



# ÉCOLE GLOBALE

INTERNATIONAL GIRLS' SCHOOL  
Dehradun

## **HOLIDAY HOMEWORK - CLASS XII-Commerce-BUSINESS STUDIES**

- a. Write the answers of the questions given in the question bank provided. [Question Bank Attached]
- b. Prepare two Project files as per CBSE guidelines.
- c. Revise all the chapters.

# **Question Bank**

**Subject: Business Studies**

**Class: XII-Commerce**

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## Chapter-1: Nature and Significance of Management

### Very Short Answer (VSAT) Type Questions

<b>Q1.</b>	Name the intangible force which creates productive relationships among resources of an organisation.	<b>1</b>
<b>Q2.</b>	A business needs to add to its prospects in the long run. Identify the organisational objective highlighted by this?	<b>1</b>
<b>Q3.</b>	Management helps in development of the society. How?	<b>1</b>
<b>Q4.</b>	In which two functions do managers at the top level spend more time than managers at lower level of the organisations?	<b>1</b>
<b>Q5.</b>	Moksh is the manager of the Northern division of a large corporate house. At what level of management does he work in the organisation? What is his main task?	<b>1</b>
<b>Q6.</b>	Your grandfather is working in an MNC as chief operating officer. At which level of management is he working?	<b>1</b>
<b>Q7.</b>	Name the level of management responsible for all the activities of first line managers.	<b>1</b>
<b>Q8.</b>	At which level of management are the managers responsible for maintaining the quality of output and the safety standards?	<b>1</b>

### Application/HOTS/Evaluation/Value Based Questions

<b>Q9.</b>	“For management, it is important to be both effective and efficient. Effectiveness and efficiency are the two sides of the same coin.” Comment.	<b>3</b>
<b>Q10.</b>	Name the levels of management engaged in : a) Introducing a new product line and deciding the capital structure of the company. b) Recruitment of casual labourers. c) Devise a suitable advertising campaign to sell a new product /service a company is launching.	<b>3</b>
<b>Q11.</b>	“The skillful and personal application of existing knowledge to achieve desired results is called art.” In the light of this statement, describe whether management is an art or not.	<b>4</b>

### Long Answer Type Questions

<b>Q12.</b>	The General manager- GM of ‘Radhaswami Kidswear Limited’, Mr. Sahil Radhaswami, has divided all the employees of his company into three levels (Top	<b>5</b>
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	<p>Level, Middle level and Lower Level) different individuals. At the Top Level the General Manager and Board of Directors themselves work.</p> <p>The Middle Level work is looked after by the four Departmental managers like the Production Manager, Purchase manager, Sales Manager and Finance Manager.</p> <p>The Lower Level is constituted of one supervisor of each of the four departments. These Supervisors look after the daily activities of their subordinates. They also maintained the flow of inputs in the production process to transform it to desired output. Often, it is observed that the managers of all Levels remain busy sometimes with the planning of their respective departments and sometimes with the comparison of the desired and actual results. Similarly, sometimes they are busy with the Recruitment, Selection and Training of the employees and sometimes with their motivation.</p> <p>Mr. Sahil knows it very well that the job of management cannot be done by a single person alone, but when all join hands to work together the meaning of management is realised. This is why he makes all his efforts to effect coordination in the activities of all his employees. All the employees are working with the team spirit.</p> <p><b>In the above paragraph features of management have been described.</b></p>	
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## Chapter -2: Principles of Management

<b>Q13.</b>	Which principle of Henry Fayol does functional foremanship violate?	<b>1</b>
<b>Q14.</b>	Which principle of scientific management suggests that management should be open to constructive suggestions and workers should be taken into confidence before taking important decisions?	<b>1</b>
<b>Q15.</b>	A sales person is asked to finalize a deal with customer. The marketing manager allows him to give a discount of up-to 10% but the Finance Manager allows him to give discount of up to 25%. Which principle is violated here?	<b>1</b>
<b>Q16.</b>	Which principle of scientific management suggests that management should share its gains with workers and workers should be willing to embrace the change for good of the company?	<b>1</b>

