

D.A.V. INSTITUTIONS, CHHATTISGARH

SAMPLE QUESTION PAPER-03: 2023-24

CLASS –XII

SUBJECT: BUSINESS STUDIES [054]


Time Allowed: 3 Hours

Maximum Marks: 80

General Instructions:

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

1	<p>Vedant Ltd. is a company with a decreasing EBIT. The company has a significant amount of debt in the form of debentures, and further borrowing through debentures could exacerbate the situation. Which factor determining the Capital Structure is the CFO of Vedant Ltd. primarily concerned about?</p> <p>(a) Cost of debt (b) Return on investment (c) Interest coverage ratio (d) Debt service coverage ratio</p>	1
2	<p>The collection of utilities is known as -</p> <p>a) Purchaser b) Seller c) Product d) Market</p>	1
3	<p>Increase in cost of production due to increase in minimum wage rates by government is an example of:</p> <p>a) Legal Environment b) Political Environment</p>	1

	<p>c) Social Environment</p> <p>d) Economic Environment</p>		
4	<p>The advantage of differential pricing accrue to the marketer due to:</p> <p>a) Branding</p> <p>b) Grading</p> <p>c) Packaging</p> <p>d) Labelling</p>	1	
5	<p>SEBI recently called for information and issued a show cause notice to NSE and its 14 officials seeking explanation on the Preferential Assess allegations at the Exchanges Co-location facility. State the function that SEBI performed by doing so.</p> <p>a) Protective Function</p> <p>b) Regulatory Function</p> <p>c) Developmental Function</p> <p>d) None of these</p>	1	
6	<p>In the absence of this concept, there is ch:</p> <p>a) Incentives</p> <p>b) Coordination</p> <p>c) Motivation</p> <p>d) Communication</p>		1
7	<p>Financial transactions in a financial market could be in the form of:</p> <p>(i) Creation of financial assets such as the initial issue of shares and debentures by a firm.</p> <p>(ii) Purchase and sale of existing financial assets like equity shares, debentures and bonds</p> <p>(iii) Investment in the fixed assets, like land and building, machinery, etc.</p> <p>(iv) Declaration of dividend to shareholders</p> <p>Choose the correct option from the following:</p> <p>(a) (i) and (ii)</p> <p>(b) (iii) and (iv)</p> <p>(c) (ii) and (iii)</p> <p>(d) (i) and (iii)</p>	1	
8	<p>Name the step of the controlling process being applied in the following example:</p> <p>"Management in a company is attempting to determine the difference between the actual</p>	1	

	<p>number of goods produced and the desired quantity. He/She is already familiar with the standard because he/she has been assigned a specific number of goods to create by the management."</p> <p>(a) Setting standards (b) Measurement of actual performance (c) Analysing deviations (d) Comparing actual performance with standard performance</p>	
9	<p>Which of the following statements is incorrect?</p> <p>(a) Marketing is a social process. (b) Focus of the marketing activities is on customer needs. (c) Marketing is merely a post- production activity. (d) Marketing mix is a wider term than product mix.</p>	1
10	<p>Read the following statements: Assertion (A) and Reason(R). Choose the correct alternative from those given below: ASSERTION (A): Efficiency is concerned with doing the right task, completing activities and achievement of goals. REASONING (R): effectiveness is concerned with doing the task correctly and with minimum 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</p>	1
11	<p>Arrange the steps involved in Organizing process in correct sequence and choose the correct alternative:</p> <p>(i) Departmentalization. (ii) Identification and division of work. (iii) Establishing reporting relationships. (iv) Assignment of duties.</p> <p>(a) (iii), (ii), (iv), (i) (b) (iii), (ii), (i), (iv) (c) (ii), (i), (iv), (iii) (d) (ii), (iii), (iv), (i)</p>	1
12	<p>Yash runs a logistic company. The tour in-charges of each trip in the company are expected to submit a report to the Event manager on the completion of every trip. Identify the step in the controlling process being described in the above lines.</p> <p>(a) Setting of standards. (b) Measurement of actual performance. (c) Taking corrective action. (d) Analyzing deviations.</p>	1
13	<p>Statement I: The first level packaging in which product is initially packed is called primary package..</p>	1

