

## Term 2 Important questions

### Subject Business Studies

#### Class 12th

#### 1. Estimating Manpower Requirements include

a. Ans. Number and types of persons required

#### 2. Which test is helpful in assessing the individuals capacity for learning new skills?

Ans Aptitude Test

3. Hina Sweets is a renowned name for quality sweets since 1935. Harsh the owner of Hina Sweets was worried as the sales had declined during the last three months. When he enquired from the Sales Manager, the Sales Manager reported that there were some complaints about the quality of sweets. Therefore Harsh ordered for sample checking of sweets.

Identify the step taken by Harsh that is related to one of the functions of management.

Ans. Measurement of actual performance is the step in controlling process being described.

4. Mr.Arfaaz had been heading the production department of Writewell Products Ltd., a firm manufacturing stationary items. The firm secured an export order that had to be completed on a priority basis and production targets were defined for all the employees. One of the workers, Mr.Bhanu Prasad, fell short of his daily production target by 10 units for two days consecutively. Mr.Arfaaz approached Ms Vasundhara, the CEO of the Company, to file a complaint against Mr Bhanu Prasad and requested her to terminate his services. Explain the principle of management control that MsVasundhara should consider while taking her decision.

Ans - Management by exception.

5. Identify the decision taken in financial management which affects the liquidity as well as profitability of business.

1. Ans "Short-term Investment Decision" or Working Capital Decision

6. "A capital budgeting decision is capable of changing the financial Fortune for business". Do you agree ? Give reasons for your answer.

Ans . Hint -( importance of capital budgeting)

7. If anything goes wrong with the performance of key activities the entire organisation Suffers. Therefore, the organisation should focus on them explain the statement with suitable example.

**Ans( Hint – KRAS)**

- 8. By Linking the savers and the investors by mobilizing funds between them which function does financial market perform ?**

**Ans Allocative function**

- 9. The two major alternative mechanism through which allocation of funds can be done.**

**Ans Banks and financial markets**

- 10. Lalita wants to buy shares of A Ltd. , through her broker Kushvinder . She has a Demat Account and a bank account for cash transactions in the securities market. Discuss the subsequent step involved in the screen based trading for buying and selling of securities in this case.**

**Ans. (Hint - selection of a Broker, Placing the order, Executing the order, settlement)**

- 11. State the relief available to the consumer as per consumer protection act.**

- 12. Identify the right of a consumer under Consumer Protection Act ,2019 which consumer organisation help a consumer to claim by performing the function of “encouraging consumers to strongly protest and take an action against unscrupulous exploitative and unfair trade practices of seller”.**

**Ans. Right to be heard**

- 13. Ms. Sadhna went to purchase an electric rod. In a bid to save rupees 500 she bought rod without the standardization mark. She also did not bother to take a cash memo from the seller. Later on, mishandling the product she suffered injuries due to electric shock. List the irresponsible behaviour shown by MS Sadhana as a consumer.**

**Ans. (Hint – explain responsibilities)**

- 14. Reputed hostel Gyan Pradhan provides medical aid and free education to children for its employees. Which incentive is being highlighted here? state its category and name two more incentive of the same category.**

**Ans Perquisites under financial incentive**

**Two more – i – Co- partnership**

**ii – Retirement benefits**

- 15. Which function of management is responsible for motivating employees and giving instructions to them to perform task assigned to them?**

**Ans – Directing**

- 16. Sehat is working as human resource manager in floral Limited. He is assigned the work to find out the number and type of personnel available so that he could decide and recruit the required number of persons for each department . identify the concept involved.**

**Ans Workforce analysis**

- 17. It is a test used for selection of employees to measure individuals potentials for learning new skills. mention its name and explain two other tests also**

**Ans. Aptitude Test**

**Other Test- Interest Test, Intelligence Test, etc.**

- 18. Manu, chief manager in a company using highly sophisticated machines and equipments wants that every employee should be fully trained before using the Machines and equipments suggest and describe the best method of training that Manu can use for training of the employees.**

**Ans ( Hint- explain Vestibule training )**

19. Kaul Consultant have launched [www.naukri.com](http://www.naukri.com) exit exclusively for senior management professionals. The portal list out senior level jobs and ensures that the job is genuine through rigorous screening process . state the source of recruitment highlighted in the above case.

Ans . Placement Agencies and Management

20. X Limited earned net profit of ₹ 15 crore. Ajaye, a finance manager of X Limited wants to decide how to appropriate these profits. identify the decision that they will have to take and also discuss any three factors which will help him taking these decisions

Ans. ( Hint Dividend decision)

21. Rahul purchased a car for ₹ 87 lakh from an automobile company later on he found the pics in its engine suggest to him that appropriate authorities a he could file a complaint under Consumer Protection Act 2019.

Ans. District Commission

22. ABC Ltd. not able to achieve its objective. On analysing they found that employees were not considered their best. The production manager Mr. Das announced an incentive plan which will be given to the employees for achieving the target. which element of directing is used to by production manager.

Ans. Motivation

23. J Ltd. Is specialist in production of big ships and Cruises. The company got the order of production of 10 ships with the capacity of 2000 passengers but the problem is that time span between the receipt of raw material and their conversion into finished goods i.e. ship is of two years. Thus, there is a limit to number of production each year as it is a time-consuming process. Lot of staff , patience and hard work is required in this process too. State the nature of working capital requirement for J Limited.

Ans. Working Capital requirement for J Ltd and is very high as the production cycle is so long.

24. India's largest domestic investor Life Insurance Corporation of India has once again come to government's rescue by subscribing 70% of Hindustan Aeronautics' ₹4,200 crore initial public offering.

- a) Which market is being reflected in the above case ?
- b) State which method of floatation in the above identified market is being highlighted in the case?
- c) Explain any two other methods of floatation.

Ans. A) Primary Market

B) Private Placement

C) offer through prospectus, offer for sale

25. T Ltd. Want to establish a new unit in which a machinery worth rupees 1500000 is involved which type of decision is involved here.

Ans. Investmentor Capital Budgeting

26.

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

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.

**Ans. Option 3rd is most profitable with EPS 19.60**

27. Describe Maslow's Need Hierarchy Theory of Motivation.

28. Dinesh has 1,000 equity shares of B Ltd. He monster sell 500 of these shares , which market should he approach? Write any two advantageous of selling through such market .

**Ans. Secondary market**

Benefits of stock exchange

29. J.J. Bank is facing a liquidity crunch due to increase in the Cash Reserve Ratio. It is finding difficult to fulfill its commitment to lend money to the borrower.

identify and explain the money market instrument which can be used by the bank at this time

**Ans. Call Money**

30. R Ltd. is engaged in manufacturing machines component. The target production is 250 units per day per worker. Company had been successfully are attaining this target untilltwo months 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 which helped in finding out that the actual production of a worker is less than the set target.

**Ans. Controlling**