

**SAMPLE QUESTION PAPER
CLASS XII
BUSINESS STUDIES
TERM 1**

Maximum Marks: 40

Time: 90 Minutes

General Instructions:

1. The Question Paper contains 3 sections.
2. Section A has 24 questions. Attempt any 20 questions.
3. Section B has 24 questions. Attempt any 20 questions.
4. Section C has 12 questions. Attempt any 10 questions.
5. All questions carry equal marks.
6. There is NO negative marking.

Section A

1. Coordination is _____.
 - (i) function of management
 - (ii) an objective of management
 - (iii) the essence of management
 - (iv) a level of management
2. Principles of management are not
 - (i) flexible.
 - (ii) absolute.
 - (iii) universal.
 - (iv) behavioural.
3. Which of the following is not a component of economic environment?
 - (i) Composition of trade
 - (ii) Infrastructure
 - (iii) Economic development
 - (iv) Legislations passed by the government
4. The following is not an objective of lower management:
 - (i) Quality products
 - (ii) Growth and development
 - (iii) Innovation
 - (iv) Policy formulation
5. Which concept was developed to establish a direct contact with an employee of equal rank in case of emergency to avoid delay in communication?
 - (i) Scalar chain
 - (ii) Centralisation
 - (iii) Equity
 - (iv) Gang plank
6. _____ is the marketing function which is concerned with informing the customers about the firm's products.
 - (i) Transportation
 - (ii) Selling
 - (iii) Advertising
 - (iv) Public relations
7. Which of the following is not a feature of marketing?
 - (i) Integrated
 - (ii) Dynamic
 - (iii) Seller focus
 - (iv) Pervasive
8. Which of the following is not an element of delegation?
 - (i) Authority
 - (ii) Responsibility
 - (iii) Accountability
 - (iv) Decentralisation
9. Which of the following is not a feature of standing plans?
 - (i) Recurring in nature
 - (ii) Based on main organisational objective
 - (iii) Prepared for specific situation
 - (iv) Developed once can be modified later

10. _____ is a statement of expected results in numerical terms.
- (i) Forecast (ii) Budget
(iii) Plan (iv) Estimate
11. _____ is an example of social environment.
- (i) Inflation (ii) Legislation
(iii) Composition of family (iv) Innovations
12. "The idea is to persuade the consumer to buy the product by any means necessary." Which marketing concept is highlighted here?
- (i) Production concept (ii) Product concept
(iii) Selling concept (iv) Marketing concept
13. Corrugated boxes are part of
- (i) Primary package. (ii) Secondary package.
(iii) Transportation package. (iv) Labels.
14. Which one of the following is not an aspect of the characteristic of management being multi-dimensional?
- (i) Management of work (ii) Management of people
(iii) Management of goals (iv) Management of operations
15. _____ involves harmony and team spirit among employees.
- (i) Discipline (ii) Esprit de corps
(iii) Order (iv) Standardisation
16. "Subsidy provided by the government for textile industries has a positive impact on textile businessmen." Which component of business environment is highlighted in this case?
- (i) Economic environment (ii) Technological environment
(iii) Political environment (iv) Legal environment
17. According to Keith Davis, business environment is the aggregate of all conditions, _____ and influences that surround and affect it.
- (i) factors (ii) events
(iii) units (iv) institutions
18. _____ premises can be measured in quantitative terms.
- (i) Tangible (ii) Intangible
(iii) Constant (iv) Variable
19. "PQR Ltd. decided to give 40% jobs to women." What type of plan is highlighted here?
- (i) Strategy (ii) Objective
(iii) Rule (iv) Policy
20. **Assertion (A):** The activities of each department need to be linked through coordination.
Reason (R): Specialists think that they are qualified to evaluate and make decisions according to their professionally set criteria.
- (i) Both (A) and (R) are correct and (R) is the correct explanation of (A).
(ii) Both (A) and (R) are correct but (R) is not the correct explanation of (A).
(iii) (A) is correct but (R) is incorrect.
(iv) (A) is incorrect but (R) is correct.
21. _____ is the organisational structure in which no department is responsible for end results.
- (i) Divisional structure (ii) Functional structure
(iii) Formal (iv) Informal

