

**KENDRIYA VIDYALAYA SANGATHAN R.O BHOPAL**  
**BUSINESS STUDIES(054)**  
**First Pre-Board Examination**  
**CLASS XII(2025-26)**

**Maximum Marks- 80**

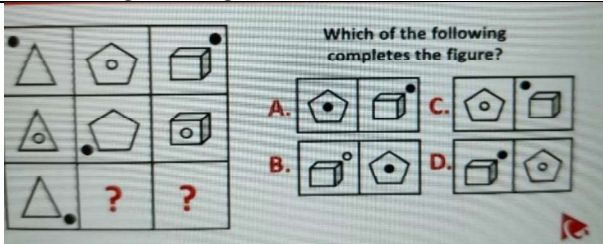
**Time Allowed- 3 hours**

**General instructions :**

1. This question paper contains 34 questions.
2. Marks are indicated against each question.
3. Questions no. 1 to 20 are Multiple Choice Questions (MCQs), carrying 1 mark each
3. Answers should be brief and to the point.
4. Answers to the questions from Q.21 to 24 carrying 3 marks may be from 50 to 75 words.
5. Answers to the questions from Q.25 to 30 carrying 4 marks may be in about 150 words.
6. Answers to the questions from Q.31 to 34 carrying 6 marks may be in about 200 words.
7. Attempt all parts of the questions together.

Q.NO.		MARKS
1	<p>‘GEO Builders’ were to complete a housing project by December 2024 and hand over the flats to the buyers. Due to excessive heat in the month of May and June 2024, the work slowed down and the project was getting delayed. The firm, in order to complete the project on time, hired more workers through a contractor and asked all the workers to work overtime. Due to the above measures taken by the management, the project was completed on time but the cost of building the flats increased by 10%. Identify the correct option. ‘GEO Builders’ were :</p> <p>(A) Efficient but not effective (B) Neither effective nor efficient  (C) Effective but not efficient (D) Effective as well as efficient</p>	1
2	<p>Sangeeta visited 'Smile Dental Clinic' for treatment of toothache. She observed that the receptionist was seated at the reception desk, the place fixed for her. Dental instruments were laid neatly in dental instrument trays and the used instruments were placed in the sterilisation area. There was a fixed place for everything and it was present there. There was no hindrance in the work of the dentist and she was working with her maximum efficiency. The principle of management followed at the 'Smile Dental Clinic' was:</p> <p>(A) Equity (B) Order (C) Discipline (D) Initiative</p>	1
3	<p>Read the following statements: Assertion (A) and Reason (R). Choose the correct alternative from those given below:</p> <p><b>ASSERTION(A):</b> Some times, monetary aspect may be involved in non-financial incentives as well.</p> <p><b>REASON(R):</b> The emphasis is to provide psychological and emotional satisfaction rather than money driven satisfaction.</p> <p>Alternatives :</p> <p>(A) Both Assertion (A) 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.</p>	1

	(D) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of the Assertion.	
4	<p>Read the following statements carefully:</p> <p><b>Statement- I-</b> Techniques are procedures or methods, which involve a series of steps to be taken to accomplish desired goals.</p> <p><b>Statement- II-</b> Principles are guidelines to take decisions or actions while practicing techniques.</p> <p>In the light of given statements , choose the correct alternative from the following:</p> <p>(A)Both the statements are true.</p> <p>(B) Both the statements are false.</p> <p>(C) Statement I is true, Statement II is false.</p> <p>(D) Statement II is true, Statement I is false</p>	1
5	<p>Priya is working as the Human Resource Manager of EFT Limited at an annual salary of ₹ 18 lakh per annum and is also offered shares of the company at a set price which is lower than the market price. The method being used to calculate the compensation provided to her is-----.</p> <p>(A) Time based direct financial payment</p> <p>(B) Indirect financial payment</p> <p>(C) Time based Pay Plus incentives</p> <p>(D) Performance based direct financial payment</p>	1
6	<p>Out of the following, which is/are the component(s) of the Legal environment.</p> <p>1) An adequate knowledge of rules and regulations framed by the Government is a prerequisite for better business performance..</p> <p>2) The significance of political conditions in business success lies in the predictability of business activities under stable political conditions.</p> <p>3) There may be uncertainty of business activities due to political unrest and threats to law and order..</p> <p>4) Noncompliance of laws can land the business enterprise into legal problems.</p> <p>5) It encompasses government actions toward a country's trade and commerce, including economic controls, taxation policies, historical business developments, and market competition regulations..</p> <p>Choose the correct option :</p> <p>(A) 1,3,4 (B) 1,4,5 (C) 2,3,4 (D) 3,4,5</p>	1
7	<p>The product quality and availability did not ensure the survival and growth of firms because of the large number of sellers selling quality products. This led to greater importance to attracting and persuading customers to buy the product.</p> <p>Name the Marketing Philosophy which has been emphasised in above para</p> <p>(A)Product (B) Marketing (C) Selling (D) Production</p>	1
8	<p>Choose the correct statement about the Critical Point Control under controlling function of management.</p> <p>(A) Proactively managing key processes or variables that significantly impact overall performance.</p> <p>(B) focuses on reacting to deviations from pre-set standards or targets.</p> <p>(C) This approach assumes that most processes will run smoothly within acceptable parameters, and attention should be given to situations that fall outside these parameters.</p>	1

