



INDIAN SCHOOL AL WADI AL KABIR

PRACTICE TEST-TERM 1

Business Studies (054)

Time: 90 minutes

Max. Marks: 40

	<p><i>General Instructions:</i></p> <p>(a) The Question Paper contains 3 sections. (b) Section A has 24 questions. Attempt any 20 questions. (c) Section B has 24 questions. Attempt any 20 questions. (d) Section C has 12 questions. Attempt any 10 questions. (e) All questions carry equal marks. (f) There is NO negative marking.</p>
	<p style="text-align: center;">SECTION A</p>
1	<p>Aarav has recently started a business to sell computers. He hired shop in Nehru Place in New Delhi, where he assembles computers and various components, supplies them as per order. He performs a series of composite but separate functions simultaneously and ensures that computers are delivered in time as per orders. These functions are performed by all managers at all times. The feature of management highlighted here is:</p> <p>(a) Management is a continuous process (b) Management is pervasive (c) Management is a dynamic function (d) Management is a group activity</p>
2	<p>“Every member of an organisation has a different purpose for joining the organisation but as members of the organisation they work towards fulfilling the common organisational goal. This requires team work and coordination of individual effort in a common direction.” Identify the characteristic of management highlighted above.</p> <p>(a) Management is a goal-oriented process (b) Management is a group activity (c) Management is multi-dimensional (d) Management is a dynamic function</p>

3	<p>Anita decided to start a business of selling dress material from her house. She did various online service to find out about the preferences of prospective customers. Based on this, she prepared a detailed analysis of the business. She then made important decisions including deciding about the features, quality, packaging, labelling and branding of the dress material. Identify the element of marketing mix discussed above.</p> <p>(a) Production. (b) Market (c) Product. (d) Place</p>
4	<p>“Management has to achieve variety of objectives in all areas considering the interest of all stakeholders including shareholders, employees, customers and the government. The main objective of any organisation should be to utilize human and material resources to the maximum possible advantage.” Identify the type of objectives of management highlighted above.</p> <p>(a) Organizational objectives (b) Social objectives (c) Personal objectives (d) None of these</p>
5	<p>According to this principle of general management, “an organisation should safeguard against abuse of managerial power, but at the same time a manager should have the necessary authority to carry out his responsibility.” Name the principle of management being described in the given statement.</p> <p>(a) Discipline (b) Authority and responsibility (c) Unity of command (d) Unity of direction</p>
6	<p>It is necessary that goods and services must be made available to the consumers at the right place, in the right quality and at right time. Identify the concerned element of marketing mix.</p> <p>(a) product mix. (b) price mix (c) place mix. (d) promotion mix</p>
7	<p>The growing awareness about healthcare has led to an increase in the demand for healthcare products and services in the country. Identify the feature of business environment being described in the above case.</p> <p>(a) Dynamic nature (b) Uncertainty (c) Relativity (d) Interrelatedness</p>

8	<p>A popular brand of hair conditioner comes in different categories for different hair, say for normal hair and for other categories.” Identify the function of labelling in the above example.</p> <p>(a) Providing information regarded by law (b) Describe the product and specify its contents (c) Grading of products (d) Promotion of products.</p>
9	<p>It is defined as the framework within which managerial and operating tasks are performed.</p> <p>(a) Span of management (b) Organisational structure (c) Informal organisation (d) None of the above</p>
10	<p>Planning has no meaning unless it contributes to the achievement of predetermined organisational goals. Identify the feature of planning from above statement:</p> <p>(a) planning focuses on achieving objectives (b) Planning is futuristic (c) planning is continuous (d) Planning is pervasive.</p>
11	<p>Identify the type of organisational structure which makes training of employees easier, as the focus is only on a limited range of skills.</p> <p>(a) Network structure (b) Divisional structure (c) Functional structure (d) Matrix structure</p>
12	<p>Planning precedes other functions as all the other managerial functions are performed within the framework of planning. Identify the feature of planning from above statement:</p> <p>(a) Planning is futuristic (b) Planning is continuous (c) Planning is primary function of management (d) Planning involves decision making</p>
13	<p>Raman is a wholesaler of food grains. He categorises his stock into different groups on the basis of their quality and also fixes up the prices accordingly. Identify the type of marketing function being mentioned in the given lines.</p> <p>(a) physical distribution (b) transportation (c) warehousing (d) standardization and grading</p>

