

PRE-BOARD EXAMINATION-II: 2025-26

SUBJECT : Business Studies (054)

TIME : 3 HOURS

CLASS : XII

MM: 80

सामान्य निर्देश/GENERAL INSTRUCTIONS:

Read the following instructions very carefully and strictly follow them:

1. This question paper contains 34 questions.
2. All questions are compulsory.
3. Marks are indicated against each question.
4. Answers should be brief and to the point.
5. Answers to questions carrying 3 marks may be from 50 to 75 words.
6. Answers to questions carrying 4 marks may be in about 150 words.
7. Answers to questions carrying 6 marks may be in about 200 words.
8. Attempt all parts of a question together.

- 1 The Financial Manager of RK Ltd. pays more attention towards an increase of 3% in the marketing cost as compared to a 15% increase in the courier expenses. Identify the concept being used by the manager. 1
(a) Management by exception (b) Critical point control
(c) Corrective action (d) None of the above
- 2 Read the following statements carefully: 1
Statement I: Scientific methods of production must be selected to develop standard. To set up standard the manager must may use of work studies techniques which include time study, motion study and fatigue study.
Statement II: standardization means only quality standards but ignores standard size, type, weight, measures etc.
(A) Statement I. is correct and Statement II is not correct.
(B) Statement I. is correct and Statement II is also correct.
(C) Statement I. is not correct and Statement II is correct.
(D) Statement I. and Statement II both are incorrect.
- 3 Sunrise Cement Ltd.' supports 7 villages with housing facilities, schools, safe drinking water, health and hygiene. The company sends its employees to visit a nearby village every 15 days to provide support and to see whether the facilities provided are being implemented on ground. The objective which 'Sunrise Cement Ltd.' is trying to achieve is : 1
(A) Personal objective (B) Social objective
(C) Organizational objective (D) Economic objective
- 4 The management of Anamika Ltd. strongly believes that the members of the organization should work toward fulfilled the common organizational goals. This requires team work and integration of efforts of all individuals' departments and specialists. This is because all the individuals and departments depend on each other for information and resources to perform their respective activities. Manager needs 1

to reconcile differences in approach, timing, efforts and interest. At the same time, it should enable all its members to grow and develop. Thus, there is a need to harmonize individual goals and organizational goals. Identify the function of management

- (A) Planning (B) Coordination
(C) Organizing (D) Directing

5 For the following two statements, choose the correct option: 1

Statement I: Environmental awareness can help managers to identify various threats on time and serve as an early warning signal.

Statement II: A good understanding of environment by business managers enables them not only to identify and evaluate, but also to react to the forces external to their firms. Choose the correct option from options given below:

- (a) Statement I is correct and statement II is wrong.
(b) Statement II is correct and statement I is wrong.
(c) Both the statements are correct.
(d) Both the statements are wrong

6 Priya, a finance manager, ensures that her company maintains a balance between 1

debt and equity. She also ensures that the company's investment and dividend decisions aim to enhance the value of shareholders. Which objective of financial management is Priya primarily fulfilling?

- A. Reducing production costs
- B. Maximization of shareholder's wealth
- C. Profit maximization in the short-term
- D. Cost control in administrative departments

7 The Finance Manager of Sun Pharma Limited, Mr Arjun Rawat wants to raise funds 1

through debt or equity to the extent of Rs 5 crores. For this purpose, he approaches a well-regulated financial market that facilitates the mobilisation of long-term capital for companies. Identify the market where Mr Arjun Rawat can raise the funds.

- a) Money market
b) Secondary market
c) Capital market
d) Wholesale debt market

8 Choose the statement that correctly highlights the benefit of using external sources of recruitment 1

- (a) Competitive spirit among the existing staff
- (b) Reduction in employee turnover
- (c) Helps in increasing employee's satisfaction
- (d) Develops a sense of security amongst employees

9 Rakesh is working under his superior Neeraj. He always communicates useful ideas 1

and suggestions to his superior regarding reduction of cost, improvement in the product, etc. Neeraj implements his suggestions and has always found favourable results, but he never appreciates Rakesh for his suggestions. Now Rakesh decided not to communicate any suggestion or idea to Neeraj.

Identify the communication barrier.

