

KENDRIYA VIDYALAYA SANGATHAN, AGRA REGION

THIRD PRE-BOARD EXAMINATION, 2025-26

BUSINESS STUDIES (054)

CLASS XII

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.

1	<p>Management has to achieve a variety of objectives in all areas considering the interest of all stakeholders including shareholders, employees, customers and the government. The main objective of any organisation should be to utilize human and material resources to the maximum possible advantage.” Identify the objectives of management highlighted above.</p> <p>(a) Organisational Objectives (c) Social Objectives (b) Personal Objectives (d) None of these</p>	1
2	<p>Several initiatives have been undertaken by the Govt. of India to encourage domestic manufacturing and export of defence equipment. ‘Make in India’ in Defence, was one such scheme launched by the Government to encourage companies across the world to manufacture defence products in India. To which dimension of business environment does the above case relates to?</p> <p>(a) Economic Environment (c) Legal Environment (b) Political Environment (d) Social Environment</p>	1
3	<p>Tasty Food Limited fixed several standards in order to affect an improvement in the ‘Satisfaction Level’ of its customers. The main standards were as follows: the time consumed in communicating orders, the time taken in receiving the orders and the time consumed in having the customers at the table. With regard to these standards the feed-back from the customers was taken. On the basis of this the required action was to be taken. Find out the step of controlling process in the above episode:</p> <p>(a) Setting performance standards (b) Measurement of actual performance</p>	1

	<p>(c) Analyzing deviations</p> <p>(d) Taking corrective action</p>	
4	<p>A leading vacuum cleaner company recently introduced a robotic vacuum cleaner that sweeps, mops and disinfects surfaces within no time. Due to this there is a shift in demand from ordinary vacuum cleaners to robotic vacuum cleaners.</p> <p>(a) Technological (c) Political (b) Economic (d) Legal</p>	1
5	<p>Alak Das a Professor of Management conducted a class on 'Management principles' explained to his students the significance of management Principles. In the next class, the Professor asked his students to play roles of different managers. He gave various situations to the students and ask them to think like managers and provide solutions to the problems given. They should apply principles of management in their own personalized manner, depending upon his creativity,</p> <p>The nature of management highlighted in the above case is:</p> <p>(a) Management as a Science (b) Management as an Art (c) Management both as an Art and as a Science (d) Management as Profession</p>	1
6	<p>Read the following statements-Assertion (A) and Reason (R) Assertion (A): Under formal organization, it is easier to fix responsibility. Reason (R): Because mutual relationships are clearly defined. Select the correct alternative:</p> <p>(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 but Reason (R) is not the correct explanation of Assertion (A) (c) Assertion (A) is true and Reason (R) is false. (d) Assertion (A) is false and Reason (R) is true.</p>	1
7	<p>All the people have to pay tax on their income according to the rule of the tax system of the country. Everybody wants to pay the minimum possible tax. To realise this objective, some people get their tax reduced by availing of the concessions provided in the tax rules. But some others try to get their tax reduced through unacceptable means, Through the medium of demonetization, the government has made an attempt to make the people have their tax reduced through only acceptable methods, Which 'feature of demonetization has been explained in the above event?</p> <p>(a) Tax administration measure (b) Creating less cash economy (c) Channelizing savings into the formal financial system. (d) Tax evasion control measure.</p>	1
8	<p>_____ refers to the increase in profit earned by the equity shareholders due to the presence of fixed financial charges like interest.</p>	1