14	<p>Digi Locker is the country's first secured cloud-based platform for the storage, issuance and verification of documents with the Driving License & Vehicle Registration System of the Road Transport Ministry. The integration of a government department with Digi Locker since its launch last year is one of the biggest of its kind. It has removed the trouble of carrying licenses & vehicle papers, which now can be accessed on phones using the Digi Locker App. Identify the related dimension of business environment.</p> <p>(a) Economic dimension (b) Technological dimension (c) Social dimension (d) Political dimension</p>
15	<p>In order to get feedback about its recently launched immunity booster ayurvedic medicine, Atulya Ltd. conducted online survey using a questionnaire, to gather consumers view and opinions. Identify the marketing function being used by Atulya limited.</p> <p>(a) standardization (b) product designing. (c) consumers support service. (d) gathering and analyzing market information.</p>
16	<p>Competition in the market can also upset financial plans, sales targets have to be revised accordingly, cash budget also needs to be modified. Identify the limitation of planning.</p> <p>(a) Planning may not work in dynamic environment (b) Planning leads to rigidity (c) Planning is time consuming (d) Planning involves decision making</p>
17	<p>Krish had started the business of producing exclusive home decor items under the brand name 'Decor' 15 years back. Over the years, he has diversified into new segments like home furnishing, furniture and kitchenware. However, all the products are being sold under the same brand name 'Decor', as it appears to be apt for all of them. Identify the relative feature of a good brand name being described in the given case.</p> <p>(a) Short and easy to pronounce, spell and remember (b) Reflects the functions of the product (c) Distinctive/easily identifiable (d) Versatile, can be used for brand extension</p>
18	<p>The Economic Survey, 2019 suggests that the psychological biases can be used in the realm of tax compliance. It is in favor of using religious norms such "dying in debt is a sin" to improve tax compliance. Identify the related dimension of business environment.</p> <p>(a) Legal dimension and Social dimension (b) Social dimension and Economic dimension (c) Technological dimension and Political dimension (d) Political dimension and Economic dimension</p>

19	<p>Assertion (A): Planning does not reduce overlapping and wasteful activities. Reason (R): Planning ensures clarity in thought and action, work is carried on smoothly without interruptions.</p> <p>(a) Both Assertion (A) and Reason (R) are true. (b) Both Assertion (A) and Reason (R) are false. (c) Assertion (A) is true and Reason(R) is false. (d) Assertion (A) is false and Reason(R) is true</p>
20	<p>Rishabh has joined as a Creative Head in an entertainment company. He always ensures that the work has been divided into small and manageable activities and also the activities of similar nature are grouped together. Identify the related step in organising process being mentioned in the above lines.</p> <p>(a) Identification and division of work (b) Departmentalization (c) Assignment of duties (d) Establishing reporting relationships</p>
21	<p>In an inter school quiz competition, the participants were shown empty bottles of soft drinks and were asked to identify the brands. All the participants were able to do so. Identify the related point highlighting the importance of packaging which is being described in the given case.</p> <p>(a) Rising standards of health and sanitation (b) Facilitates product differentiation (c) Innovative packaging adds value to a product. (d) Useful in self service outlets</p>
22	<p>‘Yo Tummy’ began its business by offering the classic combo of hamburgers and fries. But over time, their customers wanted healthier foods, so ‘Yo Tummy’ responded and began offering healthy alternatives such as salads, fruits, wraps and oatmeal. If ‘Yo Tummy’ hadn’t responded, they may have lost customers that wanted to eat healthier foods. The above case highlights one of the points related to the importance of business environment and its understanding by managers. Identify it.</p> <p>(a) It helps in coping with rapid changes. (b) It helps in improving performance. (c) It helps the firm to identify threats and early warning signals. (d) It enables the firm to identify opportunities and getting the first mover advantage</p>
23	<p>Under which function of management, the relationship between different posts is explained?</p> <p>(a) Planning (b) Communication (c) Organising (d) Supervision</p>

