

**KENDRIYA VIDYALAYA SANGATHAN, ERNAKULAM REGION**

**BUSINESS STUDIES**

**CLASS XII (2012-13)**

**Blue Print**

Units	Very Short Answer (1)	Short Answer Question(3,4)	Long Answer Questions (5,6)	TOTAL
Unit-1(5)	-	-	<b>5(1)</b>	<b>5(1)</b>
Unit-2(6)	-	<b>3(2)</b>	-	<b>6(2)</b>
Unit-3(5)	-	-	<b>5(1)</b>	<b>5(1)</b>
Unit-4(6)	-	<b>3(2)</b>	-	<b>6(2)</b>
Unit-5(8)	-	<b>4(2)</b>	-	<b>8(2)</b>
Unit-6(6)	<b>1(1)</b>	-	<b>5(1)</b>	<b>6(2)</b>
Unit-7(8)	<b>1(2)</b>	-	<b>6(1)</b>	<b>8(3)</b>
Unit-8(6)	<b>1(1)</b>	-	<b>5(1)</b>	<b>6(2)</b>
Unit-9(12)	<b>1(2)</b>	<b>4(1)</b>	<b>6(1)</b>	<b>12(4)</b>
Unit-10(8)	<b>1(2)</b>	-	<b>6(1)</b>	<b>8(3)</b>
Unit-11(14)	<b>1(2)</b>	<b>3(2)</b>	<b>6(1)</b>	<b>14(5)</b>
Unit-12(6)	<b>1(2)</b>	<b>4(1)</b>	-	<b>6(3)</b>
	<b>12(12)</b>	<b>34(10)</b>	<b>44(8)</b>	<b>90(30)</b>

**Note: Marks are indicated outside the bracket.**

**No. of questions are indicated inside the bracket.**

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**BUSINESS STUDIES**

**CLASS-XII (2012-13)**

**MAX. MARKS-90**

**TIME- 3HRS**

**GENERAL INSTRUCTIONS:-**

- 1) Answer to questions carrying 1 marks may be from one word to one sentence.
- 2) Answer to questions carrying 3 marks may be from 50 to 70 words.
- 3) Answer to questions carrying 4-5 marks may be about 150 words.
- 4) Answer to questions carrying 6 marks may be about 200 words.
- 5) Attempt all parts of the questions together.

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- 1) What is meant by internship training? 1
  - 2) It is an incentive offered over and above the wages/salary to the employees. Name the type of financial incentive. 1
  - 3) Name the functions which review the functions in an organisation. 1
  - 4) Give the meaning of 'Autocratic Style' of leadership. 1
  - 5) Multi Cables Ltd. earned a net profit of Rs. 50 lakhs. Rahim the finance manager of Multi cables Ltd., wants to decide how to appropriate these profit. Which financial Decision will help him in deciding it. 1
  - 6) Financial planning strives to achieve the twin objectives. Enumerate them. 1
  - 7) What is meant by 'Capital market'? 1
  - 8) State any one protective function of SEBI. 1
  - 9) What is meant by 'product mix'? 1
  - 10) '100gm bottle of sauce free with 1kg detergent'. Which sales promotion technique Is involved here? 1
  - 11) What is the composition of national commission under the provisions of consumer Protection act 1986. 1
  - 12) Who can play a role in a achieving objective of consumer protection? Give two names. 1
  - 13) State any three significance of principles of management. 3
  - 14) Explain the following principles of management. 3
    - a) Unity of direction.
    - b) Esprit de corps.
  - 15) Enumerate any three importance of planning. 3
  - 16) Explain the meaning of 'procedure' as a type of plan. 3
  - 17) What are the functions of packaging. 3
  - 18) State the qualities of good salesman.
  - 19) Why is organising considered an important function of management? Give reasons. 4

- 20) Distinguish between delegation and decentralisation of authority on the basis of the following:-
- a) Nature
  - b) Purpose
  - c) Freedom of action
  - d) Level of authority
- 21) State any four factors which help in determining the fixed capital requirements of a company .
- 22) Bhuvan , who was a vegetarian went to a snack bar for having French fries and later found out that it had non vegetarian content. Neither the advertisement nor the packing of the product displaced that the product has non vegetarian content.
- a) Which values do you find disturbing in the above para and also explain the rights of consumers as per consumer protection Act 1986.
- 23) Explain the significance of management in running of a modern enterprise.
- 24) Briefly discuss the impact of government policy changes on business and industry?
- 25) Which source of recruitment is needed to bring new blood in the organisation?  
Explain any five sources of such recruitment.
- 26) Describe the steps in the process of controlling.
- 27) Leadership is considered as the most important element of directing: In the light of this statement explain the importance of leadership.

