KENDRIYA VIDYALAY SANGATHAN, TINSUKIA REGION PRE-BOARD EXAMINATION 2024-2025

SUBJECT: BUSINESS STUDIES (054) CLASS XII (2024-25)

TIME: 3 HOURS MAX. MARKS: 80

GENERAL INSTRUCTIONS:

- 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.	QUESTION		
No.	QUESTION		
1	"All management practices are based on the same set of principles; what distinguishes a successful		
	manager from a less successful one is the ability to put these principles into practice". Identify the		
	nature of management highlighted above.		
	(A) Management as a science (B) Management as an art		
	(C) Management as a profession (D) Management as an art and science		
2	Govind Ltd. is manufacturer of electronic goods based in Kolkata. On one hand, it deals in items	1	
	like books, music instrument, videotapes etc., and on the other hand it deals in laptops and mobile		
	phones. The company had a functional structure with separate heads for production, marketing and		
	finance. All the functional heads were looking after the products but at times their activities		
	overlapped. These leads to problems related to coordination and inter-departmental conflicts. To		
	facilitate specialization, Nikhil, the CEO of the company decided to group books, music		
	instrument, video tapes etc. under 'Media' and laptops and mobile phones under "Consumer		
	Electronics'. While doing so Nikhil has performed a step in the process of one of the functions of		
	management. Identify the step performed by the CEO.		
	(A) Identification and division of work (B) Departmentalization		
	(C) Establishing reporting relationships (D) Assignment of duties		
3	Read the following statements: Assertion (A) and Reason (R). Choose the correct alternative from	1	
	those given below:		
	Assertion (A): Debt is cheaper but is more risky for a business.		
	Reason (R): The payment of interest and the return of the principal are obligatory for the business.		
	Any default in meeting these commitments may force the business to go into liquidation.		
	Alternatives:		
	(A) Assertion (A) is false and Reason (R) is true.		
	(B) Assertion (A) is true and Reason (R) is false.		
	(C) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of		
	the Assertion (A).		
	(D) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of the		
	Assertion (A).		
4	Read the following statements carefully:	1	
	Statement I: In the Secondary Market, prices are determined and decided by the management of		
	the company.		
	Statement II: Thus, stock exchange provides liquidity and marketability to existing securities.		
	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.		

5	Lovely Enterprises is a manufacturing company dealing with cosmetics and apparel. The company has a functional structure with 5 departments – Production, Marketing, Finance, Human Resource and R&D (Research and Development). As the demand for the product grew, the company decided to recruit more employees. Identify the concept which will help the Human Resource Manager to find out the number and type of personnel available so that he could decide and recruit the required number of persons for each department. (A) Estimating Manpower Requirements (B) Workload Analysis (C) Workforce Analysis (D) All the above.	1
6	The government of India has recently come up with an amendment of Section 6 of the Payment of Wages Act, 1936, to allow employers of certain industries to make payment through various electronics modes of payments. The amendment will be applicable to all the public sector undertakings for wages disbursement using e-payment options. This is another milestone in the direction to further push to cashless economy. Identify the dimension of business environment which does not relate to the above mentioned case. (A) Political environment (B) Social environment	1
	(C) Legal environment (D) Technological environment	
7	Are there any serious implications of surgery? Vour ligaments are ruptured, surgery is the only solution.	1
	Identify the responsibility of consumers from the picture above in which the doctor is suggesting the surgery of his patient. (A) Assert yourself to ensure that you get a fair deal. (B) Be honest in your dealings. (C) Learn about the risks associated with products and services. (D) Buy only standardized products.	
8	Read the following statements: Assertion (A) and Reason (R). Choose the correct alternative from those given below: Assertion (A): Planning without controlling is meaningless. Reason (R): Once a plan become operational, controlling is necessary to monitor the progress, measure it, discover deviations and initiate corrective measures to ensure that events conform to plans. (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	Mr. D'Souza, a Chief Executive Manager in a company using highly sophisticated machines and equipments, wants that every employee should be fully trained using the machines and equipments. Suggest the best method of training that Mr. D'Souza can use for training of the employers. (A) Orientation Method (B) Vestibule Training Method (C) Internship Method (D) Apprenticeship Programmed.	1
10	Ramen and Vasudev were two employees who were embezzling an import-export company in Varanasi where they were working. The finance manager of the company Sampat Singh became suspicious of the two employees when he realized that their activities were not performed as per	1