22. _____ involves designing and producing container or wrapper for the product.
- (i) Marketing (ii) Selling
(iii) Advertising (iv) Packaging
23. "This concept emphasises on organisations to evaluate the demands of the consumers and produce products or services to fulfil these wants." Which marketing concept is highlighted here?
- (i) Production concept (ii) Product concept
(iii) Selling concept (iv) Marketing concept
24. The verbal component of brand is known as _____.
- (i) brand (ii) brand mark
(iii) brand name (iv) trademark

Section B

25. Cool Tech Limited has a target to sell two lakh units of refrigerators in three months. To achieve this target, the production department employed contractual staff to produce rigorously, and the sales department started making strategies to sell the products. Which characteristic of management is highlighted here?
- (i) Goal-oriented (ii) Continuous process
(iii) Group activity (iv) Dynamic
26. Mr. Raman visits a company and observes that there is a reception at the entrance, a first aid box was kept there, a list of emergency contacts was pasted on the wall, there were properly maintained registers for visitors, employee attendance, etc. Which principle of management is being observed here?
- (i) Order (ii) Equity
(iii) Unity of Command (iv) Unity of Direction
27. Management of Info Max Limited is following a practice in which it transfers a particular project to the senior management. The senior management then divides and allocates the tasks to the teams. This is helping the company meet all the timelines. Which principle of management is highlighted here?
- (i) Unity of Command (ii) Unity of Direction
(iii) Division of Work (iv) Decentralisation
28. "Digital Transformation drives foundational change in how an organisation operates, optimizes internal resources, and delivers value to customers." Which aspect of business environment is highlighted by this statement?
- (i) Technological (ii) Economic
(iii) Legal (iv) Legal and Economic
29. Which type of plan is highlighted in the following cases?
- (a) No smoking in the factory premises.
(b) Women hiring reserved at 30% of the total employees.
(c) Penalties on using office printer for extracting personal printouts.
(d) Girls will be given a discount of 10% in fees.
- (i) Rule, Rule, Policy, Policy (ii) Rule, Policy, Policy, Rule
(iii) Policy, Policy, Rule, Rule (iv) Rule, Policy, Rule, Policy
30. Identify the type of plan:
"It serves as a guide for overall planning."
- (i) Goal (ii) Objective
(iii) Strategy (iv) Policy

- 31.** Sohna Industries is a company manufacturing office furniture. The company chose to diversify its operations to improve its growth potential and increase market share. As the project was important, many alternatives were generated for the purpose and were thoroughly discussed among the members of the organisation. After evaluating the various alternatives, Mr. Amar, the Managing Director of the company, decided that they should add 'Home Interiors and Furnishings' as a new line of business activity. Name the framework, which the diversified organisation should adopt to enable it to cope with the emerging complexity.
- (i) Functional (ii) Divisional
(iii) Formal (iv) Informal
- 32.** Raman started a baking business. He set the target of earning 15% profit on sales in the first year. As a good businessman, he was concerned about the future of the business. So, he analysed the market and came to know that the demand for bakery products is increasing day by day. He used this information for future planning. He discussed the gathered information with his team to find innovative ways to achieve the objectives. Identify the step, followed by Raman that is related to the process of one of the functions of management.
- (i) Follow up action (ii) Selecting from alternatives
(iii) Developing premises (iv) Evaluating alternatives
- 33.** Simran and Deepak are receptionists in a company having the same educational qualification. Simran is getting INR 10,000 per month and Deepak INR 15,000 per month as salary for the same working hours. Which principle of management is violated in this case?
- (i) Equity (ii) Discipline
(iii) Scalar chain (iv) Unity of Command
- 34.** Mr. Atul is the Chief Operating Officer of Electro Plus Appliances Limited. The company is currently operating through its 60 stores spread across India. The company is having a large customer base. As part of the expansion agenda, Mr. Atul has decided to double the number of stores and strategically locate them in the uncatered markets. The information of this decision has been communicated to all the departments so that all departments can start working in sync with the decision. Identify the stage of 'planning process', which is being completed by Mr. Atul in this case.
- (i) Setting objectives (ii) Follow-up action
(iii) Identifying alternative courses of action (iv) Evaluating alternative courses
- 35.** Identify the method of sales promotion used by Glow and Shine Limited:
Glow and Shine Limited is offering 40% extra shampoo in the packaging of 500 ml.
- (i) Quantity Gift (ii) Sample Distribution
(iii) Usable Benefit (iv) Product Combination
- 36.** Mandana Ltd. has a target production of 10,000 units in a year. To achieve this target the manager must operate on double shifts due to power failure issues in the area where the factory is located. The manager is able to produce 10,000 units but at a higher production cost. In the above case, identify the status of the manager.
- (i) Manager was effective (ii) Manager was efficient
(iii) Manager was effective but not efficient (iv) Manager was efficient but not effective
- 37.** Mr. Amar has joined as the CEO of an apparel 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.
- (i) Division of work (ii) Departmentalisation
(iii) Assignment of duties (iv) Establishing reporting responsibilities
- 38.** Mr. Anil and Mr. Rahul are working as Marketing Managers respectively in 'ABC Limited' and 'PQR Limited'. Mr. Anil closely monitors the business environment so that he is aware even of the small changes taking place in the market and prepares himself well in advance to deal with it. Contrary to Mr. Anil, Mr. Rahul is indifferent to the dynamic nature of the business environment. Gradually, 'ABC Limited' emerged as the