24	<p>Which principle of general management advocates that, “Employee turnover should be minimised to maintain organisational efficiency.”?</p> <p>(a) Stability of personnel (b) Remuneration of employees (c) Equity (d) Esprit De Corps</p>
<p>SECTION B</p>	
25	<p>Which of the following is not a component of specific forces of business environment?</p> <p>(a) Technological conditions (b) Customers (c) Employees (d) Investor</p>
26	<p>“It is not always true that just because a plan has worked before it will work again. Besides, there are so many other unknown factors to be considered. This kind of complacency and false sense of security may actually lead to failure of planning. Identify the limitation of planning being highlighted above:</p> <p>(a) Planning leads to rigidity (b) Planning may not work in a dynamic environment (c) Planning does not guarantee success (d) Planning involves huge cost</p>
27	<p>Which one of the following is not a marketing mix?</p> <p>(a) Product (b) Physical distribution (c) Product pricing (d) Production process</p>
28	<p>According to the World Health Organization, 39% of adults are overweight. Over the last 40 years, the prevalence of obesity has tripled around the world. With over half of consumers drinking at least one sugary drink on a given day, regulations towards the beverage sector are likely to be stricter. In the U.K., for example, a sugar tax was introduced in 2018 on beverages containing more than 5% sugar. Identify the related dimensions of business environment.</p> <p>(a) Legal dimension and Social dimension (b) Social dimension and Technological dimension (c) Technological dimension and Legal dimension (d) Political dimension and Technological dimension</p>

29	<p>“All the management practices are based on the same set of principles, what distinguishes a successful manager from a less successful one is the ability to put these principles into practice.” Identify the nature of management highlighted above.</p> <p>a) Management as a science b) Management as an art c) Management as a profession d) management is both science and art</p>
30	<p>With which element is exchange mechanism related?</p> <p>(a) Publicity (b) Marketing (c) Advertising (d) Branding</p>
31	<p>Arun is responsible for making annual appraisal reports of line managers. At which level of management Arun is working?</p> <p>(a) Top level management (b) Middle level management (c) Lower level management (d) Supervisory level management</p>
32	<p>Assertion (A) Organising leads to specialisation. Reason (R) In organising, clarity in working relations cannot be possible. Codes:</p> <p>(a) Both A and R are true. R is the correct explanation of A. (b) Both A and R are true but R is not correct explanation of A. (c) A is correct but R is incorrect. (d) A is incorrect but R is correct</p>
33	<p>According to Henry Fayol, if this principle of general management is violated, “authority is undermined, discipline is in jeopardy, order disturbed and stability threatened.” Identify the principle.</p> <p>(a) Authority and responsibility (b) Discipline (c) Unity of command (d) Equity</p>
34	<p>In many organisations the top management plays an active role in taking all decisions while there are others in which this power is given to even the lower levels of management. Decision making authority is shared with lower levels and is consequently placed nearest to the points of action. Identify the concept of management highlighted by the phrase “Decision making authority is shared with lower levels and is consequently placed nearest to the points of action.”</p> <p>(a) Authority (b) Accountability (c) Delegation (d) Decentralization</p>

