

**CBSE Class 12 Business Studies**  
**Sample Paper 02 (2020-21)**

**Maximum Marks: 80**

**Time Allowed: 3 hours**

**General Instructions:**

- i. This question paper contains 34 questions.
- ii. Marks are indicated against each question.
- iii. Answer should be brief and to the point.
- iv. Answers to the questions carrying 3 marks may be from 50 to 75 words.
- v. Answers to the questions carrying 4 marks may be about 150 words.
- vi. Answers to the questions carrying 6 marks may be about 200 words.
- vii. Attempt all parts of the questions together.

**Section A**

1. \_\_\_\_\_ is/are included in the psychological test.
  - a. Interest test
  - b. Both interest test and intelligence test
  - c. General Knowledge test
  - d. Intelligence test
2. \_\_\_\_\_ starts after the production of things.
  - a. Marketing
  - b. Advertising
  - c. Selling
  - d. Buying
3. In order to complete the process of communication, there should at least be \_\_\_\_\_ persons.
  - a. Three
  - b. Four
  - c. Two
  - d. One

4. Rise in GDP lead to rise in \_\_\_\_\_.  
a. Cost of Production  
b. Increase in new taxes  
c. None of these  
d. Disposable income of people
5. A tall structure as a:  
a. No span of management  
b. Narrow span of management  
c. Wide span of management  
d. Less levels of management
6. Controlling is needed at \_\_\_\_\_ levels.  
a. Top level  
b. Middle level  
c. Lower level  
d. All of these
7. Which of the following is available in time with the help of the study of the environment?  
a. Warning Signal  
b. Foreign Aid  
c. Material  
d. Government Help
8. Obedience of order and discipline is found in:  
a. Free rein leadership  
b. Paternalistic leadership  
c. Democratic leadership  
d. Autocratic leadership
9. Advertisement is:  
i. a tool of sales promotion  
ii. an element of management  
iii. an element of branding  
iv. a technique of sales promotion  
a. iv and i  
b. only i  
c. iii and iv

- d. ii and iii
- 10. Which of the following does not affect working capital requirement?
  - a. Level of competition
  - b. Technology upgradation
  - c. Operating efficiency
  - d. Rate of inflation
- 11. Which is not an advantage of external source of recruitment?
  - a. More competition
  - b. Less partial
  - c. New blood
  - d. Less expensive

OR

- At what level of management staffing is needed?
- a. Lower level
  - b. At all levels
  - c. Middle level
  - d. Top level
12. Which of the following company will have more fixed capital?
- a. Abeer Ltd. has an arrangement with Vaani Ltd. and Saksham Ltd. to share each other's facilities.
  - b. Nitin Ltd. is a trading concern.
  - c. Nidhi Ltd. is operating at a higher scale.
  - d. Ahaan Ltd. uses labour intensive technique of production.
13. **Read the following text and answer the question:**
- Priya, Riya and Seema are best friends They started a manufacturing unit of garments in Delhi. After a successful establishment in Delhi. They decided to open one of its branches in rural areas in Haryana with the objective of reducing the cost and offering jobs to the locals. They assessed and analyzed the type and number of employees required, keeping in mind that they have to encourage women in rural areas. They also offered employment opportunities to physically challenged people of rural areas. They satisfy the financial needs of employees. This step has raised the living standard of people living in rural areas.



- i. "They have to encourage women in rural areas and they offered employment opportunities to physically challenged people in rural areas." Which objective of management is highlighted here?
  - a. Personal
  - b. Organisational
  - c. Social
  - d. Economic
- ii. "They decided to open a branch in rural areas with the objective of reducing cost and offering job to the locals. Which social objective is fulfilled by this effort?"
  - a. Using eco-friendly methods of production
  - b. Providing financial support to community
  - c. Contribution towards civic amenities
  - d. Generation of employment opportunities
- iii. "They satisfy the financial needs of employees by offering good salaries." This statement highlights which objective of management?
  - a. Social
  - b. Economic
  - c. Personal
  - d. Organisational
- iv. A business needs to add to its prospects in the long run. Identify the organisational objective highlighted by this.
  - a. Growth
  - b. Profit
  - c. Survival
  - d. Production

**14. Read the following text and answer the questions:**

Chamko is a washing machine manufacturing company. The company decides to enter into the music system manufacturing industry. The company has committed top management. It knows that there are various challenges in the market where its decisions regarding the new industry might fail. Still, the top management doesn't want to waste a lot of resources on its plans. It knows that sometimes plans take more time in making than getting implemented. However, the company wants to proceed with a positive approach. It has decided to study all the aspects of its competitors, to set all its

objectives and to allocate the required resources. The company did well in its previous business. At that time they took planning very seriously as they knew everything the company would do had to be based on concrete plans. The company will start its operations from next month.