- (a) Semantic barriers (b) Personal Barriers
(c) Organizational barriers (d) psychological barriers

10 Which of the following is the appropriate order of hierarchy of needs according to Abraham Maslow?

- (a) Safety Needs → Physiological needs → Affiliation needs → Esteem Needs → Self Actualization needs
 (b) Physiological needs → Safety Needs → Affiliation needs → Esteem Needs → Self Actualization needs
 (c) Affiliation needs → Safety Needs → Psychological needs → Esteem Needs → Self Actualization needs
 (d) Physiological needs → Safety Needs → Esteem Needs → Affiliation needs → Self Actualization needs

- 11 Arjun Ltd. is a natural and ethical firm that specialises in providing organic bathing items for men and women. The company uses plant-based elements in its goods and is the country's leading organic brand. It not only meets the needs of its clients, but it also believes in environmental conservation as a whole. Determine the marketing management philosophy that 'Beauty Products Ltd.' employs. 1
- (a) Social marketing concept (b) Selling concept
 (c) Production concept (d) Product concept

- 12 Match the various Selection Tests' in column-I with their respective statements in column-II: 1

Column-I		Column-II	
A	Aptitude Test	(i)	It indicates the person's capacity to develop
B	Trade Test	(ii)	It is used to measure the existing skills of the individual.
C	Personality Test	(iii)	It is an indicator of a person's learning ability or the ability to make decisions and judgment
D	Intelligence Test	(iv)	It is used to know clues to a person's emotions

Choose the correct option from the following:

- (a) A-(ii), B-(i), C-(iii), D-(iv) (b) A-(i), B-(ii), C-(iv), D-(iii)
 (c) A-(iii), B-(i), C-(ii), D-(iv) (d) A-(iii), B-(ii), C-(i), D-(iv)
- 13 Read the following statements: Assertion and Reason. Choose one of the correct alternatives given below: 1
- Assertion(A): If Mohan, an employee of production department is asked to go slow in production to maintain quality standard by the production manager and sales manager instructs the employee to fasten the production to meet the pending orders. In the situation employee will get confused as to whose instruction must be followed by him.
- Reason(R): Unity of command means one employee received order from one superior and should be accountable to one superior only.
- (A) Both Assertion (A) and Reason(R) are true and Reason (R) is correct explanation of Assertion (A)
 (B) Both Assertion (A) and Reason(R) are true and Reason (R) is not 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
- 14 Arrange the following in chronological order: 1
1. Evaluating alternative courses
 2. Identifying alternative courses of action
 3. Follow-up action
 4. Setting Objectives

5. Implementing the plan
6. Developing Premises
7. Selecting an alternative

Choose the correct option:

- | | |
|-------------------|-------------------|
| (a) 4,6,2,1,7,5,3 | (b) 3,6,7,1,2,5,4 |
| (c) 1,5,2,4,7,6,3 | (d) 4,1,5,6,7,2,3 |

- 15 XYZ Ltd is constructing the building to open its new Branch which decision is depicted in the picture below? 1



Select one of the following.

- | | |
|-------------------------------|-----------------------|
| a) Dividend Decision | b) Financing Decision |
| c) Capital budgeting Decision | d) Financial Decision |

- 16 'Rovex' was a large company with a renowned name in healthcare industry, specialising in the development and production of life saving medications and medical devices. With a strong reputation for ethical practices, 'Rovex' attracted a large number of investors who had great faith in the company's future. This allowed 'Rovex' to raise capital easily from the market whenever expansion or new projects were to be undertaken. As a result, it could pay high dividends to the shareholders. The factor affecting dividend decision discussed above, which allowed 'Rovex' to pay high dividends to the shareholders is: 1

- | | |
|---------------------------|------------------------------|
| (a) Cash flow position | (b) Legal constraints |
| (c) Stock market reaction | (d) Access to capital market |

- 17 Rama had a bookstore in Sabad called 'Book-mark. For years, the bookstore was doing reasonably well but with the rise of digital books and online retailers, her sales had declined. Rama's daughter, who had just completed her MBA with a specialisation in marketing decided to launch a marketing campaign to revive the bookstore. The campaign's focus was on the joy of reading books in physical form, the joy of turning pages and the warm atmosphere of the bookstore. She organised story writing and other competitions every weekend. The information of these was given to the parents and children through television, radio, children's magazines, etc. Attractive prizes were offered to the winners. This increased the footfall of the children and their parents and the bookstore soon became popular. The tool of communication used by Rama's daughter to revive the bookstore was: 1

- | | |
|----------------------|----------------------|
| (A) Advertising | (B) Personal selling |
| (C) Public relations | (D) Sales Promotion |

- 18 OM Sweets is a renowned name for quality sweets since 1915. Amrit, the owner of OM sweets was worried as the sales had declined during the last two months. When he enquired from the Sales Manager, the Sales Manager reported that there were some complaints about the quality of sweets. Therefore, Amrit ordered for sample checking of sweets. _____ step taken by Amrit that is related to one of the functions 1

