

BUSINESS STUDIES (054)**CLASS XII (2024-25)****SAMPLE QUESTION PAPER****TIME: 3 HOURS****M.M. – 80**

- This question paper contains 34 questions.
- Marks are indicated against each question.
- Answers should be brief and to the point.
- Answers to the questions carrying 3 marks may be from 50 to 75 words.
- Answers to the questions carrying 4 marks may be about 150 words.
- Answers to the questions carrying 6 marks may be about 200 words.

Q.NO.	QUESTION	MARKS
1.	The newly appointed Production Manager of Saheb Ltd., a firm manufacturing toys, Mr Ahrawat noticed that the workers in the factory were not giving their best as the physical conditions in the factory were not good. He conducted an experiment to see the effect of improvement in the physical conditions in the factory on the performance of the workers, by providing adequate ventilation and water facilities. He observed that the fatigue level of the workers reduced. The nature of management being highlighted in the above case is: A. Management as science B. Management as profession C. Management as art D. Both A. and C.	1
2.	Jasmine Ahluwalia is the manager of an artefacts museum's marketing team, responsible for promoting exhibitions and events. In the previous season, she defined the total work of managing the events into graphic designing, registration inquiries, bill payments, etc, in order to facilitate specialisation. However, instead of allocating work, she had assigned each team member the full responsibility of managing the promotion of an entire event. In spite of holding regular team meetings to take feedback, Jasmine found problems throughout the events season in the quality of graphic design, registration inquiry, bill payments, etc,. For the upcoming events season, Jasmine has decided to divide these responsibilities on the basis of her observation of the areas in which the individual team members have excelled in the previous season and allocate the roles based on their skills and competencies. Identify the step in the organising process which was not properly performed in the previous season but has been duly performed for the upcoming season. A. Identification and division of work B. Establishing reporting relationships C. Departmentalisation D. Assignment of duties	1
3.	Read the following statements: Assertion (A) and Reason (R). Choose the correct alternative from those given below:	1

	Assertion(A): Financial Planning aims at enabling the company to tackle the uncertainty in respect of the availability and timing of the funds. Reason(R): Capital structure refers to the mix between owners' and borrowed funds Alternatives : A. Both Assertion (A) is false and Reason (R) are true. B. Both Assertion (A) and Reason (R) are false. C. Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of the Assertion. D. Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of the Assertion.	
4.	Read the following statements carefully: Statement I: Secondary Market directly promotes capital formation. Statement II: Capital market deals in medium and long term securities such as equity shares and debentures. In the light of given statements, choose the correct alternative from the following: A. Both the statements are true. B. Both the statements are false. C. Statement I is true, Statement II is false. D. Statement II is true, Statement I is false.	1
5.	Choose the statement that correctly highlights the benefit of using external sources of recruitment. A. Competitive spirit among the existing staff B. Reduction in employees turnover C. Helps in increasing employees satisfaction D. Develops a sense of security amongst employees	1
6.	Goodwill Enterprises is a large-scale automobile manufacturer, who fulfills the needs of both industrial users and consumers. The company is providing easy finance facilities at a low rate of interest, which has considerably increased the demand for the product. The company has installed a new branch management software to efficiently manage and coordinate activities across their multiple branches and locations. Identify the components of the business environment from the above case study. A. Political and economic environment B. Economic and social environment C. Technological and legal environment D. Economic and technological environment	1
7.		1