OR

“Management functions cannot be carried out without an efficient system of communication”. Do you agree with this statement? Give reasons in support of your answer.

- 28) You are the finance manager of a company. The board of directors have asked you to decide the divided policy for the company. Explain the factors that you would take in consideration while determining the divided policy for the company.

OR

What is meant by capital structure? Explain the factors affecting capital structure of a Company.

- 29) What is money market? Explain any four instrument traded in the money market.

OR

What is stock exchange? Explain the functions of stock exchange.

- 30) Rajiv has written a book on Management studies. Explain the factors must be Considered by Rajiv before fixing the price of the book.

OR

“Advertising misleads customers and increases the cost of products.” Do you agree With this statement? Give reasons in support of your answer.

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# BUSINESS STUDIES

## CLASS-XII (2012-13)

### MARKING SCHEME

Note: The given answers are guideline for evaluation. Full weightage is to be given for alternative answers..

1. It is a joint programme of training in which educational institutions and business firms cooperate. 1
  2. Bonus. 1
  3. Controlling. 1
  4. An autocratic leader gives orders and insists that they are obeyed. He determines the policies for the group without consulting them. 1
  5. Dividend decision. 1
  6. (I) To ensure availability of funds whenever these are required.  
(ii) To see that a firm does not raise resources unnecessarily. 1
  7. Market for medium and long terms funds. 1
  8. It promotes fair practices and code of conduct in securities market. 1
  9. Product mix deals with decisions concerning varieties, quality, features, packaging, size, brand, guarantee and services to be offered in respect of the firm's product. 1
  10. Product combination. 1
  11. It consists of a president and at least four other members, one of whom should be a woman and they are appointed by the central government. 1
  12. Consumer organisations, Government. 1
  13. Significance of principles of management.
    - a) Providing managers with useful insights into reality.
    - b) Optimum utilisation of resources and effective administration.
    - c) Scientific decisions.
    - d) Meeting changing environment requirements.
- Any three points-(3)
14. a) Unity of direction: All the units of an organisation should be moving towards the same objective through coordinated and focussed efforts. Each group of activities having the same objective must have one head and one plan.  
b) Esprit de corps: management should promote a team spirit of unity and harmony among employees. 1 ½ +1 ½ = 3
  15. Importance of planning
    - a) Planning provides directions.
    - b) Planning reduces the risk of uncertainty.
    - c) Planning reduces overlapping and wasteful activities.
    - d) Planning promotes innovative ideas.

e) Planning facilitates decision making.

Any three points - 3

16. Meaning of procedure:

Procedures are routine steps on how to carry out activities. They detail the exact manner in which any work is to be performed. They are specified in a chronological order. 3

17. Functions of packaging:

- a) Protection
- b) Identification
- c) Convenience
- d) Promotion
- e) Innovation

any three points (3)

18. Qualities of a good salesman:

- a) Physical qualities
- b) Psychological qualities
- c) Technical quality
- d) Good communication skills
- e) Honesty

any three points (3)

19. Importance of Organising:

- a) Benefits of specialisation
- b) Clarity in working relationships
- c) Optimum utilisation of resources
- d) Adaptation to change
- e) Effective administration
- f) Development of personnel

any 4 points with explanation (4)

20. Difference on the basis of:

- a) Nature
- b) Purpose
- c) Freedom of action
- d) Level of authority

Correct difference 1 x 4 = 4

21. Factors affecting fixed capital requirements:

- a) Nature of business
- b) Scale of operation
- c) Choice of technique
- d) Technology up gradation
- e) Growth prospects
- f) Diversification
- g) Level of collaboration

any 4 points with explanation 1x4=4

22) The disturbing value in the above Para is no information about the product on advertisement nor on package is a violation of Right to Information.