Based on the case answer the following questions:

- i. Which function of management has been discussed in the above case?
    - a. Organising
    - b. Planning
    - c. Directing
    - d. Expanding
  - ii. Which limitations of planning have been highlighted in the above case?
    - a. Huge cost
    - b. Time Consuming
    - c. Does not guarantee success
    - d. All of the above
  - iii. Which type of plan is indicated in the above case?
    - a. Policy
    - b. Objective
    - c. Strategy
    - d. Rule
  - iv. Which feature of planning is highlighted above?
    - a. Pervasive
    - b. Continuous
    - c. Primary Function
    - d. Time consuming
15. "Planning restricts creativity". Explain.
16. What is mean by Co-ordination? Explain how does coordination integrates group efforts and ensures unity of action.
17. Does control help in 'judging the accuracy of standards' and 'improving motivation of the employees'? Explain.

OR

Modi Limited is engaged in manufacturing of machine components. The target of

production is 200 units daily. The company had been successfully attaining this target until two months ago. Over the last two months, it has been observed that daily production varies between 150-170 units. Identify the possible causes for the decline in production and the steps to be taken to achieve the desired targets.

18. What is meant by an investment decision? Give two examples of investment decision.

OR

Explain any three objectives of Securities and Exchange Board of India (SEBI).

19. It takes place throughout the life of the organisation irrespective of people occupying managerial positions. Mention the characteristic of directing highlighted here and also explain two more characteristics.
20. Explain any four methods of floating new issues in the primary market.
21. State the benefits of employee's training.
22. Distinguish between **Product** and **Production** concepts of marketing philosophies on the followings bases :
- i. Starting Point
  - ii. Main Focus
  - iii. Means
  - iv. Ends

OR

State any five characteristics of a good brand name.

23. The IT major GIPRA is terminating the employment of its senior managers, if after evaluating their performance against pre-determined standards if it is found lacking. With this disruption analysts say a large portion of the employees may become irrelevant unless they learn new skills and apply the knowledge to work on emerging technologies. GIPRA is ready to facilitate employee learning, through its in-house centers.
- a. Name the function of management performed by GIPRA to maintain a satisfactory work force.
  - b. Identify and explain the two steps in the process of the function of management discussed above.



- c. Also state any two steps of the function of management discussed, that the firm had to perform before performing the above steps.
24. Explain the following rights of a consumer:  
(i) Right to safety (ii) Right to consumer education.
25. i. Name and explain the principle of management in which workers should be encouraged to develop and carry out their plans for improvements in the organisation.  
ii. Name and explain the technique of scientific management which is an extension of the principle of division of work and specialisation.
26. Arun is a successful businessman in the paper industry. During his recent visit to his friend's place in Mysore, he was fascinated by the exclusive variety of incense sticks available there. His friend tells him that the Mysore region is known as a pioneer in the activity of Agarbathi manufacturing because it has a natural reserve of forest products especially Sandalwood to provide for the base material used in production. Moreover, the suppliers of other types of raw material needed for production follow a liberal credit policy and the time required to manufacture incense sticks is relatively less. Considering the various factors, Arun decides to venture into this line of business by setting up a manufacturing unit in Mysore.
- in the context of the above case:
- a. Identify and explain the type of financial decision taken by Arun.  
b. Identify the three factors mentioned in the paragraph which are likely to affect the working capital requirements of his business.

OR

Explain the following as factors affecting the requirements of fixed capital

- i. Nature of business
  - ii. Growth prospects
  - iii. Diversification
  - iv. Level of collaboration
27. As the head boy and head girl of 'Trakashay Public School', Deepak Chugh and Deepika Chawla have been given the responsibility of hosting the Teacher's Day programme in the school. In order to conduct the programme in a systematic way, Deepak and Deepika first called a meeting of the student council. In the meeting, they decided about the content of

the programme after taking into consideration the different available alternatives and choosing the best alternative among them. Then the various tasks required to be performed were identified and divided in accordance with a predetermined schedule made by them. After that, they grouped the similar activities into main groups as skit group, choir group, instrumental music group and contemporary dance group. Then each group was placed under the charge of a council member in accordance with his/her skills and competencies. These council members were in turn informed that they have to take orders and will be accountable only to Deepak and Deepika so as to facilitate coordination amongst various groups.

