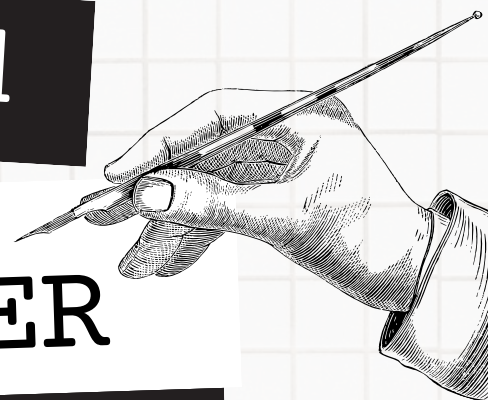


2024

Pre-Board

SAMPLE PAPER



CBSE BOARD / STATE
BOARDS

NCERT Based Syllabus



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PRE BOARD - 1, SAMPLE QUESTION PAPER 2023-24
BUSINESS STUDIES (054)
CLASS XII

Max Marks: 80

Time allowed: 3 Hours

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.	ABC Ltd. has Debt Equity ratio of 3:1 whereas XYZ Ltd. has Debt Equity ratio of 1:1. Name the advantage ABC Ltd. will have over XYZ Ltd., when the rate of interest is lower than the rate of return on investment of the company. (a) Trading on equity (c) Low cost of equity	(b) Low risk (d) Greater flexibility.	1
2.	Packing has acquired great significance in the marketing of goods and services, because of: (a) Rising standards of health and sanitation. (c) Innovational opportunity	(b) Self-service outlets (d) All of these.	1
3.	Aroma Ltd. is a chemical manufacturing company producing dyes and pigments both for domestic and international market. It has enjoyed a considerable market share but lately, it has been facing problems in terms of target sales and customer satisfaction. This is due to the reason that new entrants have emerged with better technology and competitive pricing. The Chairman of the company addressed this issue in the departmental meeting. The production head, Mr. Kapil, advised the Chairman to revamp the system and take immediate necessary actions to rectify the problem so that sales are achieved as per the plans. Identify the relevant function of management being discussed here. (a) Organising (b) Staffing	(c) Controlling (d) Planning.	1
4.	Tomato Ltd. a food delivery service app has recently faced criticism for the tampering of their product by their delivery boys. Tomato Ltd. decided to put a hologram seal on the food packets in order to protect the contents from spoilage, leakage, pilferage, damage, along with a tag with a safety warning for the consumers to check the seal. Which concept of marketing discussed above is performing the important function of communicating with the potential buyers and promoting the sale. (a) Branding (c) Product designing and development	(b) Labelling (d) Packaging.	1

5.	There is no fixed geographical location of: (a) Capital market (b) Money Market (c) Primary market (d) both (b) & (c)	1
6.	Which of the following is not a function of management? (a) Planning (b) Staffing (c) Coordination (d) Controlling.	1
7.	The allocative function of Financial market helps in _____. (a) Bringing transparency in trading procedure (b) Earning higher rate of return to household sector (c) Better functioning of depository (d) Determining the prices of securities.	1
8.	Which of the following is an example of social environment? (a) Composition of family (b) Consumer Protection Act (c) Money supply in the economy (d) The constitution of the country.	1
9.	Instrument with a maturity period of less than one year are traded in the _____. (a) Capital Market (b) Money Market (c) Bombay Stock Exchange (BSE) (d) National Stock Exchange (NSE)	1
10.	According to which concept of marketing availability and affordability of the product are considered to be the key to the success of the firm? (a) Production concept (b) Product concept (c) Selling concept (d) Marketing concept.	1
11.	Read the following statements: Assertion (A) and Reason(R). Choose the correct alternative from those given below: ASSERTION (A): Management is an intangible force. REASONING (R): Management has to adapt itself to its changing external environment, which consist of social, economic and political factors. 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	1
12.	The aim of demonetisation was not to _____. (a) Curb corruption. (b) Withhold the accumulation of black money generated by undeclared income. (c) Reduce the prices of real estate. (d) Counterfeit the use of high denomination notes for illegal activities.	1
13.	While scrutinizing the production records, it is found that in a particular bath the rejection rate as 5% against the set standard of 2%. The management found out that this was due to negligence of quality control staff. This action is part of which step in the controlling process? (a) Measuring the actual process (b) Comparing actual performance with standards. (c) Taking corrective actions. (d) Analysing deviations	1