	(a) Capital structure (b) Trading on equity	(c) Earning per share (d) return on investment									
9	<p>Vimal was a founder of a leading chain of Automobile shops dealing in high-end cars. He believed in retaining of all decision-making authority with him. He wanted tight control over the entire business. Getting overburdened with work, he decided to focus only on crucial decisions. He asked the vice president of his company to help him with routine matters. This case study reflects a shift from one concept of organization to another which is:</p> <p>(a) Delegation to decentralisation (c) Centralisation to decentralisation (b) Decentralisation to delegation (d) Centralisation to delegation</p>		1								
10	<p>For the following statements, choose the correct option: Statement I: Birth and death rates, Population shifts, Consumption habits and composition of family are major elements of social environment. Statement II: “The extent and nature of government intervention in business” is one of the major elements of the political environment. Choose the correct option from the options given below:</p> <p>(a) Statement I is correct and Statement II is not correct (b) Statement II is correct and Statement I is not correct (c) Both the Statements I and II are correct (d) Both the Statements I and II are not correct</p>		1								
11	<p>Match the concepts of marketing in Column I with their respective definitions in Column II-</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">Column – I</th> <th style="width: 50%;">Column -II</th> </tr> </thead> <tbody> <tr> <td>1. Product Concept</td> <td>(i) Relates to maintaining high quality of the product</td> </tr> <tr> <td>2. Selling Concept</td> <td>(ii) Relates to satisfying customer’s needs</td> </tr> <tr> <td>3. Marketing Concept</td> <td>(iii) Relates to persuading buyer aggressively to purchase the product</td> </tr> </tbody> </table> <p>(a) 1-i, 2-ii, 3-iii (b) 1-ii, 2-i, 3-iii (c) 1-iii,2-ii,3-i (d) 1-i, 2-iii, 3-ii</p>		Column – I	Column -II	1. Product Concept	(i) Relates to maintaining high quality of the product	2. Selling Concept	(ii) Relates to satisfying customer’s needs	3. Marketing Concept	(iii) Relates to persuading buyer aggressively to purchase the product	1
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12	<p>For the following statements, choose the correct option: Statement 1: Controlling is forward looking function Statement 2: Planning without controlling is meaningless. Both the above statements are:</p> <p>(a) True (b) False (c) Statement 1 is true and statement 2 is false. (d) Statement 1 is false and statement 2 is true.</p>		1								
13	<p>_____ immediately removes the doubt about the product from the mind of the customer.</p> <p>(a) Advertisement (b) Publicity (c) Sales Promotion (d) Personal selling</p>		1								
14	<p>The objective of the marketing department of Sarvannan Kids Wear Ltd. is to increase sales by 10 per cent by offering discounts. But, the finance</p>		1								

	<p>department may not approve of such discounts as it means loss of revenue. These kinds of conflict arise in organizations because each department is performing activities in isolation from others and barriers between departments are becoming more rigid.</p> <p>(a) Planning (b) Organizing (c) Directing (d) Controlling</p>	
15	<p>Rahul wants to buy shares of 'Rexter Ltd', which are bring traded at the National Stock Exchange. He feels that the share prices will go up in the future, Which market should he approach for this purpose.</p> <p>(a) Money Market (c) Primary market (b) Secondary Market (d) Both (b) and (c)</p>	1
16	<p>_____ is an important function of marketing which is important not only for protection of the product but also serves as a promotional tool.</p> <p>(a) Grading (b) Labeling (c) Packaging (d) Branding</p>	1
17	<p>Rani father has gifted his daughter the shares of a large cement company, with which he had been working. The securities were in the physical form. She already has a bank account and does not possess any other forms of securities. She wished to sell the shares and approached a registered broker for the purpose. Mention one mandatory detail which she will have to provide with the broker:</p> <p>(a) Date of birth and address (c) Bank Account Details (b) PAN number (d) Residential status.</p>	1
18	<p>Customer's satisfaction alone can ensure success. Which marketing concept holds this view?</p> <p>(a) Production concept (c) Product concept (b) Marketing concept (d) Selling concept</p>	1
19	<p>Arrange the steps involved in trading procedure at the stock exchange in correct sequence.</p> <p>(i) Settlement of order (ii) Opening of Demat Account (iii) Placing of order (iv) Execution of order</p> <p>Choose the correct option:</p> <p>(a) (ii);(iv);(iii);(i) (b) (ii);(i);(iii);(ii) (c) (iii); (ii); (ii); (i) (d) (ii);(iii);(iv);(i)</p>	1
20	<p>Financial leverage is called favourable if:</p> <p>(a) Return on Investment is lower than the cost of debt (b) ROI is higher than the cost of debt (c) Debt is easily available (d) If the degree of existing financial leverage is low</p>	1
21	<p>Das is the Managing Director of Gamut Ltd., manufacturing different varieties of cheese. He has an efficient team working under him consisting of Rajat the Production Manager, Vinay - the Marketing Manager and Adit – Finance</p>	3

