

BUDHA DAL PUBLIC SCHOOL PATIALA
Pre Board Examination (6 December 2025)

Class XII (Commerce)
Subject - Business Studies (054) (Set-A)

Time: 3hrs .

M.M.80

General Instructions

1. All questions are compulsory.
2. Questions from 1 to 20 carrying 1 mark each.
3. Questions from 21 to 24 carrying 3 marks each.
4. Questions from 25 to 30 carrying 4 marks each.
5. Questions from 31 to 34 carrying 6 marks each.

1. "Planning involves application of mind and foresight". Which importance of planning is highlighted here? (1)
(a) Promotes innovative ideas (b) Facilitates decision-making
(c) Establishes standards (d) Provides direction
2. Which of these is a factor affecting capital structure decision? (1)
(a) Risk consideration (b) Flexibility
(c) Stock market conditions (d) All of these
3. RK & Co Ltd is engaged in manufacturing machine components. The target production is 300 units daily. The company had been successfully attaining this target until two months ago. Over the last few months, it has been observed that daily production varies between 150-200 units. Which function of management is being discussed in the above case? (1)
(a) Planning (b) Organising (c) Directing (d) Controlling
4. Shyam and Suraj are newly appointed in ABC Ltd. Both have been assigned to work under the production department. Shyam is responsible for arranging all tasks and machines for the job and Suraj has to ensure that machine is in proper working condition for completing the job. Specify the position to which they are assigned. (1)
(a) Shyam-Inspector; Suraj- Inspector
(b) Shyam- Inspector; Suraj- Gang Boss
(c) Shyam- Gang Boss; Suraj- Repair Boss
(d) Shyam-Repair Boss; Suraj- Inspector
5. Sushil bought a box of butterscotch icecream of a reputed brand from a local shopkeeper. On opening the box, he found a piece of stone in the box. He reported the matter to the shopkeeper, who forwarded his complaint to the concerned company. Within two days, representative of the company visited Sushil's residence with an apology and as a replacement offered him a new icecream pack with two other flavours of icecream as compensation for the inconvenience caused to him. State the consumer right exercised by Sushil. (1)
(a) Right to be informed (b) Right to seek redressal
(c) Right to safety (d) Right to be assured
6. Planning lays down the base for other functions of management. Which feature of planning is mentioned here? (1)
(a) Planning is a primary function of management
(b) Planning is futuristic
(c) Planning is a mental exercise
(d) Planning reduces the risk of uncertainty

A-1



7. Rajni, the Chief Executive Officer of a multinational company, maintained a simple and elegant look. Now she wanted a change, so she decided to colour her hair in a vibrant colour. After reading the label carefully, she purchased a well-known hair colour of good quality. Before applying the colour, she read the instructions carefully. However, while applying the colour on her hair, she forgot the instructions and without testing it on a patch of her skin, she applied the colour. This led to an allergic reaction with redness and itching on her scalp, ears and neck. (1)

Identify the responsibility that was ignored by Rajni as a consumer while using the hair colour.

- (a) Be aware about various goods and services available in the market so that an intelligent and wise choice can be made.
 - (b) Learn about the risks associated with products and services, follow manufacturer's instructions and use the product safely.
 - (c) Assert yourself to ensure that you get a fair deal
 - (d) Ask for a cash memo on purchase of goods or services
8. Company 'A' has profit after tax, ₹1,50,000 and its number of equity shares is 10,000. Company 'B' has profit after tax ₹1,20,000 and its number of shares is 12,000. Which company has better EPS and how much? (1)
- (a) Company 'A', ₹ 10
 - (b) Company 'A', ₹15
 - (c) Company 'B', ₹10
 - (d) Company 'B', ₹12

9. Statement I: Advertising is the impersonal communication in case of promotion.

Statement II: Production cost is the only important component while fixing up the price. (1)

Alternatives:

- (a) Statement I is true and Statement II is false.
 - (b) Statement II is true and Statement I is false.
 - (c) Both statements are true.
 - (d) Both statements are false.
10. Assertion: The importance of employee training has increased

Reason: Nowadays, jobs have become more complex. (1)

Choose one of the correct alternatives given below:

- (a) Both Assertion and Reason are true and Reason is the correct explanation of assertion.
- (b) Both Assertion and Reason are true and Reason is not the correct explanation of Assertion.
- (c) Assertion is true, but Reason is false.
- (d) Assertion is false, but Reason is true.

A-2

11. _____ are the techniques used to motivate people in an organisation. (1)

- (a) Motivation (b) Motivators
(c) Both (a) and (b) (d) Motive

12. Match the following on the basis of 'Staffing'. (1)

Column I

- A Steps in staffing
B. Steps in selection
C. Importance of staffing

Column II

- (i) Medical Examination
(ii) Placement and Orientation
(iii) Ensures survival of enterprises

Codes

- (a) A(i) B(ii) C(iii) (b) A(ii) B(iii) C(i)
(c) A(iii) B(ii) C(i) (d) A(ii) B(i) C(iii)

13. The governments all over the world are becoming more and more cautious towards the environment. To ensure the same, recently, many state governments passed an order to ban polythene bags since these are non-biodegradable. As a result, the government also decided to give a subsidy to jute industry (bags). The minister said in the statement that they believe it will be helpful as income of people are rising and people can afford jute bag. Which business dimension is highlighted in the lines:

"As a result, the government also decided to give a subsidy to jute industry (bags)"? (1)

- (a) Legal (b) Political
(c) Economic (d) Social

14. Ganga's grandfather was unwell. He called Ganga and gave her a box containing cash and certain papers which were crumbled. She saw them carefully and found that these were share certificates. Ganga now wants to know the process through which she can trade in these shares. She also learnt about the trading procedures and got to know about SEBI as well. (1)

Which process would have been done by Ganga to facilitate trading?