- of management.
- (a) Measurement of actual performance. (b) Corrective action
(c) Comparison of actual performance with standards (d) Finding deviations
- 19 Increase in the profit earned by the equity shareholders due to the presence of fixed financial charges like interest' is called: 1
- (A) Financial planning (B) Dividend decision
(C) Financing decision (D) Trading on equity
- 20 A start-up is evaluating whether to raise capital through issuing shares or by taking a long-term loan. The finance manager suggests issuing equity to avoid fixed obligations. Which factor is being considered in the financing decision? 1
- A. Risk factor B. Control consideration
C. Floatation cost D. Tax planning
- 21 Delegation is the entrustment of responsibility and authority to another and the creation of accountability for performance'. In the light of this statement identify and explain the essential elements of delegation 3

OR

- Manoj Limited is a famous company under different food materials. Mr Manoj is the managing director of the company. He is fully attached to the employees of his company. This is the very reason that before taking any decision he concerns all the concerned employees. A suggestion box has also been provided in the company. It is open once a week and employees giving positive suggestions are rewarded. Besides all the employees of the company also enjoy full freedom to communicate with any superior anytime concerning matters of both related to job or their personal life.
- A) Identify the type of organization.
B) State any one advantage and one disadvantage of the type of organization identified above.
- 22 Explain any three functions of Stock Exchange. 3
- OR**
- State any three 'Regulatory functions' of Securities and Exchange Board of India.
- 23 Ashima purchased a bottle of tomato-sauce from the local grocery shop. The information provided on the bottle was not clear. She fell sick on consuming it. She filed a case in the District Forum under Consumer Protection Act and got the relief. Identify and also Explain briefly any two functions of the aspect neglected by the marketer. 3
- 24 Mahek Ltd. is a well-known cement company in India. It is able to earn adequate revenues to cover costs. Its capital base, number of employees and production turnover has increased manifolds over the years. The rate of profitability of the business is also creditable. The employees of the company are happy and satisfied with their remuneration, working conditions, promotion policy etc. As a part of its moral obligation, the company has taken many initiatives for providing employment to especially abled persons and promoting literacy in the villages adopted by it. In the context of the above case:
Identify and explain the various types of objectives of management being fulfilled by Mahek Ltd. 3

- 25 Identify the function performed by the public relations department / mentioned in the following cases: 4
- 1.An innovative organisation involved in the manufacturing of electronic products launches its products in the trade fair every year. This is done to gain attention of

the general public towards the quality and technology of its products.

2. An FMCA company involved in the production of more than two hundred products has very good relations with the top 5 News Channels. This gives a great support to the company when it comes to generating positive image in the eyes of the public.

3. A multi-national company has presence in five continents and thirty countries. The company manages good relations with the top officials and the ministers of these countries. This helps the company to keep an eye on the various possible changes in the laws of the land and their execution.

4. Ramesh who is the head of the Public Relations department of a well-established company utilizes PR tools like Brochures, Annual reports, Newsletters etc. He ensures that the top-level managers of the company connect with TV channels and give interviews whenever required. All his efforts have resulted in creating a good image of the company with its target audience.

OR

Energy drinks India Ltd.' has scanned a profitable opportunity for marketing of soft drinks with 'Indian Traditional Flavour'. The company wants to market its products in India and in neighboring countries. A Board meeting of the company was held on 14.12.2015 wherein the marketing manager was asked to give a presentation to develop this market offering.

For this it was also decided to set-up its manufacturing unit in a village of Bihar. This will not only help in the development of the village but will also provide employment to the youth of the village. The marketing manager chooses a combination of variables to prepare its market offering. He used a set of marketing tools that firm will use to pursue its marketing objectives in the target market.

Name and state the concept of marketing used by the marketing manager for creating its market offering. Also, explain briefly the various elements of this concept.

26 Identify the types of plans in the following cases:

4

a. Rajat is a senior middle level manager. He is busy in allocating resources to his staff; he has also finalised the objectives and decided the comprehensive course of action to be followed in the long run. He is expecting energy in his staff for the whole season but he will have to be cautious.

b. Akhilesh is giving a speech to the workers of his factory. He is the owner of a toy manufacturing factory and has 150 workers. He tells them that this year's target of production is 7.5 lakh toys.

c. On the wall of 'Jeevan Jyoti' hospital a board is hanging. On this board. It is written 'We care for the health of senior citizens as our topmost priority'. This hospital is known for treating people aged more than 45 years.

d. Bhagat ram calls his new subordinates for a meeting. He is a top-level manager. He arranges for a power point presentation to train his subordinates who are all middle level managers. He tells them the way of doing task of treating suppliers through a new software system to be installed within next 30 days.

