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FOR CBSE CLASS 10 PREPARATION

CBSE Class 10 Sample Paper 2027 for Elements of Business

EXAM	YEAR	TYPE	SUBJECT
CBSE Class 10	2027	Sample Paper	Elements of Business

ELEMENTS OF BUSINESS (Subject Code 154)
CLASS X (2026–27)
Sample Question paper

Time allowed: 3 Hours **Maximum Marks: 70**

GENERAL INSTRUCTIONS:

I. This question paper contains 30 questions. All questions are compulsory.
II. Q.1 to 18 are Multiple Choice Type Questions, carrying 1 mark each.
III. Q.19 to 22 are Short Answer Type Questions, carrying 3 marks each. They are to be answered in 60 to 80 words.
IV. Q.23 to 26 are Short Answer Type Questions, carrying 4 marks each. They are to be answered in 80 to 100 words.
V. Q.27 to 30 are Short Answer Type Questions, carrying 6 marks each. They are to be answered in 100 to 150 words.

Q.No.	Question	Marks
1.	Read the following Assertion (A) and Reason (R). Choose the correct option from those given below: Assertion (A): E-mail has become an essential tool of communication for the modern business organisations. Reason (R): E-mail facilitates quicker transmission of information, reduction in cost of communication, and easier storage/retrieval of business records. Options: 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, but Reason (R) is false. D) Assertion (A) is false, but Reason (R) is true.	1
2.	The liability of equity shareholders is _____. (Choose the correct option to fill up the blank) Options: A) Limited C) Unlimited B) Zero D) Equal	1
3.	Identify, which of the following statements correctly describes the hire purchase system? Options: A) The buyer becomes the owner of goods immediately after taking possession. B) The buyer pays the full price in lump sum at the time of purchase. C) The buyer gets possession of goods immediately but ownership is transferred only after the last instalment is paid. D) The seller cannot repossess the goods in case of default.	1
4.	Identify, which of the following is commonly sold through vending machines? Options: A) Furniture C) Jewellery B) Snacks and beverages D) Cars	1

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5.	Goods sold on approval basis are recorded as sales by the seller: Options: A) Immediately after the goods are dispatched. B) Only when the buyer approves or accepts the goods. C) As soon as payment is received in advance. D) When the goods are packed for delivery.	1
6.	Read the following Assertion (A) and Reason (R). Choose the correct options from those given below: Assertion (A): Departmental stores generally require heavy capital investments. Reason (R): Departmental stores operate on a large scale and maintain a variety of goods. Options: 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, but Reason (R) is false. D) Assertion (A) is false, but Reason (R) is true.	1
7.	Identify, which of the following is an example of non-verbal communication. Options: A) Writing a report. C) Speaking in a meeting B) Using facial expressions D) Sending a text message OR Feedback in the communication process helps to _____. (Choose the correct option to fill up the blank) Options: A) start the communication C) encode the message B) know if the message is understood D) create barriers	1
8.	Automated vending machine is an example of_____retailing. (Choose the correct option to fill up the blank) Options: A) Itinerant C) Large scale B) Non-store D) Wholesale trade	1
9.	From the following, identify the correct example of a chain store: Options: A) A small roadside tea stall C) A branch of Big Bazaar in Delhi B) A weekly village market D) A street hawker	1
10.	Read the following Assertion (A) and Reason (R). Choose the correct options from those given below: **Assertion (A):** Mail order houses operate by sending catalogues or advertisements to customers, who place orders by mail or online. **Reason (R):** Mail order houses do not require physical retail stores to sell their products. Options: 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, but Reason (R) is false.	1

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	D) Assertion (A) is false, but Reason (R) is true.	
11.	Read the following statements carefully: **Statement I:** Equity Shareholders enjoy voting rights in company. **Statement II:** Equity Shareholders get a fixed rate of dividend. In the light of given statements, choose the correct option from the following: A) Statement I is true, Statement II is false. B) Statement II is true, Statement I is false C) Both the statements are true. D) Both the statements are false. Or Retained Earnings is also known as _____. (Choose the correct option to fill up the blank) Options: A) Self- financing C) Ploughing Back of Profits B) Internal financing D) Trade Credit	1 1
12.	The board of directors of a Joint Stock Company is elected by_____ (Choose the correct option to fill up the blank) Options: A) Public C) Shareholders B) Government bodies D) Employees	1
13.	Credit extended by one trader to another for the purchase of goods and services is called as _____. (Choose the correct option to fill up the blank) Options: A) Bank Overdraft C) Term Loan B) Trade Credit D) Lease Financing	1
14.	A retail outlet that deals in a single line of products such is known as_____. (Choose the correct option to fill up the blank) Options: A) Departmental Store C) Super Market B) Multiple Shop D) Specialty Store	1
15.	Buying goods on the basis of a small representative portion shown by the seller is known as_____ (Choose the correct option to fill up the blank) A) Purchase by Description C) Purchase by Sample B) Hire Purchase D) Cash on Delivery	1
16.	Read the following Assertion (A) and Reason (R). Choose the correct alternative from those given below: Assertion (A): Multiple shops operate under centralised management and follow uniform policies in all their branches. Reason (R): In multiple shops, all major decisions regarding pricing, purchasing, and advertising are taken by the head office. Options: 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, but Reason (R) is false. D) Assertion (A) is false, but Reason (R) is true.	1