### Application/HOTS/Evaluation/Value Based Questions

<b>Q17.</b>	Explain the technique of scientific management that is extension of “Principle of Division of work” and specialization?	<b>3</b>
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## Chapter-3: Business Environment

### Very Short Answer (VSAT) Type Questions

Q18.	Can the effect of various factors of business environment on business be recognized separately?	1
Q19.	It is the process by which government control over the industry is being loosened. Give the term to which this statement is trying- to indicate.	1

### Application/HOTS/Evaluation/Value Based Questions

Q20.	Just after declaration of Lok Sabha Elections 2014 results, the Bombay Stock Exchanges price index (Sensex) rose by 1000 points in a day. Identify the environmental factor which led to this rise giving reason. Also, explain any two other dimensions of business environment.	3
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### Long Answer Type questions

Q21.	‘Understanding of environment by business managers enables them not only to identify and evaluate, but also to react to the forces external to their firms.’ In the light of this statement, explain by giving any five points why in the present day competitive market, it is essential for a business enterprise to remain alert and aware of its environment.	5
Q22.	The court issued the order that it is essential for the vehicles to be smokeless and that any one violating this order shall have to pay a heavy fine. Abiding by this order was necessary for the health of people. Making this strict order of the court as the base; ‘Gyan Motors Limited’ resolved to manufacture such vehicles by using modern technology as should not produce any smoke at all. The government should also announce to provide help in several ways to set up such industrial units. Identify the three dimensions of Business Environment described in the paragraph above by quoting the relevant lines. Write about any one of the values for society granted by the court.	6

## Chapter-4: Planning

### Very Short Answer (VSAT) Type Questions

Q23.	“We do not sell on credit”. This statement is related to which type of plan.	1
Q24.	Planning strangulates the initiatives of the employees and compels them to work in an inflexible manner. Which limitation of planning is highlighted here?	1

### Application/HOTS/Evaluation/Value Based Questions

<b>Q25.</b>	Procter and Gamble Ltd. is offering a free bucket on every purchase of Tide washing powder. In response to this Hindustan Unilever Ltd. started a new scheme of giving free one kg of Rin Washing Powder with every purchase of five kg of Rin washing powder. Identify the plan stated in above paragraph and explain it.	<b>3</b>
<b>Q26.</b>	A company is manufacturing garments. The manager wants to increase profits by purchasing new high speed machines or increasing the sale price or using waste materials in manufacturing stuffed toys. He decided that “using waste material” is the best solution for him. <b>(a)</b> Identify the concept of management involved. <b>(b)</b> Mention the steps involved in the above process by quoting the lines from the question.	<b>3</b>
<b>Q27.</b>	If you fail to plan, you plan to fail. “Do you agree? Give any three reasons.	<b>3</b>

### Long Answer Type questions

<b>Q28.</b>	The director of Infra Ltd. set the target to increase current year sale by ‘500 cr. For increasing the sales of the current year, he also kept in mind future forecast and assumptions. Then he searched different ways to increase sale such as sales promotion, network marketing and other activities. After that he held meeting with sales manager and made necessary changes to achieve target. Identify the different stages of planning process quoting the relevant lines.	<b>6</b>
<b>Q29.</b>	It is the managerial function which enables a manager to look ahead and anticipate changes. Identify the function and explain its importance.	<b>6</b>

## Chapter-5: Organising

### Very Short Answer (VSAT) Type Questions

<b>Q30.</b>	“If we delegate authority, we multiply by two, if we decentralise it we multiply it by many”. Name any one concept to which this statement is related.	<b>1</b>
<b>Q31.</b>	Name the functions of management which coordinates the physical, financial and human resources and establishes productive relations among them for achievement of specific goals.	<b>1</b>

### Application/HOTS/Evaluation/Value Based Questions

<b>Q 32.</b>	Manager of XYZ Ltd. is over burdened with routine work and is unable to concentrate on its objectives and other important issues of the firm. To solve this problem which management concept should be followed by manager? Also explain the related function.	<b>3</b>
<b>Q33.</b>	The Principal of SPS Public School ordered the staff that they will be allowed to sit in the staffroom situated in their block. No teacher will be allowed to sit in another staffroom. During school’s hours, teachers can meet teachers of their	<b>4</b>