	<p>Manager. They understand and interpret the policies made by Das, ensure that their departments have adequate manpower and assign them the necessary duties.</p> <p>(a) State two more functions other than those mentioned above, that this team may perform at the level they are working.</p> <p>(b) Also recognize the level.</p>	
22	<p>A company is manufacturing paper plates and bowls. It produces 1,00,000 plates and bowls each day. Due to local festival, it got an urgent order of extra 50,000 plates and bowls. Explain the method of recruitment that the company should adopt in the given circumstances to meet the order.</p> <p style="text-align: center;">(OR)</p> <p>Rohit, the director of a garments company, is planning to manufacturer bags for the utilisation of waste materials of one of his garments unit. He decided that this manufacturing unit will be set up in a rural area of Orissa where people have very less job opportunities and labour is available at very low rate. He also thought of giving equal opportunities to men and women. For this he selected S. Chatterjee, Inderjeet Kaur, Aslam and Sarabjeet as heads of Sales, Accounts, Purchase and Production department.</p> <p>Identify and state the next two steps that Rohit has to follow in the staffing process after selecting the above heads.</p>	3
23	<p>Explain any three points of importance of “Controlling” function of management.</p> <p style="text-align: center;">(OR)</p> <p>Explain: (a) Critical point control; and (b) Management by exception, as an important part of ‘Analyzing Deviations’ a step in the process of controlling.</p>	3
24	<p>State any three objectives of the Securities Exchange Board of India</p> <p style="text-align: center;">(OR)</p> <p>State any three functions being performed by the stock exchange</p>	3
25	<p>Enumerate any four benefits of the process by which the aptitudes, skills and abilities of employees to perform specific jobs are increased.</p>	4
26	<p>Identify and explain the elements of directing highlighted in each statement:</p> <p>(a) Mr.Sushil, a managing director declares a share in the profits to the managers for their contribution to increase profits of the company.</p> <p>(b) Mr.Amar, a manager explains a worker about operations to be carried out by him on a hi-tech machine.</p> <p>(c) Mr.Akbar, a mining engineer reads out a notice received by management about safety precautions to be followed while working in a coal mine.</p> <p>(d) Mr.Antony, a manager maintains good inter-personal relationships with all his subordinates and is able to influence their behaviour.</p>	4