Other rights of consumers are :

- a) Right to safety
- b) Right to choose
- c) Right to be heard
- d) Right to seek redressal
- e) Right to consumer education

any three points with explanation 1+3=4

23) Significance of management

- a) Management helps in achieving group goals
- b) Management increases efficiency
- c) Management creates a dynamic organisation
- d) Management helps in achieving personal objectives
- e) Management helps in the development of society
- f) Management brings harmony in work

any five points with explanation 1x5=5

24) Impact of government policy changes on business and industry

- a) Increasing completion
- b) More demanding customers
- c) Rapidly changing technological environment
- d) Necessity for change
- e) Need for developing human resource
- f) Market orientation

any 5 points with explanation 1x5=5

25) External sources of recruitment.

- Sources:
- a) Direct recruitment
  - b) Casual callers
  - c) Advertisement
  - d) Employment exchange
  - e) Campus recruitment
  - f) Labour contractors
  - g) Advertising on television
  - h) Web publishing

Any 5 points with explanation 1x5=5

26) Steps in controlling process

- a) Setting performance standards
- b) Measurement of actual performance
- c) Comparison of actual performance with standards
- d) Analysing deviations
- e) Taking corrective actions

Above points in sequence with explanation- 5

27) Importance of leadership

- a) Helps in guiding and inspiring employees
- b) Secures cooperation of members of organisation
- c) Creates confidence
- d) Improve productivity
- e) Improves job satisfaction
- f) Enhances group cohesion
- g) Leader provides training to their subordinates

any 6 point with explanation 1x6=6

OR

Yes, I agrees the statement.

Importance of communication

- a) Acts as basis of coordination
- b) Helps in smooth working of an enterprise
- c) Acts as basis of decision making
- d) Increases managerial efficiency
- e) Promotes cooperation and industrial peace
- f) Establishes effective leadership
- g) Boosts moral and provides motivation

Any 6 points with explanation 1 x 6 = 6

28) Factors affecting dividend policy:

- a) Earnings
- b) Stability of earnings
- c) Stability of dividend
- d) Preferences of shareholders
- e) Cash flow position
- f) Taxation policy

g) Bonus shares

h) Stock market reaction

any 6 points with explanation

1 x 6 = 6

OR

Capital structure means the proportion of debt and equity used for financing the operations of business.

Factors affecting capital structure:

- a) Cash flow position
- b) Interest coverage ratio
- c) Debt service coverage ratio
- d) Return on investment
- e) Cost of debt
- f) Tax rate
- g) Cost of equity
- h) Floatation costs
- i) Risk consideration

any 6 points with explanation 1 x 6 = 6

29. money market is the market for short term funds meant for use for a period of one year.

The important money market instruments are:

- a) Call money
- b) Treasury bill
- c) Trade bill
- d) Commercial paper
- e) Certificate of deposit

Meaning & any 4 instruments with explanation 2 + 4 = 6

OR

Stock exchange: It is a market in which existing securities are bought and sold. It is a place where dealings take place in shares, debentures and bonds issued by private sector companies, public enterprises, government, etc.

Functions:

- a) Liquidity
- b) Valuation of securities
- c) Promotes the habit of saving and investment
- d) Contributes to economic growth
- e) Safety of dealing
- f) Providing scope for speculation

Meaning & any 4 functions with explanation 2 + 4 = 6

30) Pricing factors:

- a) Pricing objectives
- b) Produce cost
- c) Extent of competition in the market
- d) Customer's demand and utility
- e) Government and legal regulations
- f) Marketing methods used.

all 6 points with explanation      1 x 6 = 6

OR

Yes, I agree this statement.

Objections of advertising:

- a) Effect of advertising on values, materialism and lifestyles
- b) Advertising encourages sale of inferior and dubious products.
- c) Advertising confuses rather than helps.
- d) Some advertisements are in bad taste.
- e) Advertising costs are passed on to the customers in the form of high prices

all points with explanation

6

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