	<p>department only for work related matters. He wants each teacher to strictly work as per rules and directions given by him.</p> <p><b>a.</b> Identify the type of organisation in this and state disadvantages of such organisation.</p> <p><b>b.</b> State the value violated in the above case.</p>	
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### Long Answer Type questions

<b>Q34.</b>	“The responsibility of a firm should be divided among various levels such as top level, middle level, and lower level”. Identify the concept of management function and state its importance.	<b>2+3=5</b>
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## Chapter-6: Staffing

### Very Short Answer (VSAT) Type Questions

<b>Q35.</b>	“Our assets walk out of the door each evening. We have to make sure that they come back the next morning”. This statement is related to which function of management?	<b>1</b>
<b>Q36.</b>	What is performance appraisal?	<b>1</b>

### Application/HOTS/Evaluation/Value Based Questions

<b>Q 37.</b>	Manu a Chief Engineer in a Co., using highly sophisticated machines and equipments, wants that every employee should be fully trained before using those machines and equipments. Suggest and describe the best method of training that Manu can use.	<b>3</b>
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### Long Answer Type questions

<b>Q38.</b>	<p>Teja Ltd. received 22,495 applications for the post of fifty supervisors. Preliminary, screening was done and 3,545 applications were filtered. Various steps of selection process were taken and finally fifty candidates as supervisors were selected. They were directly posted to their respective posts. After one month performance appraisal of these candidates was conducted. It was found that out of 50, eight were not able to perform as per standards as they were facing practical problems while handling machines.</p> <p><b>(a)</b> In your opinion, what should be done to improve the performance of these eight supervisors?</p> <p><b>(b)</b> How an organisation can be benefited by improving the skill level of employees.</p>	<b>5</b>
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## Chapter-7: Directing

### Very Short Answer (VSAT) Type Questions

Q39.	A nationalized Indian bank is going to introduce some major changes in accordance with directions of RBI. Workers under influence of Trade Union are showing resistance as they fear losing their job. Which function of management can remedy the situation?	1
Q40.	'Look Good Cosmetics Ltd' offers commission to its sales manager in addition to the fixed salary. To earn more commission, the manager wants to increase sales. He recommends management to introduce the scheme of "one nail paint free when buying three lipsticks." But higher officials reject the scheme as this may cause loss to the firm. Which function of management can solve the clash?	1
Q41.	You are working as Human Resource Manager. General Manager sent a message to you, which you received and understood well. Is the communication process complete? Give reason.	1
Q42.	Charu says leadership is required only for less efficient subordinates while Chandra says that leadership is required for all. Who is correct? Why?	1
Q43.	Rahul is an engineer in Jacob Ltd. He works very hard and it is observed by Production Manager. But he never appreciates the efforts of Mr. Rahul. Name the element of Direction not exercised by production Manager.	1

### Application/HOTS/Evaluation/Value Based Questions

Q 44.	Raju is good orator, but he lacks good listening skills. Due to it, he does not listen to the instructions given by supervisor carefully and completely. Therefore, he doesn't complete the work as her given instructions. a) Identify the concerned communication barriers b) State the category of such barriers. c) How such barriers can be mitigated?	3
Q45.	Anju and Manju work as Supervisor and clerk in Production and Finance Dept. respectively. They're close friends and have lunch together. One noon while having lunch Anju shared with Manju that twenty employees will be transferred to the foreign branch next month. 1. Which kind of communication took place between Anju and Manju? 2. Write any two limitations of such communication.	3
Q46.	Kareena is working in an MNC' She has been given an option to buy the shares of the company at an amount less than the market price because of her performance as an incentive. Katrina has been awarded "Employee of the month" award. Which forms of incentive is being referred here. Explain the incentives along with any other three incentives.	4