leader in the market whereas 'PQR Limited' started losing its share in the market. Identify the point of 'importance of business environment' which is referred to by the scenario stated above.

- (i) It helps in understanding the economic environment.
- (ii) It helps in the growth of business.
- (iii) It helps in understanding future problems and prospects.
- (iv) Provides first-mover advantage.

39. It is difficult to find one single person with all the needed qualities, Taylor suggested appointment of a specialist through this technique of scientific management. Identify the technique.

- (i) Standardisation and simplification of work
- (ii) Method study
- (iii) Functional foremanship
- (iv) Motion study

40. For the following two statements, choose the correct option:

Statement I: Efficiency aims at performing tasks and least wastage of time and effort.

Statement II: Efficiency is about doing the job in a cost effective manner.

Choose the correct option from the options given below:

- (i) Both the statements are correct.
- (ii) Statement I is correct but Statement II is wrong.
- (iii) Statement II is correct but Statement I is wrong.
- (iv) Both the statements are incorrect.

41. Arun has conceived the idea of manufacturing green tea and wants to be the leading manufacturer of green tea worldwide. He observed that the various variants in green tea are available in the market and the products were expensive as the demand of the products is more than the supply. He wants to promote the products in a way that is:

- Economically viable
- Environment-friendly
- Protects public health

The main focus area in Arun's list of action is the amount paid by the customers to purchase the products. He thoroughly studied the competitors, their cost of products and market share. After the analysis he came to the conclusion that consumer will compare the value of the product to the value of money they are ready to pay for the product. Since, he was entering a new market he felt that he won't be able to cover all costs. For the survival of business in long run, adequate profits are to be earned. To stand different in the market, he decided to provide free home delivery of the products and also improved the packaging by adding a free pouch of herbal tea to attract customers. Identify the concept discussed above.

- (i) Product Mix
- (ii) Price Mix
- (iii) Place Mix
- (iv) Promotion Mix

42. For the following two statements, choose the correct option:

Statement I: Accountability can be delegated.

Statement II: Responsibility can be delegated completely.

Choose the correct option from the options given below:

- (i) Statement I is correct and II is wrong
- (ii) Statement II is correct and I is wrong
- (iii) Both the statements are correct
- (iv) Both the statements are incorrect

43. The technique of Scientific Management given by Taylor, which aims to establish interchangeability of manufactured parts and products is _____.

- (i) Method Study
- (ii) Motion Study
- (iii) Standardisation
- (iv) Differential Piece Wage System

44. A person feeling hungry may get food by offering money or some other product in return to someone who is willing to accept the same for food. The highlighting feature of marketing illustrated above is:

- (i) Exchange mechanism
- (ii) Customer value
- (iii) Creating a market offering
- (iv) Needs and wants