	the plan. He installed a software program that he	could secretly log every single s	troke of the	
	the plan. He installed a software program that he could secretly log every single stroke of the suspect's computer keys and send an encrypted email to the cyber police. The police were able to			
	catch the two dishonest employees red handed and arrest them. Identify the function of			
	management being discussed above.	(C) C		
	· /	(C) Controlling (D) Org		
11	Manitron Ltd. is registered with an authorised cap		_	1
	company is ₹6 Crores. The company was facing s			
	company decided to raise funds by issue of 100,0			
	fully subscribed. After this it was realised that the funds raised were in excess of the actual			
	requirement. Identify the concept which was not	considered by the company before	re deciding the	
	amount of funds to be raised is			
	(A) Dividend Decision (B) Fina	ncial Planning		
	(C) Financing Decision (D) Inve	stment Decision		
12	Which of the following types of cases are filed in	the State Commission?		1
	(A) When the value of the goods or services in qu		ation claimed.	
	exceeds ₹1 crore but does not exceed ₹10 cro		,	
	(B) When the value of the goods or services in qu		ation claimed	
	exceeds ₹20 lakhs but does not exceed ₹2 cro	-	aron oranica,	
	(C) When the value of the goods or services in qu		ation claimed	
	exceeds ₹40 lakhs but does not exceed ₹1 cro	-	ation ciamica,	
	(D) None of the above	ic.		
12	· /			1
13	Match the following.	СТ		1
	Column I	Column II		
	(1) Suppliers and creditors	(i) Opportunities		
	(2) Social and political environment	(ii) Specific forces		
	(3) Gaining the profits for being a pioneer	(iii) General forces		
	(4) Positive external trends	(iv) First mover advantage		
	Find the correct option.			
	(A) 1-(i), 2-(ii), 3-(iii), 4-(iv)	(B) 1-(ii), 2-(iii), 3-(iv), 4-(i)		
	(C) 1-(iii), 2-(iv), 3-(i), 4-(ii)	(D) 1-(iv), 2-(i), 3-(ii), 4-(iii)		
14	According to the modem marketing concept, whi	ch of the following statements is	true?	1
	(A) It refers to the group of people who do not ha			
	product			
	(B) It refers to only the set of people who have th	e purchasing power to buy a par	ticular product	
	(C) It refers to the set of actual and potential buye	ers for a product		
	(D) It refers only to the people who show interest	•		
15	When Jaskaran Singh applied for the post of Com		baneswar, he	1
	was asked to prepare a PowerPoint presentation of			
	procedure. Identify the type of selection test being			
		(B) Intelligence test		
	· ·	(D) Interest test		
	(C) I disolitatily tost	(2) Interest test		
1.0	Variable decreases with the fitter day of the fitter day.	. 41 4 4	ania adminis TI	1
16	Yash had severe pain in his throat, so he called up	•		1
	doctor prescribed him a sachet of Throat Reliever Hot Sip. He asked his servant to get a sachet from a local chemist with a cash memo. After consuming the sachet, he started feeling more ill, so			
	he picked up the empty sachet and started reading	-		
	already expired last month. Which of the following	ng remedies is not available to h	m any longer as	

	a consumer?		
	(A) To withdraw the hazardous goods from sale		
	(B) To replace the defective product with a new one		
	(C) To refund the price paid for the product		
	(D) To pay a reasonable amount of compensation for any loss suffered by the consumer due to the		
	negligence of the opposite party.		
17	This decision determines the overall cost of capital and the financial risk of the enterprise,	1	
	(A) Dividend Decision (B) Capital Budgeting Decision	-	
	(C) Investment Decision (D) Financing Decision		
18	Amber Limited has been experiencing a downfall in its popularity, due to growing competition.	1	
	Also the company doesn't see any forthcoming viable business expansion opportunities in the near		
	future. So the management of the company has decided to declare high dividends for the current		
	financial year. Identify the factor related to dividend decision being described above.		
	(A) Cash flow position (B) Growth opportunities		
	(C) Stability of earnings (D) Stability of dividends		
19	Naina, her husband, and her two minor daughters were travelling from Mumbai to Delhi, availing	1	
	of a company's flight services in 2018. The airlines had issued boarding passes to all of them.		
	Naina claimed in her plea that the airlines left all her family at the Mumbai Airport without		
	informing them, despite their being on the airport premises. The family had to stay in a hotel and		
	purchase new tickets the next day. The State Consumer Disputes Redressal Commission		
	(SCDRC), on hearing the plea, asked an airline company to pay ₹50,000 to Naina and her family.		
	Identify the rights of consumers being exercised in the given case.		
	(A) Right to safety (B) Right to be heard		
	(C) Right to seek redressal (D) Right to consumer education		
20	Read the following statements: Assertion and Reason. Choose one of the correct alternatives	1	
	given below:		
	Assertion (A): Capital budgeting decisions are very crucial and must be taken with utmost care.		
	Reason (R): Investment decisions affect the earning capacity of the firm over the long run and are		
	irreversible except at a huge cost.		
	Alternatives:		
	(A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of		
	Assertion (A).		
	(B) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of		
	Assertion (A)		
	(C) Assertion (A) is true but Reason (R) is False		
	(D) Assertion (A) is False but Reason (R) is True.		
21	How is strategy different from programme?	3	
	(OR)		
	Describe any three features of planning.		
22	Explain the styles of leadership.	3	
	(OR)		
	Suggest any three points on how to overcome the barriers of communication.		
23	Aditya Electronics Ltd. is in dilemma whether to raise funds through debt or equity to finance the	3	
	company's new project. The CEO of the company is seeking your advice regarding the financial		
	leverage and following information are provided:		
	Earnings before interest and tax ₹ 15,00,000		
	10% Debentures ₹ 12,00,000		
	Equity Share Capital (₹10 each) ₹ 18,00,000		
	Tax Rate 40%.		