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17.	In case of auction sale, a bid may be withdrawn_____ (Choose the correct option to fill up the blank) Options: A) after acceptance by the auctioneer C) after delivery of goods. B) before acceptance by the auctioneer D) after payment is made	1
18.	A credit note is issued by the seller to_____. (Choose the correct option to fill up the blank) Options: A) Increase the amount payable. B) Acknowledge receipt of advance C) Reduce the amount receivable from the buyer D) Cancel the order	1
19.	Read the following text carefully: Riddhi Garments Ltd., headquartered in Jaipur, exports designer clothes to buyers in the USA and Australia. Earlier, the company's managers had to travel abroad frequently to finalise orders and resolve business issues. However, the company recently adopted a digital communication system that allows participants in different countries to interact face-to-face, share documents, and make presentations instantly through the internet. With the help of this system, Riddhi Garments Ltd. has been able to speed up decision-making, improve coordination with foreign clients, and significantly reduce travelling and accommodation expenses. In the light of the above text and common understanding, answer the following questions: 1. Identify the communication system adopted by Riddhi Garments Ltd. 2. State any two features of this communication system.	 1 2
20.	"Vindhya Publications Pvt. Ltd." has been operating successfully for several years. Due to increasing demand and expansion plans across the country, the management is planning to convert it into a public company so that it can raise funds from the general public. Question: List any three features of a Public Company.	 3
21.	Read the following text carefully: Abhimanyu is the Sales Manager of AAMC Appliances Ltd. The company recently launched a new product and Abhimanyu wanted his sales team to understand its features clearly. He carefully prepared a presentation explaining the product specifications, pricing, and target customers. During the meeting, he used simple language and real-life examples to explain the details. After delivering the message, Abhimanyu asked the team members to share their understanding of the product and clarify doubts. He also requested weekly sales reports to check whether the team had understood the instructions properly. As a result, the sales team confidently explained the product to customers and sales increased steadily. In the light of the above text and common understanding, answer the following questions: A) Identify the sender and the receivers in the above case. B) Which step of the communication process is involved when Abhimanyu prepares a presentation? Explain briefly.	 2 1

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22.	Raman Ltd. is planning to expand its business operations. The Finance Manager suggests raising funds through equity shares, while the Managing Director prefers taking a long-term loan from a bank. Questions: A) Identify the two sources of finance being discussed. B) State any two differences between these two sources of finance.	 1 2
23.	Radhika, a young rural girl, visited Delhi during her school holidays to meet her relatives. One afternoon, she accompanied her cousins to a large shopping outlet, located in the heart of the city. As she stepped inside, she was amazed to see the extensive variety of products available under one roof—from daily-use items to premium branded goods. She also noticed that the store provides additional facilities such as clean restrooms and a restaurant where customers can relax and eat. Questions: A) Identify the type of store visited by Radhika. B) Quoting relevant lines from the passage, explain any three features of this type of store	 1 3
24.	Read the following text carefully: Megha works as a sales executive in a reputed furniture showroom. She greets every customer warmly and patiently explains the features, price, and maintenance of different products. She never forces customers to buy but helps them compare options according to their budget and preferences. Megha remains calm even when customers raise complaints or ask repeated questions. She also keeps herself updated with the latest designs and trends in the market. Due to her polite behaviour and product knowledge, many customers specifically ask for her assistance. State and explain any two qualities of a good salesman reflected in the above case.	 4
25.	Distinguish between Cash and Credit transaction on the basis of: (a) Meaning (b)Time of payment	 2+2
26.	Write short notes on: (i) Internal Business Communication (ii) Non- Verbal Communication	 2+2
27.	Read the following text carefully: Rachit wanted to buy a laptop but did not have enough money to pay the full amount at once. He purchased the laptop from a showroom under the hire purchase system. He paid ₹10,000 as a down payment and agreed to pay the remaining amount in monthly instalments. The ownership of the laptop would be transferred to Rachit only after the last instalment is paid. If he failed to pay any instalment, the seller had the right to take back the laptop. In the light of the above text and common understanding, answer the following questions: a) Identify the method of sale used in the above case. b) State any two features of this system. c) Who will be the owner of the laptop before the last instalment is paid? d) State two advantage of this system for buyers.	 1 2 1 2
28.	Discuss the following: (i) External Communication (ii) Vertical Communication OR Explain any two barriers of effective communication.	 3+3 6

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29.	Distinguish between Public company and Private company on the basis of: (a) Number of Members (b) Number of Directors (c) Transfer of Shares	 2 2 2
30.	Explain any three importance of personal selling to a business organization. OR Explain the importance of advertising.	6 6

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