27	<p>Usually, we see that on the occasion of Diwali people buy large number of gifts. Onida Electronics Limited wanted to take advantage of this habit of people. It decided to prepare big range of attractive gifts. All the employees of the company co-operated fully to implement this decision. One day some of the employees were chatting together in the canteen. One of them, Mr. Ravindra had some enjoyable information about one of his colleagues. He was telling them all as he stood amidst them. All of them were enjoying themselves the information he shared with them.</p> <p>a) In which main type of communication, Mr. Ravindra was involved? b) Give three advantages of the type of communication identified in the previous question.</p> <p style="text-align: center;">(OR)</p> <p>Ashok is working in the Accounts Department of 'Modern Locks Ltd'. His mother is not well and to attend to her he wanted to take leave for one week. For this, he went to the Senior Accountant, Manoj and discussed his problem. At that time, Manoj was simultaneously checking the Balance Sheet of the company. Since his mind was preoccupied with some work, he did not listen to Ashok attentively and could not understand her problem. Ashok was quite disappointed with the behaviour of Manoj.</p> <p>a) Identify the type of communication barrier discussed above. b) Also explain any three barriers of the same type.</p>	4
28	<p>What do you mean by Working Capital? Explain any four factors affecting the requirement of working capital.</p>	4
29	<p>The Return on Investment (RoI) of a company ranges between 10-12 percent for the last three years. To finance its future fixed capital needs, it has the following options for borrowing debt –</p> <p>Option A : Rate of interest 9 per cent Option B : Rate of interest 13 per cent</p> <p>Which source of debt is better from the above two? Give reason in support of your answer.</p>	4
30	<p>Arunachal purchased a food processing machine for Rs 3000 from Kajal Machinery Private Limited. He found that the machine was not working properly. Despite many complaints, the defect was not rectified by Kajal Machinery Private Limited.</p> <p>a) Identify the consumer right that has been violated by Kajal Machinery Private Limited. b) Suggest the appropriate forum where Arunachal can file his complaint. c) Can he appeal to the Supreme Court if he is not satisfied with the order of the appropriate commission? Give reason in support of your answer.</p> <p style="text-align: center;">(OR)</p> <p>Write short notes on:</p> <p>a) Right to seek redressal b) Consumer c) Responsibilities of the consumer (any 2)</p>	4
31	<p>Both Anju and Manju are qualified dentists and good friends. After obtaining certificates of practice, they decided to pursue a career of their own choice. Anju starts a dental care centre in the city whereas, Manju joins a government hospital. They meet after a long time in a party. Anju invites Manju to visit her dental care centre and she accepts her invitation. She observes at her clinic that there is a fixed place for everything and everyone and tools and equipment</p>	6

	<p>are lying in an organised manner. Also Anju always tends to replace/I with We/While having a conversation with the staff members. Later on, Anju also shares with her that she always deals with lazy staff sternly to send the message that everyone is equal in her eyes.</p> <p>Identify and explain the three principles of management which Anju is applying for successful management of her dental care centre.</p>	
32	<p>One of the questions that needs to be answered in the organising function is 'At what level are decisions made'? Decision-making authority in an organisation can be pushed down to the lower levels or it may lie with the top management. However, it is not an 'either ...or' concept.</p> <p>When an organisation grows in size or complexity, the tendency towards sharing decision-making authority increases with the lower levels. This is because in large organisations, employees who are closely involved with certain operations tend to have more knowledge about them than the top management. An important concept of organising function is discussed above. Identify the concept and state any three points of its importance.</p> <p style="text-align: center;">(OR)</p> <p>Sri Krishna Sweets is one of India's most popular brand for snacks and sweets. It offers a wide range of sweets, namkeens, cookies and frozen foods.</p> <p>Its organisational structure comprise of separate business units in each of the above categories. Each of these units has a manager responsible for performance, having authority over the unit. Moreover, each of these units is multifunctional as within each unit, different functions like production, marketing, finance, etc., are performed, Though this kind of organisational structure leads to increased cost because of duplication of activities across products, but it provides a proper basis for performance measurement as revenues and costs related to each of these business units can be easily identified.</p> <p>(a) Identify the organisational structure of 'Sri Krishna Sweet'.</p> <p>(b) State three advantages and two disadvantages of the organisational structure identified in (a) above which are not discussed in the above case.</p>	6
33	<p>Mr. Sridhar the coach of the boy's basketball team. He knows that he has to prepare the team for the national basketball matches and bring the cup after winning. For this he prepares a long term plan and thinks the way how to beat the competitors. He coaches the team to play in different way like defensive, offensive etc. The outset of the match, he explain who will open the match and how the ball will be passed by one player to another step by step. Identify four types of plan that are highlighted in the above case. Quoting the lines from it.</p>	6
34	<p>Explain the factors which affect the determination of the price of the products.</p> <p style="text-align: center;">(OR)</p> <p>Explain the following functions of marketing.</p> <p>(a) Marketing Planning</p> <p>(b) Product Designing and Development.</p> <p>(c) Standardisation and Grading.</p>	6

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