14.	Statement I: For products requiring long term storage like agricultural products, the warehouses are located near to the market. Statement II: Higher the level of inventory, higher will be the level of service to customers but the cost of carrying the inventory will also be high. Choose the correct option from the following: (a) Statement I is true and II is false (b) Statement II is true and I is false (c) Both the statements are true (d) Both the statements are false	1								
15.	Match the following: <table><tr><td>(i) Bank reducing interest rate on housing loans.</td><td>(A) Economic Environment.</td></tr><tr><td>(ii) An increasing number of working women.</td><td>(B) Political Environment.</td></tr><tr><td>(iii) Alcoholic beverages are prohibited to be advertised on 'Doordarshan'.</td><td>(C) Legal Environment.</td></tr><tr><td>(iv) A Stable government has built up confidence among the firms to invest in big projects.</td><td>(D) Social Environment.</td></tr></table> (a) (i) - (A); (ii) - (D); (iii) - (C); (iv) - (B). (b) (i) - (A); (ii) - (B); (iii) - (C); (iv) - (D). (c) (i) - (D); (ii) - (A); (iii) - (C); (iv) - (B). (d) (i) - (D); (ii) - (A); (iii) - (B); (iv) - (C).	(i) Bank reducing interest rate on housing loans.	(A) Economic Environment.	(ii) An increasing number of working women.	(B) Political Environment.	(iii) Alcoholic beverages are prohibited to be advertised on 'Doordarshan'.	(C) Legal Environment.	(iv) A Stable government has built up confidence among the firms to invest in big projects.	(D) Social Environment.	1
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16.	STATEMENT I: Electronic holdings can be converted into physical certificates with the process of dematerialisation. STATEMENT II: There is no danger of theft, loss or forgery of share certificates in dematerialisation. Choose the correct option from the following: (a) Statement I is true and II is false (b) Both the statements are false (c) Both the statements are true (d) Statement II is true and I is false.	1								
17.	Which of the following is not a component of economic environment if business? (a) Interest rates (b) Inflation rates (c) Literacy rates (d) Rates of saving and Investment.	1								
18.	Match the following: <table><tr><td>(i) A name, term, sign, symbol, design or some combination of them, used to identify the products of one seller & to differentiate them from those of the competitors</td><td>(A) Trade Mark.</td></tr><tr><td>(ii) The verbal component of a brand.</td><td>(B) Brand mark.</td></tr><tr><td>(iii) That part of a brand which can be recognised but which is not utterable.</td><td>(C) Brand.</td></tr><tr><td>(iv) A brand or part of a brand that is given legal protection.</td><td>(D) Brand name.</td></tr></table>	(i) A name, term, sign, symbol, design or some combination of them, used to identify the products of one seller & to differentiate them from those of the competitors	(A) Trade Mark.	(ii) The verbal component of a brand.	(B) Brand mark.	(iii) That part of a brand which can be recognised but which is not utterable.	(C) Brand.	(iv) A brand or part of a brand that is given legal protection.	(D) Brand name.	1
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19.	Which of the following is not a characteristic of a profession? (a) Service motive (b) Restricted entry (c) Well-defined body of knowledge (d) Based on practice and creativity.	1
20.	Complete Centralisation would imply concentration of all decision making functions at the _____. (a) lower level of the management hierarchy (b) apex of the management hierarchy (c) middle level management (d) None of these.	1
21.	Top management plans for the entire organization. According to these plans the organizational structure is developed and staffed. In order to ensure that these plans are executed according to plans, directing is required. Any discrepancies between actual and realized activities are then taken care of at the stage of controlling. Name and explain the process highlighted above which started at the planning stage itself and is implicit and inherent in all the functions of management in an organization.	3
22.	Polycons Ltd. is a firm manufacturing paper bags in Odisha. It has employed female workers in the company and manufactures paper bags from recycle paper and thereafter sells them to various firms at economic rates. Since last 1 month, its customers (firms) are reporting of complaints received from the users that these paper bags are unable to manage heavy weight and get torn easily. (a) Identify function of management has been ignored above? (b) Discuss the step to be undertaken in respect of the ignored function to pacify the situation. OR Explain “Critical point control” with respect to Analyzing deviations, a step in the process of controlling. Give a suitable example.	3
23.	An organisation provides security services. It requires such candidates who are reliable and don't leak out the secret of their clients. What steps should be incorporated in selection process? State net two steps of selection process.	3
24	State any three Protective functions of SEBI. OR Distinguish between Capital market and Money market on the basis of: (a) Participants (b) Duration & (c) Safety	3
25.	Ruma is working in a company on a permanent basis. As per the job agreement she had to work for 8 hours a day and was free to work overtime. Ruma worked overtime, due to which she fell ill and had to take leave from her work. No one showed concern and enquired about her health. She realised that she was fulfilling only some of her needs while some other needs still remained to be fulfilled.	4