	Identify the responsibility that a consumer fulfills when he looks for the quality marks given above: A. Assert yourself to ensure that you get a fair deal B. Getting a proper receipt C. Buy only standardised products D. Be honest in your dealings For Visually Impaired Candidates: When a consumer looks for FPO mark while purchasing a bottle of jam or hallmark when purchasing jewellery, which consumer responsibility has he kept in mind: A. Assert yourself to ensure that you get a fair deal B. Getting a proper receipt C. Buy only standardised products D. Be honest in your dealings	1
8.	Read the following statements: Assertion (A) and Reason (R). Choose the correct alternative from those given below: ASSERTION (A): Controlling can prevent deviations. REASON (R): Controlling helps in minimising deviations by taking actions and decisions that reduce their recurrence. A. Both Assertion (A) and Reason (R) are true and Reason is the correct explanation of Assertion. B. Both Assertion(A) and Reason (R) are true and Reason is not the correct explanation of Assertion. C. Assertion (A) is true, Reason (R) is false. D. Assertion(A) is false, Reason(R) is true.	1
9.	‘Joining a job marks the beginning of socialisation of employees at the workplace. The employee should be given a post for which he has been selected.’ Place the subsequent steps of staffing in a small organisation in the correct order: A. Training and development, promotion and career planning, performance appraisal, compensation B. Performance appraisal, training and development, promotion and career planning, compensation C. Training and development, performance appraisal, promotion and career planning, compensation D. Training and development, performance appraisal, compensation, promotion and career planning	1
10.	Spiceworks, a company providing financial services to its clients is keeping a close check on the employee’s activities by using biometric and retina scanning as modes of accessing the office premises, in order to ensure greater security of information in the organisation. Choose the correct point of significance of controlling highlighted above: A. controlling helps in achievement of organisational goals B. controlling helps in ensuring order and discipline C. controlling helps in improving employees motivation D. controlling enables optimum utilisation of resources	1

11.	Identify the incorrect statement with respect to 'Investment decision': A. Net working capital refers to excess of current assets over current liabilities B. Current assets are those assets which get converted into cash within one year C. Capital budgeting decisions are irreversible. D. Size of the assets, Profitability and competitiveness are not affected by capital budgeting decisions.	1																				
12.	State Commission has the jurisdiction to entertain complaints where value of goods and services paid as consideration is _____ A. More than ₹1 crore and not more than ₹ 5 crore B. More than ₹10 crore C. Less than ₹1 crore D. More than ₹1 crore and not more than ₹10 crore	1																				
13.	Match the statements given in column I with the characteristic of business environment given in column II <table border="1"><thead><tr><th></th><th>COLUMN I</th><th></th><th>COLUMN II</th></tr></thead><tbody><tr><td>(a)</td><td>Increased demand of Khakhra and Thepla in the region of Gujarat as compared to Delhi region</td><td>i.</td><td>Uncertainty</td></tr><tr><td>(b)</td><td>Digital academic certificates are issued to students accessible in a secured manner to eliminate undesirable practices like corruption and manipulation of records under Digital India Initiative. Such technological improvements are happening at a very fast pace.</td><td>ii.</td><td>Dynamic</td></tr><tr><td>(c)</td><td>Fashion market is facing both opportunities and challenges. Therefore it is difficult to predict the future of the fashion market.</td><td>iii.</td><td>Relativity</td></tr><tr><td>(d)</td><td>A new government will result in changing government rules, fiscal policies, market conditions etc</td><td>iv.</td><td>Interrelatedness</td></tr></tbody></table> Choose the correct option from the following: A. (a)-(iii), (b)-(ii), (c)-(i), (d)-(iv) B. (a)-(ii), (b)-(i), (c)-(iii), (d)-(iv) C. (a)-(iv), (b)-(ii), (c)-(i), (d)-(iii) D. (a)-(iii), (b)-(i), (c)-(ii), (d)-(iv)		COLUMN I		COLUMN II	(a)	Increased demand of Khakhra and Thepla in the region of Gujarat as compared to Delhi region	i.	Uncertainty	(b)	Digital academic certificates are issued to students accessible in a secured manner to eliminate undesirable practices like corruption and manipulation of records under Digital India Initiative. Such technological improvements are happening at a very fast pace.	ii.	Dynamic	(c)	Fashion market is facing both opportunities and challenges. Therefore it is difficult to predict the future of the fashion market.	iii.	Relativity	(d)	A new government will result in changing government rules, fiscal policies, market conditions etc	iv.	Interrelatedness	1
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14.	The process of classification of products into different groups, on the basis of some of the important characteristics such as quality, size, etc. is known as: A. Branding B. Standardisation C. Grading D. Marketing planning	1																				