	i. Show your working clearly and suggest the CEO the best source of fund to finance the new project.ii. State the reason for selecting the source.	
24	With change in the consumption habits of people, Neelesh, who was running a sweets shop shifted to chocolate business. On the eve of Diwali he offered chocolates in attractive packages at reasonable prices. He anticipated huge demand and created a website chocolove.com for taking orders online. He got lot of orders online and earned huge profit by selling chocolates. Identify and explain the dimensions of business environment discussed in the above case.	3
25	Arjun joins an IT firm as a system analyst after completing his masters in Computer Science. As the nature of his work demands he has to work in very close coordination with all the departmental heads in the firm, very soon Arjun realizes that each departmental head has own individual style of working. They differ greatly in their day-to-day approach to work. They tend to deal with a given situation, an issue or a problem through a combination of their own experience, creativity, imagination, initiative and innovation. In the context of the above case: Identify and explain the nature of management highlighted in the above case.	4
26	Race Tech Ltd. is one of the top IT companies in India. The company does mass recruitment each year from different colleges offering fresher level job to the final year students. This helps in recruiting the brightest and the best available talent in the educational institutions. In context of the above case: i. Identify the source of external recruitment adopted by the company. ii. Explain briefly any three advantages of using the external sources of recruitment. (OR) Nakul belongs to a small village in Varanasi. Being the only literate person in his immediate family, he decides to settle in a city. So he opens a sweets shop in Chandni Chowk, Delhi as he possesses extraordinary culinary skills. Very soon he starts getting requests from his cousins in the village to engage them in some kind of job in his business. Considering it to be his moral obligation, he engages five of his cousins in his business without paying any specific attention to their individual capabilities. This leads to wastage of materials, time, effort and energy, resulting in lower productivity and poor quality of products. As a result, the profitability of his business starts falling. Soon, he realised that for the success of the business it is essential that right kind of people must be available in right number at the right time. In the context of the above case: i. Identify and explain the function of management that has been overlooked by Nakul. ii. Describe briefly any three importance of the function of management as identified in part (1).	4
27	Siddharth joined as a shop level manager in the Production Department of a Textile Company in the year 2020, because of his good work, he became the Deputy Production Manager of the company in 2023. He had status and prestige and was well respected in the company. On October 2023, he was promoted as a General Manager of the company, he was very happy because now he has become what he was capable of becoming. As a good Manager, he decided to motivate his subordinates after understanding the Need Hierarchy theory. He realized that people's behavior is based on their needs and the manager can influence the behavior of his employees by satisfying their needs. Therefore, to stimulate the employees and boost their morale, Siddharth decided to allocate a certain percentage of the profits to employees and allow them to contribute suggestions during important decision-making processes. (a) State the needs of Siddharth which are being satisfied in above paragraph. (b) Identify and explain two incentives that have been provided by Siddharth for the	4