In the context of the above case:

- a. Identify and explain the functions of management is discussed.
- b. Describe briefly any two points highlighting the importance of each of the functions of management as identified in part (a) of the question.
- c. State any two values that 'Prakashay Public School' wants to communicate to society.

28. **Pushpanjali Ltd.** is manufacturing chocolates, biscuits, cakes and other similar products. The company is not generating enough profits. Saurabh, the Marketing manager of the company got a survey conducted to find out the reasons. The findings of the survey revealed that in spite of better quality, the customers were not able to distinguish the products of the company from its competitors. Though the customers wanted to buy the products of 'Pushpanjali Ltd.' again and again because of its good quality, but they were not able to identify its products in the market. Because of this, the sales of the company could not pick up resulting in inadequate profits. Saurabh, the Marketing manager now realised that 'Pushpanjali Ltd.' had forgotten to take one of the most important decisions related to the product.

What decision should 'Pushpanjali Ltd.' take so that its customers are able to identify its products in the market? Explain the benefits that may result to 'Pushpanjali Ltd.' and its customers if the above decision is taken.

OR

What is meant by sales promotion? Explain any five sales promotion techniques with an example of each.



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**Solution**

**Section A**

1. (b) Both interest test and intelligence test

**Explanation:** Both interest test and intelligence test and many more like aptitude, personality etc.

2. (c) Selling

**Explanation:** Selling starts after the production of things.

3. (c) Two

**Explanation:** Communication is a process of exchange of ideas, views, facts, feelings etc. between or among minimum 2 persons to create a common understanding.

4. (d) Disposable income of people

**Explanation:** While observing the economic environment, the gross domestic product increases the disposable income of people of a country will also increase and it will increase demand for products.

5. (b) Narrow span of management

**Explanation:** Narrow span of management means a single manager or supervisor oversees few subordinates. This gives rise to a tall organizational structure.

6. (d) All of these

**Explanation:** Controlling means ensuring that activities in an organization are performed as per the plans. Controlling is a goal-oriented function and is required at all levels.

7. (a) Warning Signal

**Explanation:** Warning Signal is available in time with the help of the study of the environment

8. (d) Autocratic leadership

**Explanation:** Autocratic leadership: An autocratic leader gives orders and expects his subordinates to obey these orders.

9. (b) only i

**Explanation:** Advertising is a tool for sales promotion.

10. (b) Technology upgradation

**Explanation:** Technology upgradation

11. (d) Less expensive

**Explanation:** Less expensive

OR

(b) At all levels

**Explanation:** At all levels staffing is required

12. (c) Nidhi Ltd. is operating at a higher scale.

**Explanation:** Nidhi Ltd. is operating at a higher scale.

13. i. (c) Social

ii. (d) Generation of employment opportunities

iii. (c) Personal objective

iv. (a) Growth

14. i. (b) Planning

ii. (d) All of the above

iii. (c) Strategy

iv. (c) Primary Function

15. Planning restricts creativity because it is usually done by the top level management and rest of the organisation just implements it. All organisational activities are preconceived and predetermined at the stage of planning so there is no or very little scope for middle and lower level managers to deviate from the plan. The existence of plans makes managerial operations inflexible and thus discourages creativity. Everybody work as they have been directed to do. They are not allowed to think of any new alternatives other than those which are stated in the plans.

16. Co-ordination is the managerial function of correlating and integrating the diverse goals and activities in the organizational process. It is not a separate function, but the essence of management due to the following reasons:

i. Coordination is needed in all management functions

ii. Coordination is needed at all levels

**Integrates group efforts:** Coordination unifies unrelated or diverse interests into purposeful work activity. It gives a common focus to group efforts to ensure that performance is as per plans.



**Ensures unity of action:** Coordination aims to achieve unity of actions in the realization of a common purpose. It acts as the binding force between departments and ensures that all efforts are focused towards achieving organizational goals.

17. Controlling is the last step in the management process. When the staffing is done, the employee controlling is helpful in evaluating their performance and trying to remove the flaws in their work, if we talk about motivation, their performance needs some additional external push to get them working on a particular task. If your control over your employees is good you can achieve the desired goals in minimal time.