15.	Shiwakumar runs a legal consultancy firm in Chhattisgarh. Whenever the firm hires new employees, on the first day of joining, they are welcomed to the organisation and are given details about the dress code, lunch timings, introduction to daily operations and fellow colleagues. They are also familiarised with the organisational policies and procedures, emergency exits, evacuation procedure, etc. Name the type of training which is provided by Shiwakumar in his firm. A. Apprenticeship training B. Vestibule training C. Induction training D. Internship training	1
16.	Identify the incorrect statement with respect to Consumer Protection in India. A. It not only includes educating consumers about their rights and responsibilities but also helps in getting their grievances redressed B. It not only requires a judicial machinery for protecting the interest of consumers but also requires the consumers to get together and form themselves into Consumer associations for protection and promotion of their interests. C. It is the moral duty of any business to take care of consumers' interest and avoid any form of exploitation. D. The provisions of Consumer Protection Act came into force from 1981.	1
17.	Identify the decision which is not taken under financial management. A. Dividend Decision B. Capital Budgeting Decision C. Pricing Decision D. Both B. and C.	1
18.	What are the factors that affect financing decisions? (a) Cash flow position of the company (b) Stability of earnings (c) Degree of financial risk (d) Contractual constraints (e) State of capital market (f) Level of competition Choose the correct alternative from the following: A. (b), (c) and (f) B. (d), (e) and (f) C. (a), (c) and (d) D. (a), (c) and (e)	1
19.	Consumers can ask anything regarding the date of manufacturing, MRP, etc, about the product that he intend to buy. Identify the consumer right highlighted in the above lines. A. Right to be informed B. Right to be assured C. Right to be heard D. Right to safety	1
20.	Read the following statements carefully: Statement I: Cost of debt is lower than cost of equity for a company.	1

	Statement II: The objective of financial management is to increase shareholder's wealth. In the light of given statements, choose the correct alternative from the following: A. Both the statements are true. B. Both the statements are false. C. Statement I is true, Statement II is false. D. Statement II is true, Statement I is false.									
21.(A)	State the meaning of single use plans and standing plans	3								
	OR									
21.(B)	State how planning (I) reduces creativity (II) leads to rigidity.	1 ½ 1 ½								
22. (A)	Explain the concept of leadership. Give two situations in which autocratic leadership style is most effective.	3								
	OR									
22. (B)	Explain the concept of communication. Give the meaning of formal and informal communication.	3								
23.	From the following information regarding Aditya Ltd. which is in the business of manufacturing green tea, calculate the Return on Investment and Interest Coverage Ratio of the company: (Show working) <table><tr><td>Earning before interest and tax</td><td>₹ 15,00,000</td></tr><tr><td>10% debentures</td><td>₹ 12,00,000</td></tr><tr><td>Equity Share Capital (₹10 each)</td><td>₹ 18,00,000</td></tr><tr><td>Tax Rate</td><td>40%</td></tr></table>	Earning before interest and tax	₹ 15,00,000	10% debentures	₹ 12,00,000	Equity Share Capital (₹10 each)	₹ 18,00,000	Tax Rate	40%	3
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24.	Mr Vivek Vaswani, a foodpreneur combined his passion for food with his entrepreneurial skills and started his innovative fast food outlet OH CHILLI! in 2021. He had started his career as a food blogger and had noticed that numerous Indian consumers were looking for reasonable and pure vegetarian fast food options for dining out. The high end restaurants were not opted by many as they were exorbitantly priced. Though many global fast food chains were running across the country, yet not many outlets offered reasonable and healthy pure vegetarian fast food options to consumers. OH CHILLI! became a pioneer in offering a healthy and delicious variety of food. What came as a surprise for consumers was that even without using onion or garlic in the pasta sauce, marinade and ketchup ,the food could actually taste great. The company witnessed an increase in net profit of 26% in its second financial year and became a market leader. (I) State the concept of business environment. (II) Identify and explain in what way, a good understanding of business environment enabled Mr. Vivek Vaswani to improve the performance of the enterprise.	1 2								
25.	The General manager of a reputed organisation, Mr. Agastaya Lokhande, made the following announcement at the Annual General Meeting of the company- "When we think of a brand, we think of reputation, but the reputation is made or broken by the quality of products and customer representation. If people are miserable, they can't give their best work and the brand suffers. On									

