

## HOLIDAY HOMEWORK

### CLASS XII — BUSINESS STUDIES

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**: Revise the syllabus done till date.**

**: Solve these questions in your BST register.**

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**Q.1** Nike launched a promotional campaign featuring a globally famous athlete to endorse its new line of sports shoes. The campaign used television commercials, social media, and hoardings at major events. The brand's sales rose sharply after the campaign. A marketing analyst noted that this is a powerful promotional tool that builds aspiration and trust in the brand.

- (a) Identify the promotional tool used by Nike in this case. What type of advertising appeal is being used?
  - (b) State any two advantages of using celebrity endorsements as a promotional strategy.
  - (c) Name any two other elements of the promotion mix that Nike could use along with advertising.
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**Q.2** Priya purchased packaged juice from a supermarket. After drinking it, she fell ill and later found that the expiry date had passed. The supermarket refused to take responsibility, claiming that it was the manufacturer's fault.

- (a) Which consumer right was violated in this case? Explain it.
  - (b) Which quality mark should Priya check before buying packaged food products?
  - (c) Where can she file a complaint and what compensation can she demand?
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**Q.3** Rajan executed trades in shares of a company using confidential information about a major announcement — that the company was about to be acquired — before it was made public. He made significant gains. SEBI investigated and found that Rajan had access to unpublished price-sensitive information due to his position in the company.

- (a) Identify the malpractice committed by Rajan. Why is it harmful to the securities market?
  - (b) What action can SEBI take against Rajan? Explain any two powers of SEBI relevant here.
  - (c) How does SEBI protect ordinary investors from such practices?
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**Q.4** Apple Inc. has built one of the world's most loyal customer bases. Its customers consistently prefer Apple products over competitors even when priced significantly higher. Apple invests heavily in product innovation, premium packaging, after-sales support, and a seamless ecosystem of devices and services. Marketing experts study Apple as a textbook case of brand loyalty and brand equity.

- (a) What is meant by 'Brand Loyalty'? How has Apple achieved it as described in the case?
  - (b) Which brand strategy is Apple using?
  - (c) Which element of the marketing mix is most prominently highlighted in this case? Justify your answer.
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**Q.5** A skincare company advertised its cream claiming "100% acne removal in 2 weeks — guaranteed." Thousands of consumers bought it, but the product showed no results. When consumers complained, the company said results "may vary." A consumer activist filed a complaint against the company for misleading advertisement.

- (a) What unfair trade practice is involved in this case? Explain it briefly.
  - (b) Which consumer right applies here and how does it protect consumers?
  - (c) Where should the consumer activist file the complaint.
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**Q.6** Rahul, a young investor, received ₹5 lakh as inheritance. His financial advisor suggested that he should invest in the capital market rather than keeping the money in a savings account. The advisor explained that the capital market has two segments — one for new securities and another for trading existing ones. He also explained that intermediaries like SEBI-registered brokers must be used for trading, and Rahul should open a Demat account to hold shares electronically.

- (a) Identify and differentiate the two segments of the capital market mentioned in the above case.
  - (b) What is a Demat account? State its two advantages for investors like Rahul.
  - (c) Explain the role of SEBI as a regulatory authority in protecting investors like Rahul.
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**Q.7** Rohan started a company "Fitness First" to manufacture and sell protein supplements. Initially, he focused only on producing large quantities of supplements believing that consumers would prefer products available everywhere at low cost. However, sales remained poor. His mentor advised him to study consumer needs before production. Rohan then conducted market research, redesigned products based on consumer requirements, and also trained his sales team to build long-term customer relationships. His company soon became profitable and earned loyal customers.

- (a) Rohan initially followed a specific marketing management philosophy. Identify and explain it.
  - (b) Name and explain the marketing management philosophy that Rohan adopted after his mentor's advice.
  - (c) "Marketing is not just about selling." Briefly explain the functions of marketing that Rohan's company adopted.
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**Q.8** Suresh purchased a washing machine from an authorised showroom for ₹28,000. The machine stopped working within 3 months. When Suresh complained, the dealer refused to repair or replace it, citing that the warranty card was not filled by the customer. Suresh approached the District Consumer Commission. The commission found that the defect was a manufacturing fault and ordered the company to replace the machine and pay ₹5,000 as compensation for mental harassment.

- (a) Identify and explain the consumer right that Suresh exercised by approaching the Consumer Commission.
  - (b) What relief can the District Consumer Commission grant to an aggrieved consumer? State any two reliefs other than those mentioned in the case.
  - (c) Do you think the dealer was justified in refusing service citing the unfilled warranty card? Give reasons with reference to consumer protection laws.
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**Q.9** "GreenTech Ltd." needs ₹50 crore to expand its solar panel manufacturing unit. The company's CFO proposed two options: (i) Issue equity shares to the public through an Initial Public Offering (IPO), or (ii) Issue debentures to institutional investors. The Board considered that issuing shares would dilute ownership but avoid fixed interest burden, while debentures would retain ownership but require regular interest payments irrespective of profits.

