

PREBOARD EXAMINATION -TERM II (2021-22)
BUSINESS STUDIES (054)
Class XII

Time: 2 Hours

MM: 40

General Instructions:

- i) This is a Subjective Question Paper containing 12 questions.
- ii) This paper contains 4 questions of 2 marks each, 4 questions of 3 marks each and 4 questions of 5 marks each.
- iii) 2 marks questions are Short Answer Type Questions and are to be answered in 30-50 words.
- iv) 3 marks questions are Short Answer Type Questions and are to be answered in 50-80 words.
- v) 5 marks questions are Long Answer Type Questions and are to be answered in 80-120 words.
- vi) This question paper contains Case/Source Based Questions.

S.NO	QUESTIONS	MARKS
1.	As a manager, one should focus on increase of 5% in labour cost instead of worrying about 15% increase in postal charges. Which concept of control is referred here. Explain.	2
2.	ABC Ltd. is not able to achieve its objectives. On analyzing they found that employees were not contributing their best. The Production Manager, Mr. Das announced an incentive plan which will be given to employees for achieving the target. Identify and explain the element of directing used by Production manager?	2
3.	When Jaskaran Singh applied for the post of Computer teacher in a school in Bhubaneswar, he was asked to prepare presentation on a particular topic during selection procedure. Identify and explain the type of selection test being mentioned in the above lines.	2
4.	(a) Rahul purchased a car for ₹87 Lakh from an automobile company. Later on, he found defects in its engine. Suggest to him the appropriate authority, where he could file a complaint under Consumer Protection Act, 2019. (b) State two responsibilities of consumer under Consumer Protection Act, 2019.	2
5.	In order to improve employee productivity and increase employee morale, Xion Lrd. adopted various ways of training such as: (a) Mr. Ramesh was trained on equipment which were similar to those which he would be using. (b) Harish and Rakesh were put under the guidance of a master worker to acquire high levels of skill. Identify the method of training with brief explanation adopted by Xion Ltd. In part (a) and (b).	3

OR

Babita Ltd. is engaged in manufacturing machine components. The target production is 250 units per day per worker. The company had been successfully attaining this target until two month ago. Over the last two months, it has been observed that daily production varies between 200-210 units per worker. Name the function of management and identify the step in the process of this function which helped in finding out that the actual production of a worker is less than the set target. Also give its meaning.

6. What do you mean by internal source of recruitment? Explain two methods of internal source of recruitment. 3
7. Mrs. Rajlaxmi is working as the Human Resource Consultant in a firm manufacturing cosmetic, which is facing a problem of high employee turnover. The CEO of the company has invited suggestions from her for retaining the talented employees and reducing the employee turnover. Mrs. Rajlaxmi recommends that the good employee be rewarded in a way that it creates a feeling of ownership among the employee and at the same time makes them contribute towards the growth of the organization. 3
- (a) Identify the incentive and explain its type, which has been suggested by Mrs. Rajlaxmi to the CEO of the company.
- (b) Also explain any two other incentives of the same type.
8. Explain 'Authoritative style' of leadership. 3
9. Explain the following right of consumers provided by Consumer Protection Act, 2019:- 5
- (a) Right to safety
- (b) Right to seek redressal
10. XYZ International Ltd. earned a net profit of ₹15 crores. Mr. Ajay, the Finance manager of XYZ International Ltd. wants to decided how to appropriate profits. Identify the decision that Ajay will have to take and also discuss any four factors which would help him in taking this decision. 5

OR

Explain briefly any five factors that affects the working capital requirement of a company.

11. BTW Ltd. wants to raise ₹25,00,000 for its new project. The management is considering following capital structure mix to raise this amount: 5

Capital Structure	Alternatives		
	I	II	III
Equity @ ₹100 each	₹25,00,000	₹ 20,00,000	₹ 5,00,000
Debt	-	₹ 5,00,000	₹20,00,000

Other details are as follows:

Earning before Interest and Tax	₹3,00,000
Rate of interest on debentures	8 %
Tax rate	30%

Evaluate, which of the above alternatives is more beneficial for the equity shareholders? Show your working notes clearly.

OR

Lakshmi Vilas bank is facing a liquidity crunch due to increase in the Cash reserve Ratio (CRR). It is finding difficult to fulfil its commitment to lend money to the borrowers.

- (a) Identify and explain the money market instruments which can be used by the bank at this time.
- (b) Also, explain any three other money market instruments.

12. Describe Maslow's Need Hierarchy Theory of motivation. 5