### Long Answer Type questions



<b>Q47.</b>	<p>'Rose Ltd' is manufacturing- Textiles, Cosmetics and Kitchenware item. The company has recruited all female freshers directly from a Management Institute located in the city. Each product is headed by different female manager.</p> <p>Ms Pooja is looking after Textile. She believes in decentralisation and takes decisions regarding different work by consulting her subordinates.</p> <p>Ms Mona, head of cosmetics, takes little interest in managerial functions and the subordinates are left on their own.</p> <p>Ms Anu is heading Kitchenware items. She has kept all the authority in her own hands and makes employees perform the work exactly as per her orders.</p> <p>a) Which kind of organisational structure has the company adopted?  b) State the specific source of recruitment used by the company?  c) Identify the leadership styles practised by the 3 heads.  d) State any one value adopted by the company.</p>	<b>6</b>
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## Chapter-8: Controlling

### Very Short Answer (VSAT) Type Questions

<b>Q48.</b>	Suppose you are the manager of ABC Clothing Ltd. It comes to your knowledge that postal expenses have increased by 15% over the standard price and cost of labour and raw materials has increased by 3%. Which of the two situations is more critical according to you?	<b>1</b>
<b>Q49.</b>	Prakash Jha wishes to fix- standard production for worker along with standard time to complete the job. Under which function of management, standards are fixed?	<b>1</b>

### Application/HOTS/Evaluation/Value Based Questions

<b>Q50.</b>	<p>Jindal Ltd. could not achieve the target production of 15,000 cars p.a. It could produce only 14,125 cars - While analysing the reasons for deviations, it was found that workers were not efficient. Training programmes were organised and next year, company was able to produce 15,000 units.</p> <p>Production Manager is of the opinion, that with this, management ends at controlling. Do you agree? Give reason to support our answer.</p>	<b>3</b>
<b>Q 51.</b>	<p>Mr. Ankit is the chief manager in a well-known MNC, producing shoes. He called the production manager of his unit and told him to keep a constant watch on all the activities of his respective unit so that there is no possibility of adverse results. As long as the company runs its operation employees at all levels will adopt it to achieve results.</p> <p>a. Identify the function of management referred above.  b. 2. Describe its three features quoting lines from the para.</p>	<b>4</b>

### Long Answer Type questions

<b>Q 52.</b>	Col. Pratap Singh retired from Army and joined Jacob Ltd. as General Manager. He is very strict disciplinarian and makes everybody to meet deadlines. He doesn't listen to any suggestion and doesn't pay any heed to worker's problems. Although targets are achieved in time, yet working atmosphere is deteriorating day by day. Workers do not get any opportunity to interact with each other for satisfaction of social and emotional needs. Labour Turnover Rate is increasing. <b>(i)</b> Which kind of leadership style, has Mr. Pratap been adopting? <b>(ii)</b> List the values ignored by Mr. Pratap. (Any two) <b>(iii)</b> Which kind of communication is not taking place among employees? Describe.	<b>6</b>
<b>Q 53.</b>	A company was manufacturing 'LED bulbs' which were in great demand. It was found that the target of producing 300 bulbs a day was not met by the employees. On analysis, it was found that the workers of the company were not able to achieve the set targets and alternative arrangements were needed. To meet the increased demand, the company assessed that approximately 88 additional workers were required out of which 8 would work as heads of different departments and 10 would work as subordinates were also enlisted. It was also decided that necessary relaxation should be given to encourage women, persons from backward and rural areas and persons with special abilities to assume responsible positions in the organisation. All efforts were made to match the ability of the applicants with the nature of work. a) Identify the functions of management discussed above. b) State the two steps in the process of each function discussed in the above para. c) List any three values which the company wants to communicate to the society.	<b>6</b>

## Chapter-9: Financial Management

### Very Short Answer (VSAT) Type Questions

<b>Q 54.</b>	What is favourable financial leverage?	<b>1</b>
<b>Q55.</b>	Name the financial decision which will help a businessman in opening a new branch of its business?	<b>1</b>
<b>Q56.</b>	'Fixed capital decisions are irreversible'. Why?	<b>1</b>
<b>Q57.</b>	How is operating cycle related to requirement of working capital?	<b>1</b>
<b>Q58.</b>	Which type of company is in a position to declare high dividends?	<b>1</b>
<b>Q59.</b>	How will increase in number of creditors affect the working capital requirements of a company?	<b>1</b>