- (a) Differentiate between equity shares and debentures on the basis of any three points discussed in the above case.
  - (b) The company plans to issue shares to the public for the first time. What is this called? Which market will the company access?
  - (c) State any two functions of the stock exchange that are relevant to GreenTech's situation.
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**Q.10** Meera runs a mid-sized FMCG company. She is launching a new herbal face wash. After research, she found that her target consumers are urban women aged 18–35 who prefer organic products. She decided to price the product at ₹199, distribute it through supermarkets and online platforms, and promote it using social media influencers and TV commercials. She also ensured attractive eco-friendly packaging with complete ingredient information and a QR code for product details.

- (a) Identify and explain any two elements of the marketing mix used by Meera in the above case.

- (b) Explain the role of 'Labelling' as highlighted in the above case.
  - (c) Meera chose social media influencers for promotion. Name this type of promotion and state one advantage of this method over traditional advertising.
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**Q.11** Asha saw an advertisement for a slimming tea that claimed "Lose 10 kg in 10 days — guaranteed or money back." She bought the product for ₹2,000. After two months of use, she found no results. When she asked for a refund, the company said the offer had expired. Asha filed a complaint with the Consumer Helpline. The company was later penalised by the regulatory authority for misleading advertisement and unfair trade practice.

- (a) Identify the unfair trade practice committed by the company in the above case. Explain this practice.
  - (b) Which consumer right of Asha was violated? Explain the right with reference to this case.
  - (c) State the meaning of 'Consumer' as per the Consumer Protection Act, 2019. Would Asha qualify as a consumer? Justify.
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**Q.12** Seema, a first-time investor, was unaware of the securities market. She approached a financial advisor who explained the concept of a Mutual Fund — a vehicle that pools money from multiple investors and invests in a diversified portfolio. The advisor told her that she can invest via Systematic Investment Plans (SIPs) even with a small amount of ₹500 per month. SEBI regulates Mutual Funds and ensures that fund managers adhere to investment objectives stated in the offer document.

- (a) What is a Mutual Fund? State any two advantages of investing in Mutual Funds for investors like Seema.
  - (b) Explain the concept of SIP as described in the above case. State one advantage of SIP over lump-sum investment.
  - (c) Explain any two functions of SEBI in regulating the securities market as highlighted in the case.
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**Q.13** "NovaBike" is launching a new electric scooter in India. The management is debating the appropriate pricing strategy. The finance team suggests pricing it high initially to recover R&D costs. The marketing team suggests pricing it low to capture a large market share quickly, as competition in the EV segment is intense. The CEO finally decides to keep the price moderate and focus on brand building through quality service and warranty assurance.

- (a) Identify the two pricing strategies debated by the finance and marketing teams. Briefly explain both.
  - (b) The CEO focused on 'brand building through quality and warranty.' Which element of the marketing mix does this relate to? Explain.
  - (c) State any two factors that the company should consider while fixing the price of the electric scooter.
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**Q.14** Kavya booked a holiday package from a travel agency for ₹75,000 for a 7-day trip. On arrival at the resort, she found that the hotel was of lower category than promised, meals were not included, and the sightseeing itinerary was incomplete. She raised the issue with the agency who denied any wrongdoing. Kavya filed a complaint before the appropriate Consumer Disputes Redressal Commission, where she sought compensation for deficiency in service.

- (a) Identify the appropriate Consumer Commission before which Kavya should file her complaint. Give reason.
  - (b) State any four consumer responsibilities that Kavya should keep in mind while seeking redressal.
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**Q.15** The Securities and Exchange Board of India (SEBI) recently penalized a brokerage firm for insider trading and price manipulation in the stock market. SEBI found that the firm's employees were using unpublished price-sensitive information to trade shares and then artificially inflating share prices. SEBI suspended the firm's license, ordered refund of illegal gains, and initiated legal proceedings. SEBI also released guidelines to educate retail investors about such malpractices.

- (a) What is insider trading? Why is it considered harmful to the securities market?

- (b) Identify and explain the two malpractices committed by the brokerage firm in the above case.
  - (c) Describe any two protective functions of SEBI that are evident from the above case.
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**Q.16** Priya's firm sells premium organic tea. She noticed that her tea is sold at ₹800 per box in metro cities but the same product is available for ₹500 in rural markets. Her accountant pointed out that the cost of production is the same. Priya believes that consumers in different markets have different levels of willingness to pay. She also uses distinctive packaging — gold-colored tins with the company logo — to differentiate from competitors.

- (a) Identify the pricing strategy Priya is using. Is this practice ethically justified? Give one reason.
  - (b) How does packaging help Priya's firm in marketing? State any two functions of packaging evident in this case.
  - (c) "Branding helps a firm differentiate its product." Explain any two advantages of branding that are relevant here.
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**Q.17** Arjun is an active member of a Consumer Awareness NGO in his city. He regularly organizes camps to educate consumers about their rights and responsibilities. In one such camp, he explained that consumers must be aware of quality marks like ISI, Agmark, and Hallmark before purchasing products. He also distributed pamphlets on how to file consumer complaints online under the Consumer Protection Act, 2019.