	(D) Based on the belief that an attempt to control everything results in controlling nothing..																					
9	<div></div> <p>Which among the following best describes the image in context to one of the test involved in selection process of staff.</p> <p>(A) It is a measure of individuals potential for learning new skills (B) It provide clues to a person's emotions, her reactions, maturity and value system etc. (C) It measure the existing skills of the individual. (D) It measure the level of intelligence quotient of an individual.</p>	1																				
10	<p>Arrange the following elements of communication process in the correct sequence: i) Media ii) Message iii) Sender iv) Decoding v) Receiver vi) Feedback vii) Encoding</p> <p>Choose the correct option:</p> <p>(A) iii,i,vii,ii,v,iv,vi (B) iii,ii,vii,i,iv,v,vi (C) ii,iii,vii,vi,iv,v,i (D) ii,i,vii,iii,v,iv,vi</p>	1																				
11	<p>Choose the correct statement about the Depository Participant.</p> <p>(A) Financial institutions, banks, clearing corporations, stock brokers and non-banking finance corporations are permitted to become depository participants.. (B) keeps securities in electronic form on behalf of the investor.. (C) serves as an intermediary between the SEBI and the Depository. (D) It must be registered with Bombay Stock Exchange.</p>	1																				
12	<p>One of the important decision areas under the marketing function of ..... is managing inventory.</p> <p>(A). Branding (B) Pricing (C) Promotion (D) Physical distribution.</p>	1																				
13	<p>Match the concepts of management given in column I with their meaning given in column II</p> <table><tr><th></th><th>COLUMN I</th><th></th><th>COLUMN II</th></tr><tr><td>a</td><td>Coordination unifies unrelated or diverse interests into purposeful work activity</td><td>i</td><td>Coordination ensures unity of action:</td></tr><tr><td>b</td><td>It begins at the planning stage and continues till controlling.</td><td>ii</td><td>Coordination integrates group efforts:</td></tr><tr><td>c</td><td>It acts as the binding force between departments and ensures that all action is aimed at achieving the goals of organisation</td><td>iii</td><td>Coordination is a continuous process</td></tr><tr><td>d</td><td>A manager has to coordinate the efforts of different people in a conscious manner</td><td>iv</td><td>Coordination is a deliberate function:</td></tr></table> <p>Choose the correct option from the following:</p>		COLUMN I		COLUMN II	a	Coordination unifies unrelated or diverse interests into purposeful work activity	i	Coordination ensures unity of action:	b	It begins at the planning stage and continues till controlling.	ii	Coordination integrates group efforts:	c	It acts as the binding force between departments and ensures that all action is aimed at achieving the goals of organisation	iii	Coordination is a continuous process	d	A manager has to coordinate the efforts of different people in a conscious manner	iv	Coordination is a deliberate function:	1
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	<p>(A) a-ii, b-iii, c-i, d-iv                      (B) a-iii, b-ii, c-i, d-iv  (C) a-ii, b-i, c-ii, d-iv                      (D) a-i, b-ii, c-iii, d-iv</p>	
14	<p>Dhuki, an organization, is a washing machine manufacturing company. The company decides to enter into music system manufacturing industry. The company has a 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.</p> <p>Which type of plan is indicated in the above case  (A) Objective (B) Strategy (C) Policy (D) None of these</p>	1
15	<p>Shiwaku 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.</p> <p>Name the type of training which is provided by Shiwaku in his firm.  (A) Apprenticeship training (B) Vestibule training  (C) Induction training (D) Internship training</p>	1
16	<p>Sam Ltd. has Debt Equity ratio of 3:1 whereas Geh Ltd. has Debt Equity ratio of 1:1. Name the advantage Sam Ltd. will have over Geh Ltd., when the rate of interest is lower than the rate of return on investment of the company.</p> <p>(A) Trading on equity                      (B) Low risk  (C) Low cost of equity                      (D) Greater flexibility</p>	1
17	<p>Bhattacharya after leaving his job wanted to start a Private Limited Company with his son. His son was keen that the company may start manufacturing of mobile-phones with some unique features. Bhattacharya felt that the mobile phones are prone to quick obsolescence and a heavy fixed capital investment would be required regularly in this business. Therefore he convinced his son to start a furniture business.</p> <p>Identify the factor affecting fixed capital requirements which made Bhattacharya to choose furniture business over mobile phones  (A) Technique of Production                      (B) Level of Collaboration  (C) Technology Upgradation                      (D) None of these</p>	1
18	<p>Rishu's friend Devina works as a Finance Manager in Perfect Solutions Ltd. Devina in a meeting with the directors of the company came to know that the firm would soon be declaring a bonus issue which would lead to an increase in the price of shares. On this basis, Devina advised Rishu to purchase the shares of Perfect Solutions Ltd., who thus bought the shares. SEBI can control malpractices like these through which of the following functions:</p> <p>(A) Protective functions                      (B) Regulatory functions  (C) Development functions                      (D) All of the above</p>	1