### Application/HOTS/Evaluation/Value Based Questions

<b>Q60.</b>	Name the factor due to which a petro chemical company requires much higher investment in fixed capital than an information technology company. However both may generate same amount of revenue.	<b>3</b>
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### Long Answer Type questions

<b>Q 61.</b>	“Ranbaxy Ltd. has been earning handsome profits since last 15 years. Company enjoys fair goodwill in the market, so company can easily arrange debt as well equity from the market, whenever needed. Therefore company decided to declare dividend with a hike of 15% from, last year.” Which two components affecting dividend decision have been highlighted in the above paragraph?	<b>5</b>
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## Chapter-10: Financial Markets

### Very Short Answer (VSAT) Type Questions

<b>Q62.</b>	What is the minimum amount of Treasury bill?	<b>1</b>
<b>Q63.</b>	Which bearer certificate is issued by banks against the deposits kept by companies and institutions for short period?	<b>1</b>
<b>Q64.</b>	What is other name of Zero Coupon Bonds?	<b>1</b>
<b>Q65.</b>	What is near money?	<b>1</b>
<b>Q66.</b>	Julie wants to get her share certificates in electronic form. What is the name of service provided by depository?	<b>1</b>

### Application/HOTS/Evaluation/Value Based Questions

<b>Q67.</b>	Pranjal has 500 shares of L&T. L&T comes out with a fresh issue of shares and Pranjal received on offer to buy 1 share of L&T for every 5 shares held by her. Which method of floating new issue is indicated in this case?	<b>3</b>
<b>Q68.</b>	Why are money market instruments more liquid as compared to capital market instruments?	<b>3</b>

### Long Answer Type questions

<b>Q69.</b>	GETO Ltd. is a company that produces school bags. Now it wants to produce water bottles also. For such diversification it needs additional capital of Rs. 50 crores, So company decided to float capital by way of equity shares issue to the general public as it is boom period in market. But company's cash position is not favourable. In order to arrange working capital, company wants to use some money market instruments. It will help in meeting floatation costs. (i) Identify the method of floatation of capital as mentioned in the above paragraph. (ii) Besides above share issue method, mention two other methods. (iii) Which money market instruments will be appropriate? Clarify.	<b>6</b>
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## Chapter-11: Marketing Management

### Very Short Answer (VSAT) Type Questions

Q 70.	You have come up with a brand name 'Yummy Yummy' for your noodles brand. What qualities do you think are associated with it?	1
Q 71.	A company uses some promotional schemes like 'buy one, get one free', free samples, free gifts and so on to boost the sales of its products and earn higher profits. This results in unnecessary hike in the prices of the products. In your opinion, is this policy in the interest of society?	1

### Application/HOTS/Evaluation/Value Based Questions

Q72.	<p>Mr. Akshay is the Sales Manager of Nova Ltd. Since last few months, performance of his department has failed to reach the acceptable level. It is a matter of concern for the General Manager. He is keen to mend this dismal situation at any cost. Mr. Akshay made efforts to find out the causes of this situation. He found that the members of his team lacked training and that giving incentive to the buyers was absolutely necessary. To impart training to his team members he set up a training center and appointed a trainer for this purpose. The trainer imparted them necessary training keeping in mind the actual situation. Besides Mr. Akshay launched a scheme for the customers.</p> <p>Under this scheme, a coupon is to be issued to that consumer who buys goods to a specified date. Later on, draw will be taken by a given date and will be distributed among the winners.</p> <p>Identify the said training and sales promotion methods.</p>	3
Q 73.	'An important task in the marketing of goods relates to designing the label as it provides useful and detailed information about the products'. In the light of this statement, draw a label for "Tea" and highlight the important information to be provided on it.	3

## Chapter-12: Consumer Protection

### Very Short Answer (VSAT) Type Questions

Q 74.	Sonu purchased a medicine from 'Alpha Medical stores' for his wife who had stomach pain. But even after giving the medicine, wife's condition did not improve and she had to be admitted to a nearby hospital for treatment. Doctors on examination found that the medicines given to sonu's wife were spurious. Sonu complained about this to "Alpha Medical Store". As a result Alfa medical decided to file a complaint against the manufactures in the consumer court. Can Alpha Medical store lodge the complaint? Give reason	1
Q 75.	Geeta's mother bought a facial steamer from "Nova Electricals". Her mother got electric shock while using the steamer and she had to be taken to a doctor. Which	1

	remedy is available to her?	
<b>Q76.</b>	Soni purchased and used a bleach cream which was expired. She got scars on her face due to this. Give any one relief available to Soni, who suffered scars on her face due to usage of expired bleach cream	<b>1</b>