35	<p>The sales department accuses the production department for the poor sales due to late delivery of goods. The production department accuses the purchase department for not delivering the raw material in time and the purchase department accuses the finance department for not releasing funds on time. Which quality of management is missing in the above situation?</p> <p>(a) Planning (b) Management (c) Coordination (d) None of the above</p>
36	<p>“A plan is framed; it is implemented and is followed by another plan and so on.” Identify the feature of planning highlighted above:</p> <p>(a) Planning is continuous (b) Planning is futuristic (c) Planning is pervasive (d) Planning involves decision making</p>
37	<p>Identify the feature of coordination being highlighted in the given statement:” coordination is not a one-time function it begins at planning stage and continues till controlling “</p> <p>a) Controlling ensures unity of action b) Coordination is an all-pervasive function c) Coordination is a continuous process d) Coordination is a deliberate function</p>
38	<p>Which one of the following factors is not relevant to price fixation?</p> <p>(a) Obtaining market leadership (b) Age of an organisation (c) Value for money (d) Product differentiation</p>
39	<p>Mohit is the managing director of S Limited manufacturing different varieties of cheese. He has an efficient team working under him consisting of Rajan who is the Production manager, Vineet the Marketing manager and Asif the finance manager. They understand and interpret the policies made by Mohit to ensure that their department has adequate manpower, assign them the necessary duties and motivate them to achieve the desired objective</p> <p>Mohit is working at which level of management</p> <p>(a) Top level (b) Middle level (c) Lower level (d) Operational level</p>

40	<p>Assertion(A): Management is termed as a ‘Process’. Reason(R): Management involves a series of inter-related functions, such as Planning, Organising, Staffing, Directing and Controlling. Alternatives:</p> <p>a) Both Assertion(A) and Reason(R) are True and Reason (R)is the correct explanation of Assertion(A). b) Both Assertion(A) and Reason(R) are True , but Reason (R)is not the correct explanation of Assertion(A). c) Assertion(A) is True, but Reason(R) is False. d) Assertion(A) is False, but Reason(R) is true.</p>
41	<p>Which of the following statement about planning is true?</p> <p>(a) Planning promotes innovative ideas in rigid environment (b) Planning promotes innovative ideas as employees are not allowed to deviate from plans (c) Planning promotes innovative ideas as it guides all future actions (d) Planning promotes innovative ideas as changes cannot be eliminated</p>
42	<p>One of the techniques of scientific management calls for using the best method of each activity in the organisation. The best method must be selected through application of scientific analysis and not by intuition or hit and trial method, says one of the principles of scientific management. Moreover, one other principle of scientific management emphasizes that “to make the employees learn, the best method of production, training of workers is essential”. It further emphasizes that each person should be scientifically selected and the work assigned to the employees should suit their physical, mental and intellectual capabilities. If physical, mental and intellectual capabilities of employees are to be harnessed to the maximum, then they must be given adequate breaks and rest in between their work as well.</p> <p>Name the technique of scientific management highlighted in the given first line of the extract, “One of the techniques..... organization.</p> <p>(a) Method study (b) Time study (c) Fatigue study (d) Motion study</p>
43	<p>Assertion (A): Packaging helps to maintain Rising Standards of Health and Sanitation Reason (R): The chances of adulteration in packed goods are less. Codes:</p> <p>(a) Both A and R are true. R is the correct explanation of A (b) Both A and R are true, but R is not the correct explanation of A (c) A is correct, but R is incorrect (d) A is incorrect, but R is correct.</p>

