities were to be carried out. Mohan also prepared a statement showing the number of workers that will be required in the factory throughout the year. Madhu informed Mohan about her area wise sales target for different products for the forthcoming quarter. While working on the production table, a penalty of Rs 100 per day for not wearing caps, gloves and apron was announced. Quoting lines from the above paragraph identify and explain the different types of plans discussed. [4]

30. After pursuing a course in gemology from Australia, Raj started a workshop in Surat to supplement his father's jewellery business in Delhi. He is used to speaking in English but the local skilled workers understand only Hindi and Gujarati. Hence, he started facing problems in the work due to miscommunications between him and the workers. As a result, he is not able to get the jewellery designs made in the desired manner and getting them redesigned turns out to be very expensive. In the context of the above case: [4]

1. Identify and explain the type of communication barrier being referred to in the above paragraph.
2. Suggest any three measures by which he can improve his communication effectiveness.

31. Explain any three advantages and disadvantages of Formal Organization. [6]

OR

Distinguish between Functional Structure and Divisional Structure.

32. Define marketing. Briefly explain any five functions of marketing. [6]

OR

Explain various factors affecting price determination.

33. Wonka Limited was engaged in the business of food processing and selling its products under a popular brand. Lately the business was expanding due to good quality and reasonable prices. Also with more people working the market for processed food was increasing. New players were also coming to cash in on the new trend. In order to keep its market share in the short run the company directed its existing workforce to work overtime. But this resulted in many problems. Due to increased pressure of work the efficiency of the workers declined. Sometimes the subordinates had to work for more than one superior resulting in declining efficiency. The divisions that were previously working on one product were also made to work on two or more products. This resulted in a lot of overlapping and wastage. The workers were becoming undisciplined. The spirit of teamwork, which had characterized the company previously, was beginning to wane. Workers were feeling cheated and initiative was declining. The quality of the products was beginning to decline and market share was on the verge of decrease. Actually the company had implemented changes without creating the required infrastructure. [6]

By quoting lines from the above paragraph, identify and explain any four principles of management stated above.

34. The Bombay Stock Exchange (BSE) is Asia's first stock exchange and the world's 11th largest stock exchange. It became the first stock exchange to be recognized by the Indian Government under the Securities Contracts Regulation Act. Its automated, screen-based trading platform called BSE On-Line Trading (BOLT) had a capacity of 8 million orders per day. The BSE has also introduced a centralized exchange-based internet trading system, BSEWEBx.co.in to enable investors anywhere in the world to trade on the BSE platform. [6]
- In context of the above case:

1. Name the organization that regulates the working of stock exchanges in India.
2. State any three functions performed by stock exchanges.
3. Give any two advantages of screen-based trading.