OR

For the problem mentioned in the question, we are not able to achieve the target of 200 units, instead, they are stuck between 150-170. The following might be the causes and actions should be taken to achieve the desired targets.

Causes	Corrective Actions
<b>1. Defective Materials</b>	Stop using defective materials and set a new specification for the material, then keeping a quality check at regular intervals.
<b>2. Defective Machinery</b>	Defective machinery should be repaired. If it cannot be repaired then the organization must purchase new machinery at affordable rates
<b>3. Obsolete Machinery</b>	Old and outdated machinery should be upgraded as per the new technology and old on should be scrapped
<b>4. Defective Process</b>	Modify the existing process.
<b>5. Defective physical conditions of work</b>	Improve the physical conditions of work and teaching workers to adjust sometimes.

18. Investment decision relates to how the funds of a firm are to be invested in fixed as well as current assets, in order to earn the highest possible return on the investment. Investment in long-term assets is called capital budgeting decision, while in short-term assets is called working capital decision.



Two examples of investment decision are

- i. A company wants to establish a new unit and purchases machinery worth Rs. 20 lakhs
- ii. Sun Ltd wants to open a new branch of their retail outlet.

OR

The basic objective of SEBI is to protect the interests of investors and to promote the development of stock exchange and regulate the securities market. Following are the objectives of SEBI:

- i. To protect the rights of investors and ensuring safety to their investment.
  - ii. To regulate stock exchange and securities markets to promote their orderly functioning.
  - iii. To regulate and develop a code of conduct and fair practices by intermediaries like brokers, merchant bankers, etc, so that they become competitive and professional.
  - iv. To prevent fraudulent and malpractices by balancing between self-regulation of business and its statutory regulations.
19. Directing is a continuous process.

Two more characteristics are;

1. Efficient Utilization of Resources - Direction finance helps in clarifying the role of every subordinate towards his work. The resources can be utilized properly only when less of wastages, duplication of efforts, overlapping of performances, etc. doesn't take place. Through direction, the role of subordinates become clear as manager makes use of his supervisory, the guidance, the instructions and motivation skill to inspire the subordinates. This helps in maximum possible utilization of resources of men, machine, materials and money which helps in reducing costs and increasing profits.
  2. It Initiates Actions - Directions is the function which is the starting point of the work performance of subordinates. It is from this function the action takes place, subordinates understand their jobs and do according to the instructions laid. Whatever are plans laid, can be implemented only once the actual work starts. It is there that direction becomes beneficial.
20. Methods of Floating New Issues in the Primary Market:
- i. **Public issue:** When a company raises funds by selling (issuing) its shares (or debenture/bonds) to the public through issue of offer document (prospectus). It is

called a public issue.

- ii. **Offer for sale:** Institutional investors like venture funds, private equity funds etc. invest in an unlisted company when it is very small or at an early stage.
- iii. **Private Placement:** The sale of securities to a relatively small number of select investors for raising capital.
- iv. **Issue of Indian Depository Receipts (IDR):** A foreign company which is listed in a stock exchange abroad can raise money from Indian investors by selling (issuing) shares.

21. Benefits to the organization

- a. Economic operations: Trained personal will make economic and efficient use of resources.
- b. Increases productivity: It improves the quality and quantity of the production.
- c. Less requirement of supervision: Trained employees are skilled in their jobs, so their work does not require much supervision.

Benefits to the employees:

- a. Increase in efficiency and capacity: Through training skills and efficiency of employees increases.
- b. Increase in market value: Trained employees have increased market value.
- c. Fewer accidents: Learning the art of operating the machine, can reduce the chances of accidents.

22.

Basis	Production	Product
Starting Point	Factory area is the starting point	Factory area is the starting point
Main Focus	Product	Production
Means	Improvement in product over time	Improvement in the production efficiency and distribution coverage.
Ends	Earning profit through increase in the level of production	Earning profit through the improvement in product quality



