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CLASS: XII BUSINESS STUDIES (ORGANISING)

1. A recent rate cut in the interest on loans announced by the Banks encouraged Amit, a science student of Progressive School to take a loan from State Bank of India to experiment and develop cars to be powered by fuel produced from garbage. He developed such a car and exhibited it in the Science Fair organised by Directorate of Education. He was awarded first prize for his invention. Identify and explain the dimensions of business environment discussed in the above case.
2. With change in the consumption habits of people, Neelesh, who was running a sweet shop shifted to chocolate business. On the eve of Diwali he offered chocolates in attractive packages at reasonable prices. He anticipated huge demand and created a website chocolove.com for taking orders online. He got lot of orders online and earned huge profit by selling chocolates. Identify and explain the dimensions of business environment discussed in the above case.
3. ' 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 light of the statement, explain any four points of importance of business environment.
4. 'Accent Electronics Ltd.' was operating its business in Malaysia. The company started exporting its products to India when the Prime Minister announced relaxation in import duties on electronic items. The company appointed retailers in India who had direct online links with the suppliers to replenish stocks when needed. Identify and explain the dimensions of business environment discussed in the above case
5. The court passed an order that all schools must have water purifier for the school children as:
 - (i) Society in general is more concerned about quality of life;
 - (ii) Innovative techniques are being developed to manufacture water purifier at competitive rates;
 - (iii) Incomes are rising and children at home are also drinking purified water. The Government is also showing positive attitude towards the water purifier business. Identify the different dimensions of business environment by quoting from the above details.
6. The court passed an order to ban polythene bags as
 - (i) These bags are creating many environmental problems, which affect the life of people in general.
 - (ii) Society, in general, is more concerned about the quality of life. The government decided to give subsidy to jute industry to promote this business. Innovative techniques are being developed to manufacture jute bags at low rates. Incomes are rising and people can afford to buy these bags.

Identify the different dimensions of business environment by quoting the lines from the above particulars.

7. A leading FMCG company manufacturing potato chips as its premium snack feels the need to steer ahead of its competitors. It asks for suggestions from its employees. The employees feel that the market for potato chips as a segment has become commoditised. They suggest that innovation in finger snacks was much more & it would also help the firm overcome the volatility & severe shortage of chips- grade potatoes in India. Besides change in prices of potato often lead to change in profit margins of the firm. Keeping in mind the fact that consumers are health conscious the company executes the suggestions of its employees by introducing variant of finger snacks including multi grain, pulses & regional flavours under its 'Kingo' brand.
 - (i) Which environment awareness is being identified by the company?
 - (ii) Identify the dimension of business environment by quoting from above lines.
 - (iii) Define the dimension so identified above.
 - (iv) List any two values shown by the company.

8. Tara, after completing her MBA, decided to go for a startup. After surveying the market & studying the needs of well informed customers, she decided to start an on- line apparel store rather than going in for brick and mortar clothing store. With Jabong, Myntra and many other fashion on line stores as competitors in the market, she creates a niche market for her firm by providing differentiated services by providing nip & tuck services to its prospective buyers making it a compelling proposition for even those who kept away for fear of having to visit corner alteration shops for a better fit. For this she carried out a survey of what women look for and studied the Indian body types to design the sizes accordingly. The new market conditions required her to hire trained personnel with higher competence & greater commitment so as to wean away customers visiting brick & mortar shops for their made to order & customization services. Quoting the lines from above, identify the impact of government policy change on Tara's firm.
9. 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.

(i) Identify and state the component of business environment highlighted in the above Para.

(ii) State any two features of business environment as discussed by Professor Mehta with Naman and Govind.

(iii) Also state two points of importance of business environment as stated by Professor Mehta in the above situation. (1+2+2)

10. Cab service company, Uber had announced that it will now allow private car owners in Delhi to offer rides to passengers. It introduced the new feature from December 16 after Delhi government announced its odd even formula to be implemented from January 1. Fares for shared riders will be 10-30% cheaper, the company had said. It was followed by Ola, that announced that they too would offer ride sharing to passengers in Delhi-NCR. Ola will offer a 50% discount on Ola Share fares over the coming month. Meru cab has also launched its ride sharing features. It additionally gives customers who opt for the ride-share feature, a fixed 30% discount on the estimated trip fare.