45. Arrange the following steps in the process of organising in the correct sequence:
- | | |
|---|---|
| (a) Assignment of duties | (b) Departmentalisation |
| (c) Identification and division of work | (d) Establishing reporting relationship |
- Choose the correct option:
- | | |
|--------------------------|-------------------------|
| (i) (a); (b); (d); (c) | (ii) (c); (b); (a); (d) |
| (iii) (c); (b); (d); (a) | (iv) (b); (c); (a); (d) |
46. Which step in the process of planning will precede the step in which the manager is required to make certain assumptions about the future, which becomes the base upon which the plans are made.
- | | |
|---------------------------|--|
| (i) Implementing the plan | (ii) Identifying alternative courses of action |
| (iii) Setting objectives | (iv) Selecting an alternative |
47. Benzon Apparels Limited is using banned animal skin for making leather wallets, leather bags and clutches and earning huge profits. Which market concept is ignored here?
- | | |
|-------------------------|-------------------------------|
| (i) Production Concept | (ii) Selling Concept |
| (iii) Marketing Concept | (iv) Social Marketing Concept |
48. Professions such as medicine, chartered accountancy or law require a practising doctor, chartered accountant or lawyer to possess valid degrees, nowhere in the world is it mandatory for a manager to possess any such professional degree. Identify the characteristic of the profession being discussed in this case which is not being strictly met by management.
- | | |
|------------------------------------|------------------------------|
| (i) Well-defined body of knowledge | (ii) Restricted entry |
| (iii) Professional association | (iv) Ethical code of conduct |

Section C

Read the following text and answer question numbers 49–54 on the basis of the same.

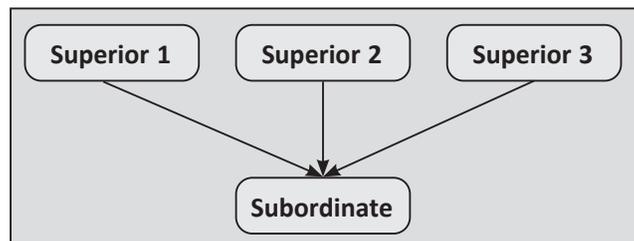
The CEO of Techno World Pvt. Ltd. decided to have a meeting of all key employees of different departments of the organisation. The main motive of the meeting was to tell the employees to keep 30% increase in sales target as the main objective for the year.

The meeting was flooded with ideas regarding the processes involved. Various strategies and plans were made to streamline the processes. After a few days, the capability of the organisation to adapt to the new situation was assessed keeping in view the external business environment and it was found that the company was moving on the right track.

The CEO of the company also directed all the staff members to follow the targets and advised them to put their best efforts in achieving the sales targets. The employees admitted that they had learnt a lot under the able guidance of the CEO and were able to meet their targets. This led to an increase in their compensation. The CEO also recruited technical professionals to train the employees.

49. Identify the importance of management highlighted above.
- | |
|---|
| (i) Helps in achieving personal objectives |
| (ii) Reduces costs |
| (iii) Peer recognition |
| (iv) Providing quality products at fair prices to society |
50. Identify the significance of management relating to the target assigned by the CEO.
- | | |
|-----------------------------|-------------------------------------|
| (i) Establishes equilibrium | (ii) Reduces costs |
| (iii) Peer recognition | (iv) Helps in achieving group goals |
51. When the CEO assigned sales target of 30% to the employees, which characteristic of management is highlighted here?
- | | |
|------------------|--------------------|
| (i) Pervasive | (ii) Goal oriented |
| (iii) Continuous | (iv) Dynamic |

52. "After a few days, the capability of the organisation to adapt to the new situation was assessed keeping in view of the external business environment and it was found that the company was moving on the right track." Which feature of management is reflected by this statement?
- (i) Pervasive (ii) Goal oriented
(iii) Continuous (iv) Dynamic
53. Identify the two functions of management discussed in the above case.
- (i) Planning and Staffing (ii) Staffing and Organising
(iii) Planning and Organising (iv) Planning and Coordination
54. The employees of the company met the assigned targets. Which point of importance of management is highlighted in this scenario?
- (i) Helps in achieving personal objectives
(ii) Reduces costs
(iii) Increases efficiency
(iv) Providing quality products at fair prices to society
55. In the USA, at the time of Christmas, the sale of chocolates and cakes increases. Which dimension of business environment is highlighted here?
- (i) Economic environment (ii) Political environment
(iii) Legal environment (iv) Social environment
56. According to the technique of Scientific management "Differential Piece Wage System", how much more will a worker making 60 units earn as compared to a worker making 49 units? If the standard output per day is 50 units and those who make standard output or more than standard get ₹ 70 per unit and those below get ₹ 60 per unit.
- (i) ₹ 4200 (ii) ₹ 2940
(iii) ₹ 1260 (iv) ₹ 3000
57. Which principle of management is violated in the diagram below?