19	<p>A company must adhere to the provisions of the Companies Act while taking the dividend decision. Identify the related factor of dividend decision being mentioned in the above line.</p> <p>(A) Contractual constraints (B) Legal constraints</p> <p>(C) Access to capital market (D) Preferences of shareholders</p>	1
20	<p>Read the following statements carefully:</p> <p><b>Statement I-</b> A firm's ability to borrow at a lower rate increases its capacity to employ higher debt.</p> <p><b>Statement II-</b> A company can not use debt beyond a point. If debt is used beyond that point, cost of equity may go up sharply and share price may decrease inspite of increased EPS..</p> <p>In the light of given statements , choose the correct alternative from the following:</p> <p>(A) Both the statements are true.</p> <p>(B) Both the statements are false.</p> <p>(C) Statement I is true, Statement II is false.</p> <p>(D) Statement II is true, Statement I is false.</p>	1
21	<p>A) State any three points of significance of Delegation.</p> <p><b>OR</b></p> <p>B) State any three limitations of Divisional Structure.</p>	3
22	<p>Amar is a distributor of tea to far off places. He has opened a company which deals in tea selling. He has categorized his tea to be sold into three categories: Green, Yellow and Red. His brother Ramesh on the other hand is running a mobile manufacturing company. His company strictly produces mobile according to the predetermined specifications. The mobiles of each variety are of same size, looks and performance.</p> <ol style="list-style-type: none"> <li>1. In the above case which function of marketing has been highlighted?</li> <li>2. State the two advantages of the above highlighted function.</li> </ol>	3
23	<p>A) Give any three functions of Financial Market</p> <p><b>OR</b></p> <p>B) Give any three objectives of Securities and Exchange Board of India.</p>	3
24	<p>Dinesh is a versatile manager. However due to the nature of his job most of the time of his day is occupied with planning. One day his friend who runs an advertising company calls him for a lunch. Dinesh finds his friend very busy as his friend tells him that the company he is working in is very busy these days in finding the right person for the right job. Soon Dinesh</p>	3

	<p>leaves after having a detailed discussion with his friend. During that lunch he learnt many things from his friend and applied the things learnt in his company . The best outcome was the adaptable nature of the company that turned out to be after application of this learning. The company earned more revenue by the end of the year.</p> <p>A.Which level of management Dinesh belongs to?</p> <p>B.What function was performed by his friend's company?</p> <p>C.Which particular characteristic of management was achieved by Dinesh for his company? Also identify the concerned lines.</p>	
25	<p>A)Explain the following features of Marketing: a. creating a Market Offering b. customer value</p> <p>OR</p> <p>B) Explain following two factors affecting Price related decision: a. Utility and Demand b. Extent of Competition in the Market</p>	4
26	<p>A)Explain why planning is considered as a) pervasive b) futuristic function of management.</p> <p>OR</p> <p>B) Explain the following as a step in Planning Process a) Developing Planning premises b) Evaluating the alternative courses</p>	4
27	<p>A greeting card making company in USA is flourishing well. The company makes cards for different occasions. During the time of Christmas and New Year, the production and selling of cards reaches a new high. The company exists in an environment which is democratic and there are rules for every business firm. Once you step out of the company there are customers, competitors, government authority and almost everything one can think of. The company appears to have a promising future. However the firm will have to understand the close relationship between various elements of the business environment around it.</p> <p>In the above case</p> <p>A) Identify and state the dimension of business environment highlighted above?</p> <p>B) Identify and state the features of business environment highlighted in the above case?</p>	4
28	Explain first two steps involved in Controlling Process	4
29	<p>The Factory Manager of Manik Steel Plant, Mussadi Lal was in dilemma over workers shirking work. It was becoming difficult for him to identify the workers who sometimes faked illness to skip work and on various other times, intentionally wasted time, which led to under utilisation of resources. The job of the workers was complex and intricate. He discussed the problem with one of his retired friends, Kantilal, who suggested him to appoint eight supervisors who would be specialists in their own fields and would be assigned work according to his/her qualities.</p> <p>Identify and explain the technique of scientific management discussed above</p>	4
30	Mr. Naresh recently completed his M.B.A. from one of the Indian Institutes of Management in Human Resource Management. He has been appointed	4