	<p>Statement II: Following level of packaging is optional , products may have or may not have secondary packaging .</p> <p>Choose the correct option from the following:</p> <p>a) Statement I is true and II is false</p> <p>b) Statement II is true and I is false</p> <p>c) Both the statements are true</p> <p>d) Both the statements are false</p>	
14	<p>Startup 20 India Chair Chintan Vaishnav highlighted the G20 startup group's goal of pushing for \$1 trillion investment in the global startup ecosystem. Which of the following dimensions of the Business Environment will this goal most likely to influence?</p> <p>(a) Fiscal policy of the government.</p> <p>(b) Foreign policy of the government.</p> <p>(c) Foreign trade policy of the government.</p> <p>(d) Foreign exchange policy of the government .</p>	1
15	<p>Which of the following is not a merit of functional structure?</p> <p>(a) It promotes control and co-ordination within a department.</p> <p>(b) It makes training of employees easier, as the focus is only on a limited range of skills.</p> <p>(c) It ensures that different products get due attention.</p> <p>(d) It leads to occupational specialization.</p>	1
16	<p>STATEMENT I: The capital market transfers money from savers to entrepreneurial borrowers.</p> <p>STATEMENT II: The main instruments of a capital market are equity shares, preference shares, bonds and debentures.</p> <p>Choose the correct option from the following:</p> <p>a) Statement I is true and II is false</p> <p>b) Statement II is true and I is false</p> <p>c) Both the statements are true</p> <p>d) Both the statements are false</p>	1
17	<p>According to a report by the India Staffing Federation (ISF), India has emerged as the fifth largest market worldwide in Flexi-staffing in 2018, and the country would have a 6.1 million Flexi-workforce by 2021. It showed that Haryana, Gujarat, Karnataka, Madhya Pradesh, and Telangana are the states with high growth potential for Flexi-staffing, but Andhra Pradesh tops the list of states with favorable business environments. Identify the features of the business environment being discussed above.</p> <p>(a) Dynamic nature</p> <p>(b) Relativity</p> <p>(c) Uncertainty</p> <p>(d) Interrelatedness</p>	1
18	<p>Match the various terms of Marketing Management in Column I with their respective statements in Column II and choose the correct alternative:</p>	1

	Column I	Column II	
	<p>A. Branding</p> <p>B. Standardization</p> <p>C. Grading</p> <p>(a) A- (iii), B- (ii), C- (i) (b) A- (i), B- (iii), C- (ii) (c) A- (iii), B- (i), C- (ii) (d) A- (i), B- (ii), C- (iii)</p>	<p>I. Reduces the need for inspection, testing and evaluation of the products.</p> <p>II. Helps in realizing higher prices for high quality output.</p> <p>III. Helps in distinguishing the product of a firm with that of the competitor.</p>	
19	<p>At times, a business may concentrate on producing goods with fewer resources but cannot achieve the targeted production. In such a case, the business is said to be:</p> <p>(a) Effective but not efficient (b) Efficient but not effective (c) Both effective and efficient (d) Neither effective nor efficient</p>		1
20	<p>"Schedule H1 Drug-Warning: It is dangerous to take this preparation except in accordance with the medical advice. Not to be sold by retail without the prescription of a Registered Medical Practitioner." It is mandatory to be written on medicines.</p> <p>Which dimension of business environment is highlighted in the given case?</p> <p>(a) Economic environment (b) Legal environment (c) Technological environment (d) Political environment</p>		1
21	<p>Elon Reeve Musk is a top-level executive with diverse leadership roles of:</p> <p>a) Founding and leading companies such as SpaceX, Tesla, and The Boring Company. b) Assuming the roles of CEO and Product Architect to guide Tesla's operations and innovations. c) Engaging in engineering and technical aspects to drive the development of SpaceX's projects. What are the three essential functions he is likely performing in his positions?</p>		3
22	<p>Paul, the Manager of a manufacturing unit in Noida, employed various strategies to address the production shortfall of 850 balls out of the 1,000- ball target. Furthermore, what crucial initial steps he might have overlooked during the process of analyzing deviations and implementing corrective measures?</p> <p>Or</p> <p>How can a regional manager of a retail chain enhance operational efficiency and maximize profits by analyzing deviations in sales performance among different stores? Some outlets consistently exceed sales targets, while others struggle to meet their goals. To address these disparities, the regional 3 manager aims to implement two management</p>		3