	the contrary, positive results can be observed if there is job satisfaction, effective and efficient functioning.” (I) Identify and explain the feature of management discussed by Mr Agastaya in his announcement. (II) Explain any three reasons that make management important to any organisation.	1 3
26. (A)	In order to streamline the selection procedure, so as to minimise the margin of errors, certain tests are carried out that attempt to measure the characteristics of individuals. Explain any four such tests.	4
26. (B)	OR Since jobs have become more complex, the importance of employee training has increased. Training programmes provide numerous benefits to workers. Explain any four points that support this statement.	4
27.	When Bhaanupriya joined as technical head of Logic Lotus Innovators, she was keen on increasing the productivity and profitability of the company. However, she observed that the employees were demotivated as no attention was given to their work. Also, the workers were given little freedom to make decisions. Bhaanupriya decided to stimulate the employees by giving each worker T-shirts with their name on it. She also decided to include workers in work committees. This helped in improving the performance of the workers. (I) On the basis of the understanding of Maslow’s Need Hierarchy Theory of motivation, identify the human need that Bhaanupriya has recognised in order to make the subordinates act towards achievement of organisational goals. (II) Identify and explain two incentives that have been provided by Bhaanupriya to improve the performance of the employees.	1 3
28. (A)	Explain how Planning and controlling are both backward looking, as well as forward looking functions.	4
28. (B)	OR The first step in the controlling process is setting up performance standards. Explain the subsequent two steps in the process of controlling.	4
29.	When Chandrashekhar Shukla returned to India after completing a Certificate course in Food Quality Assurance and Quality Control from the Netherlands, he was convinced that he would fulfil his grandfather's dream of converting their 58 acre land into a fertile farm. He started by setting out specific goals and laid down related activities to be performed to achieve the goals. Soon he launched his own company 'Food and Agribusiness Solutions Private Limited'. He sought to ensure that the future events effectively meet the best interest of the company. He prepared an annual statement for production and sales, based on sales forecasting. He noticed that the farmers grew only paddy due to which land remained idle for the subsequent 8 to 9 months of the year. He identified and assessed various alternatives through which farms could be utilised for the remaining months of the year. Through his accurate vision, judgement and systematic thinking based on analysis of the facts, he presented a scheme to the farmers where both paddy and vegetables could be grown.	4

	Identify and explain the features of one of the functions of Management highlighted above.	
30.	Give any four points of difference between advertising and personal selling.	4
31.	It was established by the Government of India on 12 April 1988 as an interim administrative body to promote orderly and healthy growth of the securities market and for investor protection. It was given statutory status in 1992 through an Act of Parliament. (I) Identify the regulatory body which has been highlighted above. (II) State the three objectives of the regulatory body identified in part (I). (III) State any two functions that are performed for the development of the securities market by the regulatory body identified in part (I).	1 3 2
32. (A)	Differentiate between functional structure and divisional structure on the basis of: (I) Formation (II) Specialisation (III) Responsibility (IV) Managerial development (V) Cost (VI) Coordination	6
32. (B)	OR ‘Delegation helps a manager to extend his area of operations as without it, his activities would be restricted to only what he himself can do.’ In light of the above statement, explain how effective delegation helps the organisation in achieving objectives.	6
33.	Leena has been appointed as the Operations Manager in a small trading company dealing in garments, with growing online sales. The company has recently rented space in a warehouse to store garments and mail out orders. In order to take over the responsibilities of order fulfilment, Leena promotes an associate, Kushagra to the post of Inventory and Order fulfilment Supervisor. Kushagra has been given the task to assess whether it is best to process orders as they come in or let them accumulate and then to process them in batches. He concludes that accumulating and then processing them in batches is the best way of fulfilling orders, in order to minimise cost and maximise customer satisfaction. Through several readings Leena finds that the standard time taken from the placement of order to the delivery of garments for a batch of 100 pieces is 72 hours. This helped her to determine the labour cost. On the basis of the understanding of concepts of scientific management, identify and explain the techniques used by Leena and Kushagra to improve the performance of the employees.	6
34. (A)	Explain the four elements of marketing mix. OR	6
34. (B)	Explain any four factors affecting determination of the price of a product or service.	6