	<p>as Human Resource Manager in a Truck Manufacturing Company. The company has 1,500 employees and has an expansion plan in hand that may require additional 500 persons for various types of jobs. Mr. Naresh has been given the complete charge of the company's Human Resource Department. List out the specialised activities that Mr. Naresh is supposed to perform as the Human Resource Manager of the company.</p>	
31	<p>Gasex Fertilisers Ltd expected a growth of 10% in the sales in the previous quarter. However, due to the prevailing economic situation around the world, the actual growth in sales was only 5%. The company's Finance Manager was called for an urgent meeting, by the senior management of the company, in which he clarified that he was already prepared for the situation, as he had made a financial blueprint for the future operations. He also reassured the management that he knew how to control the expenses, in case the sales were lower than the expectation.</p> <p>a) Identify the concept that enabled the Finance manager to tackle the situation discussed above.</p> <p>b) State any five points highlighting how the concept discussed above can help in smooth functioning of the organisation</p>	6
32	<p>Shefali had been working as an assistant manager with Johnson Enterprises for the last ten years. She was very popular amongst her colleagues because of her commitment and dedication towards work. When the manager senior to her retired, all her colleagues thought that now Shefali would be promoted. But to everyone's surprise, the vacant post was filled by an outsider, Mrs. Rajni. Shefali felt demoralised and her performance started declining. She would absent herself often and could not meet her targets. Mrs. Rajni was a good leader who would not only instruct her subordinates but would also guide and inspire them. She notices Shefali's behaviour and felt that her performance could be improved. She started involving Shefali in the decision-making issues related to the organisation and made her a part of a high level joint-management committee. Shefali was now punctual in office and her performance started improving.</p> <p>A. Identify the function of management being performed by Mrs. Rajni.</p> <p>B. Name the element of the above function of management which helped Rajni improve Shefali's behaviour.</p> <p>C. State any four features of the element identified in (B) above.</p>	6
33	<p>Ramdas, aged 49 is working in an aviation company. He is the senior most employee in his division. He is even senior to the division manager, Kanaputti. Ramdas is considered one of the most committed, capable and hard-working employees. As a result of his abilities and seniority, he generally received the work assignments of his choice. Although there was no formal designation of various „special' projects assigned to Ramdas, he handled them as a matter of routine. A problem developed when an able and intelligent person Nagarjuna, aged 33, was appointed by Kanaputti. Nagarjun's previous three years' experience in the closely related work,</p>	6

	<p>made it possible for him to catch on to the routine work of his new job more rapidly than was customary for a new employee. On several occasions, Kanaputti noticed the tension developing between the two employees. However, he didn't want to get involved in their personal issues as long as the work was completed effectively and efficiently by them. One day, the tension between them reached the boiling point and Ramdas complained to Kanaputti stating that his duties were being largely taken over by Nagarjun. Kanaputti issued the order stating the clear allocation of the jobs and related duties between the two. He further clarified the working relationship between them by specifying who was to report to whom. This helped in reducing the workload, enhancing productivity and removing ambiguity.</p> <ol style="list-style-type: none"> <li>1. Identify and state the step of organizing process which has not been carried out properly and contributed to this problem.</li> <li>2. State the two steps of the organizing process which have been taken by Kanaputti to respond to the complaint of Ramdas.</li> <li>3. Also state two points of importance of organizing as reflected in the above case.</li> </ol>	
34	<p>A.What is meant by a 'consumer' as per the provisions of Consumer Protection Act, 2019</p> <p>B. Explain any four points of importance of 'consumer protection' from the point of view of business.</p> <p style="text-align: center;"><b>OR</b></p> <p>C. State any six reliefs available to a consumer under Consumer Protection Act, 2019.</p> <p>D. State any four rights available under Consumer Protection Act, 2019 for the protection and promotion of interest of consumers.</p>	6