	techniques for analyzing deviations. Explore these two techniques in detail.	
23	Examine the multifaceted advantages of external recruitment in the context of an organization's workforce. Elaborate on how this recruitment strategy contributes to elevating overall performance and competitiveness.	3
24	To promote orderly and healthy growth of securities market and protection of investors, Securities and Exchange Board of India was set up. In the light of the given statement, state any three regulatory functions of Securities and Exchange Board of India . Or State any three objectives of Securities and Exchange Board of India.	3
25	Explain the following features of Directing a) Directing flows from top to bottom b) Directing is a continuous process Or Explain the following leadership styles: a) Participative leadership b) Delegative leadership	4
26	'Internal sources of recruitment are better than external sources'. How? Give any four reasons. Or Write a short note on different types of employment test given below: a. Intelligence test b. Personality test c. Trade test d. Aptitude test	4
27	The website of a reputed private bank stated: 'If you have any complaints related to our services you can follow these steps: Contact the officer concerned or the Manager of Division or Branch Manager. Obtain the complaint book from the branch and file your written complaint. A copy of the complaint is returned with acknowledgement of receipt. (a) Which consumer right is being taken care of by the Bank? (b) Also discuss three other rights of a consumer as per the Consumer Protection Act, 2019.	4
28	Explain briefly any four factors that affects the working capital requirements of a company.	4
29	Analyze the following scenarios and identify the specific barriers to effective communication in each case: Scenario 1: During a team meeting, two team members from different status have different interpretations of a project's deadline. As a result, they end up working on different timelines, causing confusion and delays. Scenario 2: In an email exchange between team members, one team member uses technical jargon and industry-specific terms that others may not fully understand. As a result, some team members misinterpret the message, leading to misunderstandings and	4

	<p>misaligned tasks.</p> <p>Scenario 3: A team member consistently interrupts others during team discussions, not allowing them to express their ideas fully. This behavior leads to frustration among team members and limits open and constructive communication.</p> <p>Scenario 4: During a virtual team meeting, poor internet connectivity causes frequent disruptions and audio glitches. As a result, some team members miss crucial information, and the overall meeting efficiency is reduced.</p>	
30	To avoid the problem of shortage and surplus of funds, what is required in financial management? Name the concept and explain any three points of importance.	4
31	<p>a) How can the principle of "Discipline" positively impact employee behavior and performance in the manufacturing company?</p> <p>b) Explain how a performance-based remuneration system aligns with the principle of "Remuneration," and how it can motivate employees to improve their discipline and productivity.</p> <p style="text-align: center;">OR,</p> <p>The manager of a retail store has a team of ten sales associates. To improve efficiency, she decides to implement the principle of "Division of Work" and delegate specific tasks to each team member. However, one sales associate is unhappy with their assigned responsibilities and believes they should have more authority in decision-making.</p> <p>a) How can the principle of "Division of Work" help improve the store's efficiency and productivity?</p> <p>b) How can the manager balance the delegation of tasks while ensuring appropriate authority is given to each team member? Explain in three points.</p>	6
32	<p>"Planning is of vital importance in the managerial process." Do you agree? Explain in brief any six reasons in support of your answer.</p> <p style="text-align: center;">OR,</p> <p>Which type of plan is referred through each of the following statements?</p> <p>a. They are defined as ends which the management seeks to achieve by its operations.</p> <p>b. These are general statements that guide thinking or channelize energies towards a particular direction.</p> <p>c. They provide details in the exact manner in which any work is to be performed.</p> <p>d. They provide the prescribed ways or manner in which a task has to be performed considering the objective.</p> <p>e. These are specific statements that inform what is to be done and it does not allow for any flexibility.</p> <p>f. These are detailed statements about a project which outlines the objectives, policies, procedures, rules, tasks, human and physical resources required and the budget to implement any course of action.</p>	6
33	'Stay Fit', a probiotic drink was launched in the market by Dabal India Ltd. and is available in various cities across the country. Doctors are recommending it as it is very useful for the stomach. The company is also using various tools to inform and persuade customers about its product. It has recently started free distribution of its samples to encourage the customers to know about its benefits to buy this probiotic drink in future. The company has also appointed a large number of salespersons, who contact the prospective buyers and communicate with them to make sales. This way, the company is able to develop personal rapport with its customers. In order to create awareness and to	6

	<p>increase its popularity among school children, it also organize workshops for students and teachers. It also arranged visit- of students and teachers to the factory to create awareness about the standards of hygiene adopted in processing and packaging, etc. This helps the company to build a positive image of its product in the society. This way the company is using a combination of communication tools to inform and persuade customers about their firm's product. Identify and explain these tools.</p>	
34	<p>E-Solution Ltd. started its operations in the year 2000. At the time of its inception, the company had only ten employees with two departments, a Production department and an Administration department. The products supplied and the services provided by the company started gaining popularity over the years. The management had faith in the abilities of the employees and thus they allowed them freedom of action. The management recognized that the decision-makers at different levels of the organization need to be given more autonomy. They took a policy decision that there will be less control of superiors over subordinates. This increased the role of the subordinates in the organization and now they were in a position to take numerous as well as important decisions. As a result, its business has diversified into many areas. Presently, it has operations throughout the country with seven branches overseas. Its organizational structure has now changed into divisional structure and ten thousand people are working with the company.</p> <p>(a) Identify the concept of management which helped the company to diversify into many areas and branches abroad.</p> <p>(b) Explain five points of importance of the concept identified in (a) above.</p>	6