- (a) What are quality certification marks? Explain the significance of any two marks mentioned in the above case.
  - (b) State any two responsibilities of consumers that Arjun would have highlighted in the camp.
  - (c) Explain any two ways in which consumer organizations like Arjun's NGO contribute to consumer protection.
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**Q.18** Mr. Verma wants to invest his savings of ₹10 lakh. He considers two instruments — Treasury Bills issued by the government and Commercial Paper issued by a private corporation. His advisor explains that Treasury Bills are short-term instruments with no credit risk since the government backs them, while Commercial Paper is issued by creditworthy companies at a discounted price and redeemed at face value. Both are money market instruments.

- (a) Differentiate between Treasury Bills and Commercial Paper on the basis of any three points evident from the case.
  - (b) What is the money market? State its two functions.
  - (c) Why are money market instruments considered more suitable for investors looking for liquidity? Explain with reference to the above case.
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**Q.19** "Swift Cart" is an e-commerce company that sells grocery products. The company offers doorstep delivery within two hours. It maintains a large warehouse network across cities and uses AI-driven logistics for route optimization. A marketing expert advised the company that besides physical distribution, the company must invest in digital advertising, after-sales support, and creating a community of loyal customers through a subscription model.

- (a) Identify the two elements of marketing mix discussed in the above case. Explain their significance.
  - (b) "Swift Cart uses AI-driven logistics." Which function of marketing does this refer to? Explain briefly.
  - (c) What is meant by a 'Channel of Distribution'? Identify the channel used by Swift Cart and explain one advantage of this channel.
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**Q.20** Ramesh purchased a branded medicine from a pharmacy. He later discovered that the medicine was beyond its expiry date and the packaging was tampered with. He suffered health complications and incurred medical expenses of ₹40,000. Ramesh filed a complaint against the pharmacist and the manufacturer. The Consumer Commission held both parties liable for selling spurious and defective goods that endangered health.

- (a) Identify and explain any two consumer rights of Ramesh that were violated in this case.
  - (b) Against whom can Ramesh file the complaint? Name any two parties and state the basis of their liability.
  - (c) What remedies could the Consumer Commission provide to Ramesh? State any two.
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**Q.21** Anika, a commerce student, visited the Bombay Stock Exchange (BSE) as part of a field trip. The guide explained that the BSE provides a transparent platform for buying and selling securities, ensures price discovery, and offers ready liquidity to investors. The guide also mentioned that to be listed on BSE, a company must fulfill certain requirements of minimum paid-up capital, financial track record, and corporate governance norms. Anika was fascinated to learn about screen-based electronic trading and settlement through clearing houses.

- (a) Explain the functions of a Stock Exchange as highlighted in the above case. State any three.
  - (b) What are the requirements for a company to get listed on the stock exchange? State any two requirements mentioned in the case.
  - (c) Explain the meaning of 'Price Discovery' and its importance in the stock market.
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**Q.22** "Fresh Brew" company sells coffee. Their marketing manager, Ankit, stated: "We don't just sell coffee; we sell an experience." The company invests heavily in training baristas, store ambience, loyalty

Programmes, and regular feedback collection from customers. However, competitor analysis shows that "FreshBrew" charges higher prices than competitors offering similar coffee. Ankit believes that a strong brand image and superior customer service justify the premium pricing.

- (a) Ankit's statement — "We don't just sell coffee; we sell an experience" — reflects which marketing management philosophy? Explain.
  - (b) Which element of promotion does the 'loyalty programme' represent? State any two objectives of sales promotion.
  - (c) Do you think premium pricing is justified for "FreshBrew"? Give two reasons supporting your answer.
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**Q.23** A leading coaching institute advertised on its website that students enrolling for their CA foundation course would receive 100% job placement assistance, free study materials, and a guaranteed passing rate. Priya enrolled by paying ₹1,20,000. Later she found that no job placement was offered, study materials were charged separately, and the pass rate claim was false. She filed a complaint before the State Consumer Disputes Redressal Commission.

- (a) Which type of unfair trade practice has the coaching institute adopted? Explain it.
  - (b) Why did Priya approach the State Consumer Commission and not the District Commission?
  - (c) Name the consumer rights that Priya can invoke in this case. Explain any two of them.
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**Q.24** A company manufacturing soaps and detergents decided to add a new variant — a "sensitive skin" soap. The product manager conducted a SWOT analysis, identified target consumers as people with skin allergies, and positioned the product as dermatologist-approved. The soap was priced at ₹85 (higher than standard soaps), packed in hypoallergenic material, and distributed only through medical stores and premium supermarkets.

- (a) Name and explain the type of market segmentation used in the above case.
  - (b) How has the company's choice of distribution channel aligned with its product and target market? State any two points.
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**Q.25** Your company wants you to go in Shark Tank with a new Product Idea. So, you are required to Pen down this new idea covering all Marketing Mix so that when the company launches the product, it shall have a good start in the market.