

Solution of CBSE Class 12 business studies Papers

1. Function of top-level management

- To determine the objectives of the organization.
- To Frame policies.
- To organize activities to be performed.
- To assemble the required resources.
- To Control and monitor the planned performance.

2. Economic Environment of Business includes

- Gross national product
- Corporate profits
- Inflation rates/ Price level changes
- Productivity
- Employment rates
- Balance of payment

3. The features of directing are

- It is a pervasive function.
- It is an ongoing activity.
- It relates to human factor.
- It is result oriented

4. Production concept of marketing implies

- ♦ Lowering the cost of production
- ♦ Mass production and distribution.

5. Marketing helps a firm to build goodwill in the market by

- Selling quality products
- Reasonable price
- Popularizing the products
- Providing convenient outlets

6. Positive effects of following the principles of management

- Clearly defined chain of command and chain of communication.
- Specify Authority, responsibility relationship.
- Loyalty and devotion of personnel is ensured.
- Positive Motivation.☑ Team spirit and enthusiasm.
- Benefit of Specialization.

- Increased productivity.

7. Motivation improves the efficiency of workers by

- Infusing the willingness to work
- Bridging the gap between ability and willingness to work
- Being goal oriented
- Inducing people to work better

8. Yes, I agree with the statement because of the following reasons

- Manager is a part of the formal organization; Leader may be outside formal organization.
- Manager focuses on organizational goals; Leaders are concerned about aspirations and expectations of followers
- Manager has formal authority; Leaders have accepted authority.

9. Various market related factors that should be taken into consideration while taking a decision on the choice of channel of distribution for any product are as follows

- Geographic concentration
- Size of Market
- Nature of market
- Quantity of purchase

10. Objectives of sales promotion are

- Increase in sales volume.
 - Increase in new customers.
 - Enhanced repeat buying/purchasing by the customers.
 - Creating awareness about the product.
 - Gaining shelf space by devising special promotion schemes.
 - Block competition.
11. Taylor's principle of Science not the rule of thumb should include any two points from the following :
- Scientific enquiry and not intuition, experience or hit and miss methods
 - Thinking before doing
 - Exact measure of effort and output so as to determine fair day's work
 - Use of scientific management techniques

Taylor's principle of Harmony not discord should include any two points from

the following :

- Mutual give and take
- Complete mental revolution of both managers and workers
- Enlightened attitude of managers
- Discipline and loyalty on part of the workers.

12. Definition : Organizing refers to the process of identifying and grouping various activities and bringing together physical, financial and human resources and establishing productive relations among them for the achievement of specific goals.

Steps of Process :

- Division of work.
- Grouping jobs and departmentation.
- Establishing authority relationships.

13. Justifications to accept the demand of introduction of time rate system of wage payment in place of the existing piece rate system of wage payment are :

Time-rate system is :

- Simple to calculate and understand
- Guarantees minimum remuneration improving employee morale
- Greater attention improves quality
- Steady pace reduces damage or rough handling of machines etc.
- Requires less administrative attention
- Quality and safety may be endangered by quantity requirements
- Decreases worker efficiency and health
- Difficult to determine the cost in some situations

14. Yes, SEBI is the watchdog of the securities market due to following reasons :

- It prohibits fraudulent and unfair trade practices
- It prohibits insider trading
- It undertakes steps to educate investors
- It promotes fair practices and a code of conduct.

15. Basis Capital Market Money Market Participants Capital institutions, banks, RBI corporate entities, foreign investors and ordinary retail investors. Instruments Equity shares, Debentures T-bills, trade bill, reports, traded bouds, preference shares commercial papers and etc.

certificate of deposit. Investment Not necessarily require a Requires huge sums of Outlay huge financial outlay. money. Safety Risky Much safer

16. No, I don't agree with the given statement Profession is an occupation:

- Backed by specialized well defined body of knowledge and training.
- To which entry is regulated by a representative or professional association.
- Having statutory or formal ethical code of conduct.
- Involves professional fees.

Management cannot be regarded as a fully developed profession because of the following reasons :

- There is no statutory ethical code of conduct.
- There is no compulsory and exclusive membership of any association
- No examination or education to restrict entry

17. The negative impacts of liberalization and globalization are

- Threats from MNCs
- Corporate vulnerability
- Destabilization of protective environment
- Increased competition
- Fast changing technology
- High obsolescence of material resources

18. Controlling helps in achieving objectives by determining whether :

- The plans are being implemented
- There is any progress towards achievement of objectives
- There is any deviation between actual and desired results
- There is any need to revise the existing plans

Controlling helps in improving employees' morale by :

- Creating an atmosphere of order and discipline
- Making employees aware of their duties and expected standards of performance
- Reducing careless and negligent working of employees

19. The various factors which affect the capital structure of a business enterprise are as follows: (Any five)

- Financial leverage
- Cash flow ability

- Control
- Flexibility
- Market conditions
- Floation costs
- Legal framework
- Nature of business
- Period and purpose of financing

20. The reasons for convincing the management that the company is over-capitalised are : (Any five)

- ☑ Amount of capital invested exceeds real value of assets
- ☑ Fair returns are not realized on capital employed
- ☑ More net assets than those required by business
- ☑ Fall in market value of shares because of reduced earning
- ☑ Adverse credit standing
- ☑ Loss of goodwill and reputation.

21. The features of planning are as follows : (Any six)

- ☑ Contributes to objectives
- ☑ Primacy of planning
- ☑ Forward looking
- ☑ Pervasiveness
- ☑ Efficiency of operations
- ☑ Involves choice
- ☑ Continuous process
- ☑ Intellectual process

22. Authority is a sum of powers and rights to use financial materials & human resources as well as a right to decide to act or not to act. Accountability is the obligation to carry out the assigned task or duties. Delegation is the entrustment of powers and rights of authority to be exercised. A manager can pass on his authority to subordinates however he does not stop being answerable to his superiors. He cannot abdicate his accountability.

23. Employees training is necessary because it : (Any six)

- ☑ Reduces learning time
- ☑ Improves performance
- ☑ Moulds/improves employee attitude
- ☑ Aids in solving operational problems
- ☑ Manages manpower needs
- ☑ Benefits the employees

24. The various factors to be considered on choice of a particular medium are :(Any six)

- Reach/ Coverage
- Frequency
- Qualitative value
- Selectivity
- Flexibility
- Cost
- Editorial environment
- Permanence of the medium
- Nature of the product
- Nature of the market
- Life of the advertisement
- Competitors' approach

25. The remedies available to consumer under the Act are : (Any six)

- Removal of defects from the goods
- Replacement of the goods
- Refund of the price paid
- Compensation for loss/injury
- Removal of deficiency in services
- Discontinuance of unfair trade practices and restricted trade practice
- Stopping the sale of hazardous goods
- Withdrawal of hazardous goods from being offered for sale
- Payment of adequate costs to parties