44	<p>Mona is the branch manager of Vidushi handicraft Private Limited. The company objective is to promote the sale of Indian handlooms and handicraft products. It sells fabrics, furnishings, ready-made and household items made out of traditional Indian fabrics. Mona decides quantities, variety, colour and texture of all the above items and then allocates resources for their purchase from different suppliers. She appoints a team of designers and craft people in the company, who developed some prints for bed covers in bright colour on silk. Although the product looked very attractive and impressive, they are relatively expensive on the front of affordability for an average customer. Mona suggested that they should keep the silk bed covers for special festive occasions and offer the cotton bed covers on regular basis to keep the cost under control</p> <p>She appoints a team of designers and crafts people in this company who developed some prints for bed covers in bright colour on silk”. Which function of management is highlighted in this context?</p> <p>(a) Controlling (b) Staffing (c) Planning (d) Directing</p>
45	<p>Flows Technology deals in bulb manufacturing business. It plans for a successful year of production and sale this year. It has in advance given targets to all its departments and employees. The departments and employees are happy about this. They know that now they won't have to do unconcerned activities thus leading to more focused approach resulting in saving of resources. The company is thinking of starting two new plants in the southern portion of India. For this some concrete plan has to be made. The main core team of the company has decided to weigh all the options and then choose the best one. The road might be long but the company is geared to face all the challenges</p> <p>Highlight the importance of planning mentioned above:</p> <p>(a) Planning provides directions. (b) Planning reduces overlapping and wasteful activities (c) Planning facilitates decision making (d) All of Above</p>
46	<p>Cool ice cream Ltd. is a very famous company in Bombay and has many branches in different parts of the city. They also have major expansion plans as they expect that their customers will increase in number in the next two years. Cool Ice cream Ltd. produces a variety of ice creams which are extremely popular in the city and one brand of ice cream ‘Thunder’ sells the most. Thus, the company undertakes the maximum production for ‘Thunder’ and it contributes to their revenue to the extent of 25% and has the largest market share. The company has undertaken different strategies to ensure that they remain the market leader in Bombay. One of the methods it follows is a differential piece wage system to differentiate between efficient and inefficient workers. It is so because the company believes that in this way inefficient workers would be encouraged to perform better and improve their productivity. This will motivate them to be at par with the efficient workers.</p>

	<p>Thus, Cool Ice Creams Ltd. has determined the standard time and other parameters on the basis of the work study techniques of scientific management. It has been determined that the standard output per worker per day is 10 units and those who made standard or more than standard will get ₹ 50 per unit and those below will get ₹ 40 per unit.</p> <p>What will be the earning of a worker producing 15 units?</p> <p>(a) ₹ 600 (b) ₹ 750 (c) ₹ 400 (d) ₹ 500</p>
47	<p>Free gifts and free samples distribution are the part of _____.</p> <p>(a) Advertising (b) Public relation (c) Sale promotion (d) Public relation</p>
48	<p>Most plans may not always be subjected to a mathematical analysis. In such cases, subjectivity and the manager's experience and judgement are taken into consideration. Identify the step of planning process:</p> <p>(a) Setting up of objectives (b) Identifying alternative courses of action (c) Selecting alternative courses of action (d) Evaluating alternative courses of action</p>
SECTION C	
<p>READ THE FOLLOWING PARAGRAPH AND ANSWER QUESTIONS FROM 49 TO 52</p> <p>Jolly Good Ltd. is a well-known entertainment company in Bangalore. The main divisions of company include television, print and films. Each unit has a divisional manager responsible for performance and who has authority over the unit. All its divisions are multifunctional as within each division functions like production, human resource, marketing, finance, purchase etc, are performed simultaneously for the accomplishment of desired goals. Keeping in view, the nature of work the company has shaped a narrow span of control across all levels.</p>	
49	<p>Identify the type of organisational structure being followed by the company?</p> <p>(a) Functional structure (b) Divisional structure (c) Network structure (d) Matrix structure</p>

50	<p>Which of the following may not be a reason for the company to adopt the type of structure identified in question 49 above?</p> <p>(a) Promotes product specialisation (b) Helps in fixation of responsibility in cases of poor performance (c) Leads to economies of scale and this lowest cost (d) Promotes flexibility and initiative</p>
51	<p>Which of the following statement is true about span of management?</p> <p>(a) It gives shape to the organisational structure (b) It determines the levels of the management in the structure (c) Both (a) and (b) (d) None of the above</p>
52	<p>Keeping in the view the policy of the Jolly Good Ltd. it is likely to have.....number of levels in management.</p> <p>(a) More (b) Less (c) Difficult to define (d) None of the above</p>
53	<p>Infocom has diversified itself into several product lines: Telecommunications, Engineering, Financial Services. Each subsidiary is self-sufficient with their own administrative functions, propagating the belief that people can assume the responsibility for the effective implementation of their decisions and should be given autonomy. This has reduced the need for direct supervision by superiors, has promoted flexibility, initiative and faster decision making. The orders of customers are never delayed, as a result of good policy decisions of top management. The philosophy of the top management awards greater autonomy to the lower levels of management</p> <p>Identify the philosophy of the top management highlighted in the above case:</p> <p>(a) Centralisation (b) Decentralisation (c) Delegation (d) None of these</p>
54	<p>Harish recently took over as Chief Executive Officer (CEO) of 'Dream Big' a company diversified into two segments namely telecom and education. He has convinced the Board of Directors of company to close down telecom division as it is running into huge losses due to entry of a new competitor.</p> <p>What type of organisation structure allows for easy closure of undesirable product lines without interrupting the existing operations of a business enterprise?</p> <p>(a) Functional structure (b) Divisional structure (c) Matrix structure (d) None of the above</p>