OR

The five characteristics of good brand name are

- i. **Suggestive:** A brand name should be suggestive such that it must suggest something about a product's benefits, its use, quality, product nature, purpose, performance, etc. For example, Ujala suggests brightness.
  - ii. **Short and easy:** The brand name should be short, simple, easy to pronounce, recognize and remember as if it is difficult to pronounce the customer will not demand because of hesitation e.g. Ponds, VIP, Rin, Vim, etc.
  - iii. **Capable of registration:** The brand name should be capable of being registered and protected legally under the legislation.
  - iv. **Distinct:** A brand name should be unique, attractive and distinctive. The brand name should be very different and it should not lose its identity in the market. For e.g. Sun Light, Fair and Glow, Gold Flake, etc.
  - v. **Adaptable:** The brand name should be adaptable to packaging or labeling requirements, to different advertising media and in different languages.
23. a. The **Staffing function of management** is being performed by GIPRA to maintain a satisfactory workforce. Staffing is referred as both line as well as a staff activity. It is referred as line activity because like other functions such as planning, organizing, directing, controlling, staffing is also performed by every manager.
- b. **The two steps of staffing discussed above are:**
- i. **Training and Development:** The term training implies a systematic procedure of imparting knowledge and skills for a specific job. It benefits both the enterprise & the employee. Training increases the skills and abilities of employees to perform specific jobs. Training can be given for improving the current job or to prepare the employees for some intended jobs. The enterprise also gets the advantage of training in the form of reduction in the production cost, best usage of tools & machine and improvement in the quality etc.
  - ii. **Performance Appraisal:** At this step, the capability of the employee is judged and for that, his actual work performance is compared with the work assigned to him. If the results are unfavourable, he is again given training and after that also if results are again unfavourable, the employee is put on some other work.
- c. **The two steps in the process of staffing that the management had to perform**



**before performing the above steps:** Before starting the work, the manpower requirement of the organisation is assessed. Here, two aspects need to be taken into account while determining the requirement of manpower i.e. Type of Employees & Number of Employees. Also the job requirement, desired qualification, relationship between different jobs etc. is clearly drawn out.

- i. Estimating Manpower Requirements
- ii. Recruitment

24. i. **Right to safety:**

- a. Consumers have the right to be protected against the marketing of products and services which are dangerous or hazardous to their health, life and property.
- b. For example, if electrical goods, chemical products, gas cylinders, pressure cookers etc. happen to have any manufacturing defect, these may harm the consumer resulting in injury to him or his death or damage to his property.
- c. If, in spite of all the precautions, injury is caused, a consumer has the right to complain against the businessman and is entitled to claim compensation.

ii. **Right to consumer education:**

- a. The consumer has a right to acquire knowledge and to be a well-informed consumer throughout life.
- b. He should be aware about his rights and the reliefs available to him in case of a product or service falling short of his expectations.

25. i. **Principle of initiative** According to Fayol. 'Initiative means taking the first step with self-motivation, it is thinking out of the box and executing the plan'. It is one of the traits of an intelligent person. The initiative should be encouraged because employees get satisfaction when they are allowed to take initiative But it does not mean going against the established practices of the company for the sake of being different. The role of the employees in an organization must not be passive. They should play an active role and must lend their support to the top end leadership of the organization.

ii. **Functional foremanship** Taylor suggested functional foremanship for better supervision of workers. Under Functional foremanship. there are specialist foremen for each job He classified specialist foremen into two departments, namely planning and production departments Both the departments have eight foremen in all The names and functions of these foremen are as follows

- a. **Planning Department**

**Route clerk** Determining the process of production and the route through which the raw materials will pass.

**Instruction card clerk** Laying down instructions according to which the workers are required to perform work.

**Time and cost clerk** Setting the timetable for doing a job as per the pre-determined route and time schedule. He specifies the material and labor cost with respect to each operation.

**Disciplinarian** Maintaining proper discipline in the factory

b. **Production Department**

**Gang boss** Arranging machines, materials, tools, workers, etc for the job.

**Speed boss** Maintaining the planned speed of production, investigating the causes of the delay and remove them.

**Repair boss** Maintenance of the machines and equipment, proper arrangements for their oiling, greasing, cleaning and repair, preventing misuse of machines, etc.

**Inspectors** Seeing that the work conforms to the standard of quality laid down by the planning department.

26. a. Investment decision has been taken by Arun. Investment decision seeks to determine as to how the firm's funds are invested in different assets. It helps to evaluate new investment proposals and select the best option on the basis of associated risk and return. Investment decision can be long term or short-term. A long-term investment decision is also called a Capital Budgeting decision. For example, a social or charitable project is often not approved based on rate of return, but more on the desire of a business to foster goodwill and contribute back to its community.
- b. Working capital, also called net working capital, is a liquidity ratio that measures a company's ability to pay off its current liabilities with its current assets. Working capital is calculated by subtracting current liabilities from current assets. The three factors mentioned in the paragraph which are likely to reduce the working capital requirements of his business are as follows:
- Availability of raw material: As there is easy availability of Sandalwood which is used as the base material for production, the working capital requirements of his business will be less as there is no need to stock the raw materials.
  - Production cycle: The production cycle is shorter and less time is required to manufacture incense sticks. Thus, the working capital requirements of his



business will be low.