### Application/HOTS/Evaluation/Value Based Questions

<b>Q77.</b>	Smriti purchased a hand blender from an electronic store and got the cash memo of Rs. 1500 which she paid for the blender. Later, she found that the actual price of the blender was Rs. 1200 but the shopkeeper had pasted a sticker of Rs. 1500 on the original price. Can Smriti recover the extra money that she paid? What other options are available to her against the shopkeeper?	<b>3</b>
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### Long Answer Type questions

<b>Q78.</b>	In the Annual General Meeting of the company with share holders. The managing Director of the company stressed that the business unit should establish best possible understanding with customers, suppliers, community because it is an important lubricant for making the wheel of marketing run smoothly. Hence, the marketing manager should pay special attention to it. Discuss the variety programmes which would be undertaken to promote and protect the image of the company and its products as decided in the AGM of the company.	<b>6</b>
<b>Q79.</b>	<p>Kamal is a student of 12th class commerce stream. He listened attentively and understood the lecture on consumer protection act delivered by the teacher. His teacher remarked that currently consumers enjoy several rights. In case, goods purchased by him/her cause harm to health and property, there is a provision for compensating him/her. Besides, this Act has also some expectations from consumers - that during the course of his/her purchase, he/she should keep certain things in mind. Briefly, provisions of the Act can protect the consumer only when he/she has complied with certain fundamental things. The same day in the evening, while watching TV, he was attracted towards a shaving cream which claimed certain added features compared to competitive brands. After 02 days, he went to the market to buy the product but it was not available on any shop in the market. After a week, a sales man from the company (authorized with I-Card) approached his house with an “Introductory price offer” on the shaving cream. He bought the cream &amp; used it the next day in the morning and got scars on his face.</p> <ol style="list-style-type: none"> <li>Identify the right and responsibility of the consumer referred to in the above paragraph.</li> <li>Which elements of ‘Promotion Mix’ have been referred above?</li> <li>Which variable of Marketing has been ignored by the company?</li> <li>Can Kamal claim any relief in the above case?</li> </ol>	<b>6</b>
<b>Q80.</b>	During the month of June 2015, in a train ‘Pooja Express” going to Holy Shrine - Mata Vaishno Devi; few people in AC coach were evaluating. The success of the	<b>6</b>

<p>Central Government, their reforms, market scenario, Indian economy etc. Following are the extracts of their discussion: -</p> <p>The First said, “Competition is on the rise in the market. To face this problem, his company has launched a Sales Promotion Scheme. According to this scheme, a customer who purchases goods worth Rs. one lakh or more at one time will be given free a holiday package valued at rupees ten thousand.”</p> <p>The second drew their attention towards exploitation of the consumer in the market. He said, “Till this day, the sellers have been exploiting the consumers in more than one way. I feel that the main cause of it was not raising any collective voice by the consumer against exploitation. But now the Consumer Protection Act has made consumers aware of it and this problem is almost over.”</p> <p>Then, the third (who was a businessman) said, “We are also under the pressure of consumer satisfaction. We observe that those businessmen who feel this pressure are getting its advantages.”</p> <p>Finally, the Fourth said, “It is the duty of the businessman to keep the satisfaction of the consumers in mind, because business is run by the resources made available to them by the society.”</p> <p>Answer the following questions concerning the discussion referred to in the above paragraph:</p> <p>(i) Which dimensions of business environment have been discussed above?</p> <p>(ii) Identify the sales promotion scheme launched by the Co.</p> <p>(iii) Identify the importance of Consumer Protection Act from the point of view of consumers. Give one point.</p> <p>(iv) Identify the importance of Consumer Protection Act from the point of view of business. Give two points.</p>	
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