55	<p>Naman and Govind after finishing their graduation under vocational stream decided to start their own travel agency which will book Rail Tickets and Air Tickets on commission basis. They also thought of providing tickets within ten minutes through the use of internet. They discussed the idea with their Professor Mr. Mehta who liked the idea and suggested them to first analyse the business environment which consists of investors', competitors and other forces like social, political etc. that may affect their business directly or indirectly. He further told them about the technological improvements and shifts in consumer preferences that were taking place and hence they should be aware of the environmental trends and changes which may hinder their business performance. He emphasised on making plans keeping in mind the threat posed by the competitors, so that they can deal with the situation effectively. This alignment of business operations with the business environment will result in better performance</p> <p>Identify the component of business environment highlighted in the above Para.</p> <p>(a) Technological environment (b) Social environment (c) Legal environment (d) Economic environment</p>
56	<p>Ravi has decided to set up a small factory to manufacture hand wash and toilet soaps in a rural area in Haryana. In order to promote the product initially, he plans to distribute small sachets of the hand wash as free samples, besides deploying a team of salesmen to sell the product door to door in the different parts of the city. Moreover, he has decided to conduct a hygiene camp in rural areas wherein he will distribute a kit comprising of hand wash and soap and also plans to organize street plays to highlight the importance of hygiene and sanitation in our daily lives. He also decided to give information about product in print media. In the context of above case identify the tools of promotion being taken into consideration by Ravi.</p> <p>“Deploying a team of salesmen to sell the product door to door in the different parts of the city” Identify tool of promotion in given line.</p> <p>(a) Personal Selling (b) Sale promotion (c) Advertisement (d) Public Relation</p>
57	<p>‘Agni Cables’ deals in cables of all varieties. Recently it has launched a new product to increase its revenue and take the company to a new height. The company is confused about keeping the price of a newly launched cable which is meant for all types of household works. For its metro cities-based customers the company has decided to adopt various methods like improvement in quality of salesmen, innovation in packaging, liberal credit terms, etc. Whatsoever the conditions the company can’t go beyond a level as far as pricing is concerned. Identify the factor affecting price determination in the above case.</p> <p>(a) Government regulations (b) Extent of competition in the market (c) Marketing method used (d) Product cost</p>

58	<p>A sanitizer manufacturing company wants to become a market leader. For this purpose, the manager follows an activity with certain logical steps. The first step suggested by him is to increase profits by at least 30% in the next quarter. What will be the last step of the activity being followed by the manager.</p> <p>(a) Follow-up action (b) Identifying alternative course of action (c) Setting objectives (d) Evaluating alternative courses of action</p>
59	<p>Even a small production activity like loading pigs of iron into boxcars can be scientifically planned and managed. This can result in a tremendous saving of human energy as well as wastage of time and materials. Which of the following principles of scientific management emphasize the above situation?</p> <p>(a) Harmony, not discord (b) Science, not rule of thumb (c) Initiative (d) Development of each person to his or her greatest efficiency</p>
60	<p>In which two departments did Taylor divide the work of a factory manager?</p> <p>(a) Department of Planning and Production (b) Department of Planning and Finance (c) Department of Planning and Marketing (d) Department of Planning and Research</p>