In the above case,

- (a) Identify points of importance of business environment highlighted.
- (b) State two impacts of change of government policy on business and industry and what actions have been taken by companies in the above case to cope up with these changes?
11. Sunanda Papers decided to set up its industrial unit in backward village of Madhya Pradesh, due to its strategic location i.e. easy availability of wood to make paper. Moreover, due to unemployment, cheap labour is available in abundance. The village has no electricity so it decided to tap renewable solar energy in place of using diesel generators to meet its power requirements. The government offered industrial land at cheaper rate for the development of backward area and also provided subsidy for installing solar panels.
- a) Identify the dimension business environment discussed in above case by quoting the line .
- b) Also identify and explain from the given case the two benefits reaped by Sunanda papers by understanding the business environment.

12. Identify the Dimension of Business Environment relating to the statement given below:

- a) The increasing interest of the urban people in health and fitness.
- b) With the increase in the income of the people the increase in their demand for certain commodities.
- c) Discrimination in the remunerations of men and women doing the similar type of work.
- d) Opposition of certain political parties to FDI in organized retailing.
- e) The adverse impact on the cotton cloth industry with the coming up of the clothes made of synthetic thread in the market.

13. Lately many companies have planned for significant investment in organized retail sector in India. Several factors have prompted their decision in this regard. Customers' income is rising. People have developed a taste for better quality products even though they have to pay more. The government is also showing positive attitude towards rising retail sector. Law has permitted cent percent foreign direct investment in some sectors of retailing.

Identify the changes in business environment under different dimensions quoting the lines from the above para.

14. "The managers have to respond suitably to cope with changing environment". Enlist any six managerial responses.

15. An electric company is facing a problem of declining market share due to increased competition from other new and existing players in the market. Its competitors are introducing lower price models for mass consumers who are price sensitive. For quality conscious consumers the company is introducing new model with added features and new technological advancements.

- a) Prepare a model plan for this company. Also specify the type of plan which is to be prepared.
- b) What are the steps involved in preparing this plan.
- c) Identify the limitations of such plans.
- d) How will you remove this limitations.

Q20. Identify the type or dimension of environment in the following cases:

- a) It includes factors like money supply, price level, monetary policy.
- b) Increased awareness towards health has increased the demand for organic food.
- c) A stable government builds up confidence among the firms to invest in big projects.
- d) With changes in demand of consumers business firms have to change their production schedule.
- e) Nature of relationship of our country with foreign countries influences the business.
- f) Statutory warnings are essential to be printed on tobacco products.
- g) Innovations in products and processes affect the production and marketing plans of the business.
- h) Life expectancy, birth and death rates influence the demand for the product.
- i) Rates of savings and investments influence the demand for the product.
- j) Consumption habits, people affects the pattern of demand in the economy.
- k) Laws has been enacted to keep a check on advertisements.
- l) "According to the weights and measures act every eatable product should explicitly bear a green dot for vegetarian contents and brown dot for non-vegetarian ingredients" Which key component of the business environment is discussed in the given case.
- m) Surya Enterprises used to import animal fat for manufacturing Vanaspati ghee. However due to public protests the company was forced to stop using animal fat in making ghee.
- n) Amity Enterprise is an international company engaged in the manufacturing of New Year and Christmas greeting cards. When the company started its business in India it started producing Holi, Diwali and Id cards also.
- o) Artificial fiber cloth has almost killed the pure cotton textile industries in many countries.

Q21. Rapid Tours Ltd is a travel agency which books rail tickets on commission basis. It takes two days for the rapid Tours to get the tickets from the Railway Reservation counter and deliver the tickets to the consumers. In the last one year there has been drastic decrease in the business as most of the consumers have shifted to New Tours and Travels Ltd; another Travel agency which provides the tickets within half an hour through use of internet.

- a) Which component of business environment is being overlooked by Rapid tours ltd?

- b) Why is it necessary for the business enterprises to lay emphasis to this dimension of business environment?
- c) “ Change of booking rail tickets from Railway Reservation Counter to Internet” Identify the feature of business environment highlighted in the following statement.

Q22. Two big banner movies were scheduled to be released on the same date. However at the last moment release of one movie had to be postponed due to opposition by a group of people because of some unethical content in the movie. Due to the postponement of the movie the other movie earned huge revenues. Identify the feature of business environment involved in the above case.