	(i) By quoting the lines from the above para, identify the needs of Ruma which she is able to fulfill. (ii) Also explain two other needs of Ruma followed by the above needs, which still retained to be satisfied. OR Explain the following leadership styles: (a) Authoritative leadership (b) Participative leadership	
26.	State Merits of using External sources of recruitment. OR Veera Ltd. received 25,555 applications for the post of 56 Supervisors. Preliminary, screening was done and 4,450 were filtered. Varied steps of selection process were taken and finally 56 candidates as supervisors were selected. They were directly posted to their respective posts. After one month performance appraisal of these candidates conducted. It was found that out of 56, ten were not able to perform as per standards as they were facing practical problems while handling machines. (a) In your opinion, what should be done to improve the performance of these ten supervisors? (b) How can an organisation be benefited by improving the skill level of employees.	4

27.	Manishankar purchased a pack of chocolates of a renowned brand for his daughter from a shop in the nearby market. After consuming the chocolates, his daughter fell sick. He filed a case with the District forum against the renowned brand. He lost the case because of a mistake that he could not provide proof of purchase. What should be kept in mind by a consumer while purchasing, using and consuming goods and services apart from avoiding the mistake committed by Manishankar, in order to enable him/ her to achieve the objective of consumer protection? Enumerate any four points.	4
28.	Explain the following factors affecting the Investing decision of the company: (a) Cash flow of the project (b) Investment criteria	2+2 =4
29.	Identify and state the various elements of communication highlighted in the following cases: (i) Department 'X' has sent an encoded message to department 'Y' through internet. What is the role of internet here? (ii) Manoj is making gestures so that he can send a message to Ranjan. What is Manoj doing here? (iii) Ranjan is trying to understand the message sent by Manoj by reading his gestures. What is Ranjan doing here? (iv) Kartik picks up his phone and finds a message on it. He reads the message carefully. What is the role of Kartik here?	4
30.	Lifeline Ltd. is a company engaged in production of organic food. Presently it sells its products through indirect channels of distribution. The company is planning to start its own show rooms and online portals. The financial manager suggested to use debt to invest in own showrooms and online portals. Company plans to raise debt capital of ₹ 40 Lakhs through a loan from HDFC bank at 10% interest. The present capital base of the company is ₹ 9 Lakhs equity of ₹ 10 each. The rate of tax is 30%. In the context of above case- Assuming expected rate of return same as current year, i.e., 15% do you think the decision to use debt is justified. Show your working clearly.	4
31.	(i) Explain the following techniques of Scientific Principles: (a) Science, not rule of thumb. (b) Harmony not discord (c) Cooperation not individualism OR (i) Explain the following principles of Fayol: (a) Authority and Responsibility (b) Unity of Command (c) Esprit De Corps.	6

32.	Briefly explain the next three steps in the process of planning which the manager will have to follow after using conjecture about what might happen in the future. OR ‘The pros and cons of each alternative need to be weighed.’ Name and briefly explain the logical steps in the process of planning which are followed by a manager before performing the step highlighted in the above statement.	6
33.	Choco Ltd. offers a wide variety of chocolate products. It has an action program of not selling its products by their generic name but under different names like Choco-silk bar, Choco-Munchy and Choco-crunchy etc. for different customer segments. All these names have great popularity and acceptability in the markets. As the company policy the products were offered at reasonable and affordable prices for targeting a mass customer base. During the festive season the company launched a massive promotional campaign to increase its revenue and achieve its communication objectives. The company introduced free gifts for the customers. Their on-ground sales team delivers the product not only to the departmental stores but also to small shops, so that all segments of customers can easily get the products. They also provide information and support services to customers to ensure repeat sales. From the viewpoint of the management function, briefly explain any four activities of marketing which the firm will be involved in, apart from the above-mentioned ones it's already performing.	6
34.	The function of organising is to arrange, direct, coordinate & control the activities of an enterprise.’ In the light of this statement, explain the meaning of organising and various steps in the process of organising.	6