	employees.	
28	Explain: (a) Critical point control and (b) Management by exception, as an important part of 'Analyzing Deviations' a step in the process of controlling. (OR)	4
	Vinber Ltd. set up a manufacturing unit at Bhiwadi in Himachal Pradesh to manufacture electric geysers and supply them to dealers all over the country. Their production target was 500 geysers per week. It was decided by the management that variation in production up to 10 units would be	
	acceptable. At the end of the first week, the production was 450 geysers. The next week, production increased to 470 geysers. A week later, production was 460 geysers. On investigation,	
	it was found out that fluctuation in production was due to irregular supply of electricity. The above paragraph discusses some of the steps in the process of one of the functions of management. Explain these steps.	
29	Ravi is working as the production manager of Hightech Pvt. Ltd. In his working he lays a lot of emphasis on good planning. While planning he uses foresight, intelligence and creativity. This leads to high success rate for the projects that are under Ravi's control. Before finalizing any plan, he makes alternative plans, evaluates them and then selects the best. In the process of planning he involves other managers too.	4
	However, he knows it is not necessary that his all plans will always be successful. He is also aware that sometimes the plans that he makes consume a lot of time and money and need to be changed keeping in mind changed environmental conditions. On the basis of the given information about Hightech Pvt Ltd, answer the following question	
	(a) Which features of planning have been highlighted in the above case? Explain. (b) Identify and explain the limitations of planning that have been highlighted in the above case.	
30	Briefly explain the elements of marketing mix.	4
31	Explain the trading procedure on a stock exchange.	6
22	Identify and explain the type of function of SEBI in the following cases: i. Raman was unwilling to buy shares in the stock market as he was told by someone that stock market is a place where various malpractices take place. He decides to discuss the matter with his friend who explains to him how SEBI takes care of the interests of the investors. ii. Punit wants to become a stock broker. When he approaches people and asks them to get started as investor through him they ask for a certificate which the SEBI must have given him. He becomes aware of the fact that in order to function as a stock broker he will have to get registered with SEBI. iii. After several years, Punit wants his daughter Kavita to join his business. Therefore, he sent her to the National Institute of Securities Markets (NISM), established by SEBI, to provide training and certification programs for investors, intermediaries, and regulatory staff.	6
32	"Rats & Fleas" a pesticide-producing company aims to produce high-quality, safe pesticides that adhere to strict safety standards, protecting consumers and the environment. The company focuses on building customer trust and maintaining a strong market reputation. Additionally, it seeks to expand its market reach, increase profitability, and establish a stronger global presence. To achieve the objectives, the company begins by identifying the various activities that need to be performed, and then divides the work into different departments. The business operates with great enthusiasm. After a year of successful growth, the company decides to transfer the decision-making authority to the lowest levels of employees. To implement this, a significant policy decision is made." (i) Identify the function of management highlighted in the first paragraph above. (ii) Explain the next two steps involved in the process of this function. (iii) Also identify the concept of management highlighted in the second paragraph above and give one importance of the concept which you have identified.	6

(OR)			
	Atharv is working as a sales manager in a mobile company. All his subordinate hold him in high		
	regards for his exceptional managerial skills. As a manager, he is dedicated and expects the strict		
	compliance to organisation policies and rules. On the other hand, he makes several efforts to		
	develop good relations with his subordinates by interacting freely with them during the lunch		
	breaks. Several times these chitchats help him to get an insight into the view and opinions of team		
	members about the policies of the organisation		
	In the context of the case:		
	(a) Identify and explain the two types of organisation have been discussed.		
	(b) State any three differences between the types of organization identified in part (a) of the		
	question.		
33	Explain any three Fayol's Principles of Management given below:	6	
	i. Scalar Chain ii. Unity of Direction		
	iii.Remuneration of employees iv. Centralisation and Decentralisation		
	(OR)		
	Explain any three Techniques of Scientific Management given below:		
	i. Fatigue Study ii. Functional Foremanship		
	iii. Standardization iv. Differential Piece Wage System		
34	Radhika was a student of Business Studies of class XII. Her father was a farmer who grew	6	
	different varieties of rice and was well-versed about various aspects of rice cultivation. He was		
	also selected by the government for a pilot-project on rice cultivation. As a project- work in		
	Business Studies, she decided to study the feasibility of marketing good quality rice at a		
	reasonable price. Her father suggested her to use internet to gather customer's views and opinions.		
	She found that there was huge demand for packaged organic rice. She knew that there were no pre-		
	determined specifications in case of rice because of which it would be difficult to achieve		
	uniformity in the output. To differentiate the product from its competitors, she gave it in the name		
	of 'Malabari Organic Rice' and classified it into three different varieties namely-Popular, Classic		
	and Supreme based on the quality. She felt that these names would help her in product		
	differentiation .Explain the four functions of marketing, with reference to the above paragraph.		
	(OR)		
	Arnav had a garments business specializing in jackets for all seasons. Though the jackets were		
	available at an affordable price, the business was not doing well. Aman, his eldest son, suggested		
	that they should undertake aggressive selling and promotional efforts to make customers buy the		
	products. He believed that customers buy only when they are adequately convinced and motivated		
	for the same. Aditya, his second son, believed that availability, low price and aggressive selling		
	techniques cannot ensure increased sales. He felt that customers looked for products which were		
	superior in quality and did not mind paying a high price for it. So, he decided to manufacture good		
	quality jackets at a separate production unit. He also opened a separate outlet on the first floor of		
	the showroom for the same. Very soon, the business started flourishing.		
	Identify and explain the marketing philosophies guiding the marketing efforts of Arnav, Aman and		
	Aditya.		