- iii. **Credit availed:** Due to the fact that the suppliers of other types of raw material needed for production follow a liberal credit policy, the business can be operated on minimum working capital.

OR

- i. **Nature of business-** The type of business has a bearing upon the fixed capital requirements. The nature of the business affects the fixed capital requirements a trading concern needs lower investment in fixed assets compared with a manufacturing organisation since it does not require purchasing fixed assets such as plant and machinery, etc.
  - ii. **Growth prospects-** The amount of fixed capital requirement differs with the stages of growth of the organisation. The requirement of fixed capital is higher in stages of high growth as it requires higher investment in fixed assets. Even when such growth is expected, a company may choose to create higher capacity in order to meet the anticipated higher demand quicker. This entails larger investment in fixed assets and consequently larger fixed capital.
  - iii. **Diversification-** If a firm diversifies its operations that is, it enters new areas of business, its fixed capital requirements increases. If the organisation has only one line of business the fixed capital requirements are generally less.
  - iv. **Level of collaboration-** Usually organisations use each other's facilities as it is feasible and reduces the level of investment in fixed assets, e.g. PNB bank may use ATM of Andhra Bank. If collaborations are available, the fixed capital requirement is less else more fixed capital is required.
27. a. The Planning and Organising functions of management are being discussed.
- Planning is deciding in advance what to do, how to do when to do and who has to do it. It is one of the basic managerial functions. Thus, it involves setting objectives and developing an appropriate course of action to achieve these objectives.
- Organizing is the process of defining and grouping the activities of the enterprise and establishing authority relationships among them.
- b. The importance of the planning function of management is described below:
- i. **Planning provides directions:** The well-defined plans act as a guide for deciding what course of action should be taken to attain the organizational goals.



- ii. **Planning reduces the risk of uncertainty:** Planning helps to reduce the risk of uncertainty arising due to the dynamic nature of the business environment as it enables a manager to anticipate and meet changes effectively.

The importance of the organizing function of management is described below:

- i. **Benefits of specialization:** Organising leads to a systematic allocation of jobs amongst the workforce. This not only helps to reduce the workload of the employees but also leads to increased productivity. This is because of the fact that specific employees are assigned a specific job on a regular basis which leads to specialization.
- ii. **Clarity in working relationships:** The process of organizing leads to the establishment of clear cut reporting relationships. This helps in developing a hierarchical order thereby enabling the fixation of responsibility and specification of the extent of authority to be exercised by an individual.

c. The two values that Trakashay Public School' wants to communicate to society are:

- i. Trust
- ii. Participation

28. The decision which 'Pushpanajali Ltd.' should take so that its customers are able to identify its products in the market is **Branding**. The process involved in creating a unique name and image for a product in the consumers' mind, mainly through advertising campaigns with a consistent theme. Branding aims to establish a significant and differentiated presence in the market that attracts and retains loyal customers.

**Benefits that may result to Pushpanjali Ltd. with such a decision are:**

- i. Enables marking product differentiation.
- ii. Helps in advertising and display programmes.
- iii. Differential pricing.
- iv. Ease in introduction of new product.

**Benefits that may result to the customers are:**

- i. Helps in product identification.
- ii. Ensures quality.
- iii. Status symbol.

OR

Sales promotion refers to all the immediate activities, which are undertaken for the

purpose of increasing immediate sales. Sales promotion refers to short-term incentives to boost sales in a short period and it supplements other promotional efforts such as advertising, personal selling, and publicity, aimed at stimulating market demand for products. The commonly used sales promotion techniques are

- i. Price Pack Deal: The consumer is given something extra at the same price. for example, 1 kg packet of 'Boost' contains 100g Extra.
- ii. Coupons: They are the best sales promotion techniques for inducing trials for the company's products.
- iii. Price-off Deal: In this technique, the price of the product is lowered for some time. for example, 'Wednesday Bazar' in Big Bazaar.
- iv. Loyalty Reward Program: The consumers are given certain points or credits, every time they use a company's product or service.
- v. Samples: Free Samples are given by product manufacturers to make the customer use its product.