- (i) Unity of Command (ii) Unity of Direction
(iii) Division of Work (iv) Discipline
58. Disha, Arnab and Aarti have decided to start a business of manufacturing soft toys. They identified the following main activities which they have to perform:
1. Purchase of raw materials,
 2. Purchase of machinery,
 3. Production of soft toys,
 4. Arrangement of finance to start the business,
 5. Sale of soft toys,
 6. Identifying the markets where they can sell their soft toys,
 7. Selection of employees.

In order to facilitate the work they thought that four managers should be appointed to look after—

1. Production
2. Finance

- 3. Marketing
- 4. Personnel

Identify the function of management reflected in the above case.

- (i) Planning
- (ii) Organising
- (iii) Controlling
- (iv) Coordinating

59. John is working as a production manager in a steel manufacturing company. All his subordinates hold him in high regard for his exceptional managerial and motivational skills. On one hand, as a manager, he is a tough person to deal with as he is always focused on the targets and expects strict compliance to the organisational rules and procedures from his subordinates. On the other hand, he makes conscious efforts to develop compatibility with his subordinates by interacting freely with them during the lunch breaks and going on coffee breaks in the cafeteria. Many a times these chit chats help him to get an insight into the views and opinions of his team members about the policies of the organisation. Identify the two types of organisations reflected in the above case.

- (i) Divisional and Functional
- (ii) Functional and Informal
- (iii) Formal and Informal
- (iv) Divisional and Informal

60. In the recent past, e-business in our country has witnessed high growth due to several reasons. There is significant improvement in the IT infrastructure as the government has taken important steps in high-speed internet connectivity. As a result, the broadband networks have not only become better but also more affordable. Also, the speed of internet connectivity has drastically improved with the introduction of 5G. Additionally, government is now focused on making rural India connected through broadband which will help the rural customers to get involved in e-business. Another stimulant strengthening the e-business segment is the country's favourable demography. Notwithstanding the fact that consumers also prefer e-business due to multiple factors like convenience, economy, time, etc. Identify the various dimensions of business environment being referred to in the above case.

- (i) Political, Economic, Social
- (ii) Legal, Social, Technological
- (iii) Political, Legal, Social
- (iv) Political, Technological, Social

ANSWERS (SAMPLE QUESTION PAPER)

1. (iii) the essence of management 2. (ii) absolute. 3. (iv) Legislations passed by the government
 4. (iv) Policy formulation
 5. (iv) Gang plank 6. (iii) Advertising 7. (iii) Seller focus 8. (iv) Decentralisation
 9. (iii) Prepared for specific situation 10. (ii) Budget 11. (iii) Composition of family
 12. (iii) Selling concept 13. (iii) Transportation package.
 14. (iii) Management of goals 15. (ii) Esprit de corps 16. (iii) Political environment
 17. (ii) events 18. (i) Tangible 19. (iv) Policy
 20. (ii) Both (A) and (R) are correct but (R) is not the correct explanation of (A).
 The reason for the assertion is that organisations have various departments which are separated on the basis of different functions performed and the objectives of these departments are different. Each department will have a department head who will be responsible for the performance of his section. This helps the organisation to keep a check on the performance.
 21. (ii) Functional structure 22. (iv) Packaging 23. (iv) Marketing concept
 24. (iii) brand name 25. (iii) Group activity 26. (i) Order 27. (iii) Division of Work
 28. (i) Technological 29. (iv) Rule, Policy, Rule, Policy 30. (ii) Objective
 31. (ii) Divisional 32. (iii) Developing premises 33. (i) Equity 34. (i) Setting objectives
 35. (i) Quantity Gift 36. (iii) Manager was effective but not efficient 37. (ii) Departmentalisation
 38. (ii) It helps in the growth of business. 39. (iii) Functional foremanship
 40. (i) Both the statements are correct. 41. (ii) Price Mix
 42. (iv) Both the statements are incorrect 43. (iii) Standardisation
 44. (i) Exchange mechanism 45. (ii) (c); (b); (a); (d) 46. (iii) Setting objectives
 47. (iv) Social Marketing Concept. 48. (ii) Restricted entry
 49. (i) Helps in achieving personal objectives 50. (iv) Helps in achieving group goals 51. (ii) Goal oriented
 52. (iv) Dynamic 53. (i) Planning and Staffing
 54. (iii) Increases efficiency 55. (iv) Social environment 56. (iii) ₹ 1260
 57. (i) Unity of Command 58. (ii) Organising
 59. (iii) Formal and Informal 60. (iv) Political, Technological, Social