- 27 The Government is considering a pioneer proposal to launch a single debit-cum credit card to increase the ease and usage for the consumers. The card which will be called the "National 4 22 Mobility Card" will have unique advantages for making payments in metro, buses, parking and making transactions during visits abroad. After hearing this news, Mega Bank decided to launch a "Mega Mobility Card" on similar lines, so that they could be the first to exploit the opportunity, arising due to the increasing trend of digitization. In order to improve their performance, they laid down a plan to hire more people in their marketing department and prepared guidelines to train their sales force to market the new card facility being launched by the bank. By quoting the lines, identify and explain the importance of understanding Business Environment discussed above. 4
- 28 Darbar Ltd. is a large manufacturing unit. Recently, the company has conducted the 'time' and 'motion' studies and concluded that on an average a worker could produce 120 units per day. However, it has been noticed that average daily production of a worker is in the range of 80-90 units. Which function of management is needed to ensure that the actual performance is in accordance with the performance as per 'time' and 'motion' Studies? 4
State any three features of the identified function of management.
- 29 A software company, Tech Zen, is hiring software developers. After receiving over 500 applications, the HR team conducted a preliminary screening based on qualifications and experience. Shortlisted candidates were then called for a written test assessing their programming skills. Next, they were interviewed by a technical panel. Finally, selected candidates had to go through a medical examination before being issued an appointment letter. 4
Identify the process and briefly explain the stages of the process followed by Tech Zen

OR

- Entertainment India Ltd. has been incorporated with the objective of entertaining people by organising festivals, programmes and other similar events depicting the rich cultural heritage of the country. The company management has renowned personalities from the field of art, literature and culture. They decided to give a platform to young budding musicians, poets and artists. The company decided its organisational structure by grouping similar jobs together. Thereafter, the heads of different departments were also appointed. Nisha, one of the heads, did an analysis of the number, type and qualification necessary for people to be appointed. The information generated in the process of writing the job description and the candidate profile was used to develop 'Situations vacant' advertisement. This was published in print media and flashed in electronic media. This brought in a flood of response. Explain the other steps which Nisha has to perform to complete the process being discussed above.
- 30 Sanjeev Ltd. was engaged in the business of manufacturing electronic component. Its business was expanding due to increased demand for AC. The competition was also increasing. In order to keep its market, share intact, the company directed its workforce to work overtime and also advice to sacrifice personal objective to achieve organitional objectives. But this resulted in many problems. Due to increased pressure of work the efficiency of workers declined. Sometimes, the subordinates had to work for more than one superior. The workers were becoming indiscipline. 4

The spirit of teamwork had begun decline.

Identify principles of management (as given by Henry Fayol) which were being violated, quoting the lines from the above case.

- 31 Identify and explain the elements of directing in the following cases: 6
1. Harihar who is the departmental head of his organisation decides to improve the performance of his department. He decides to give some financial and non-financial incentives to his subordinates. He knows these incentives will satisfy their needs. Therefore, they will be stimulated to take actions from their side.
 2. Sanjeev is an HR manager leading a team of 12 people. He knows that the duties and responsibilities of an HR employee are challenging. He knows in order to make his team work with a positive frame of mind, he will have to set a personal example as a role model and influence their behaviour and working style to increase the output of his team.
 3. Pritam and Radha are discussing about an element of directing. They say that without this element no group or people can achieve a common understanding. This element requires effort from both the sides and consumes 90% of the time of a manager.
 4. Roshan who works at the shop floor is a lower level manager. He is heading a team of 25 workers. He oversees and guides their efforts on a regular basis and tries to maximize the output of his unit by timely giving them feedback. His team has group unity and works with dedication to complete their targets on time.
- 32 A) State any six reliefs available to a consumer under Consumer Protection Act, 2019. 6

OR

- B) State the rights available under Consumer Protection Act, 2019 for the protection and promotion of interest of consumers.
- 33 Neeraj Gupta started a company 'YoYo Ltd.' with ten employees, to assemble economical computers for the Indian rural market. The company did very well in its initial years. As the product was good and marketed well, the demand went up. To increase production the company decided to recruit additional employees. Neeraj Gupta, who was earlier taking all decisions for the company, had to selectively disperse the authority. He believed that people are competent, capable and resourceful and can assume responsibility for effective implementation of their decisions. This paid off and the company was not only able to increase its production but also expanded its product range with different features. 6
- (a) Identify the concept used by Neeraj Gupta through which he was able to steer his company to greater heights.
 - (b) Explain any five points of importance of this concept.
- 34 Sunrise Ltd. is planning to expand its operations and requires Rs 20 crore. The Finance Manager suggests raising Rs 15 crore through debt and Rs 5 crore through equity, as interest on debt is tax-deductible. However, the CEO is concerned that excessive use of debt might increase the company's financial risk and reduce flexibility in future financing. 6
- Based on the above case, answer the following questions:
1. Identify and define the financial concept discussed in the case.
 2. State two advantages of using debt in identified in (a) above.
 3. State any three factors the company should consider identified in (a) above case.