- (a) Demutualisation (b) Remutualisation
(c) Dematerialisation (d) Rematerialisation

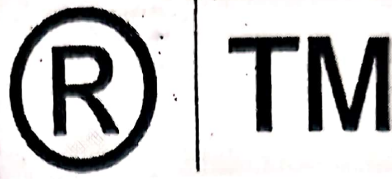
15. It is necessary that goods and services must be made available to the consumers at the right place, in the right quality and at right time. Identify the concerned element of marketing mix (1)

- (a) Product mix (b) Price mix
(c) Place mix (d) Promotion mix

16. Assertion: Authority flows downwards from superior to subordinate.
Reason: Authority is the right of an individual to command the subordinates and to take action within the scope of his position. (1)
Choose one of the correct alternatives given below:
- (a) Both Assertion and Reason are true and Reason is the correct explanation of assertion.
 - (b) Both Assertion and Reason are true and Reason is not the correct explanation of Assertion.
 - (c) Assertion is true, but Reason is false.
 - (d) Assertion is false, but Reason is true.
17. Some friends joined together and set-up a multi-product company. Their company makes four different products. Three products of the company have been successfully launched in market. But the company has not succeeded to launch the fourth product in market. What sort of organisational structure, in your view, might have been adopted by the company? (1)
- (a) Divisional organisation structure
 - (b) Functional organisation structure
 - (c) Both (a) and (b)
 - (d) None of the above
18. Which of the following statements incorrect? (1)
- (a) The objective of financial planning ensure that enough funds are available right time.
 - (b) Financial planning is a substitute of financial management.
 - (c) Financial planning is the process of estimating the fund requirement of a business and specifying the source of funds.
 - (d) None of the above
19. Statement I: Shareholders' Funds involve commitment regarding the payment of returns or the repayment of capital.
Statement II: Debt is considered to be the cheapest of all the sources of funds and tax deductibility of interest makes it still cheaper. (1)
Choose the correct option from the following:
- (a) Both the statements are true.
 - (b) Both the statements are false.
 - (c) Statement I is true and Statement II is false.
 - (d) Statement I is false and Statement II is true.

A-4

20. Identify the symbol given in picture below and choose the correct option it denotes. (1)



- (a) Brand Mark (b) Brand Name
(c) Generic Name (d) Trade Mark
21. Mansi, a shoe manufacturer for school students, decided to maximise her profit by producing and distributing at large scale and thereby, reducing the average cost of production. (3)
- (i) Identify the marketing management philosophy adopted by Mansi.
(ii) Explain this philosophy on the basis:
(a) Main focus (b) Means and ends
22. Management is considered both as an Art and Science. Explain (3)

OR

State basic features of Management as Profession.

23. "Burger King, one of the leading fast food chains have different kind of food stuffs at different places in the world depending upon where it is operating". Which feature of business environment is highlighted here? Explain it. (3)
24. Ved Prakash works in an MNC. As per his job agreement, he could work overtime whenever he feels the need to do so and would be paid accordingly". As he worked overtime, he fell ill and had to take leave from work. No one showed concern towards him although he was a permanent employee in the organisation. (3)
- (i) Identify the needs which he was able to fulfill through that job by quoting the line.
(ii) Also, identify the need which remained unfulfilled by quoting the lines.
(iii) Name any two other needs as well.
25. XYZ Power Ltd set-up a factory for manufacturing solar lanterns in a remote village as there was no reliable supply of electricity in rural areas. The revenue earned by the company was sufficient to cover the costs and the risks.
The demand of lanterns was increasing day-by-day, so the company decided to increase production to generate higher sales. For this, they decided to employ people from the nearby villages as very few job opportunities were available in that area. The company also decided to open schools and creches for the children of its employees. Identify and explain the objectives of management discussed here. (4)

A-5

26. A furniture manufacturer gets an order of manufacturing 100 chairs. He has six workers, who will do the work. Each and every worker is specialised in completing one task only. One is good in cutting, second is good in shaping, third is good in finishing and so on. (4)

- (i) If he wants to complete the target on time, which principle of management will help him? Explain the principle
- (ii) What benefit company will have, by opting for this principle?
- (iii) What will be the consequences of violating above said principle of management?

27. Mr. Arun, one of the directors of XYZ Ltd, knew that bonus shares were to be announced in the next meeting and he expected the price to rise. He bought 10,000 shares from the stock market. By the end of few months, price rose by Rs 9. He sold his shares and made huge profit. (4)

These malpractices eroded investors' confidence and multiplied investors grievances, the Government of India and the stock exchanges were helpless in redressing investors problems because of lack of proper penalty provisions in the existing legislation. In the view of this, the Government of India decided to set up a regulatory body.

- (i) Name the act of Mr. Arun.
- (ii) Name the regulatory body which the government of India decided to set up.
- (iii) State any two objectives of the regulatory body identified in (ii) above.

28. "Setting Objectives is the first step in the process of one of the significant functions of management."

(a) Identify the function of management referred above.

(b) State the next three steps of the process. (4)

29. State any four "Semantic Barriers" to communication. (4)

30. Staffing process begins with estimating the manpower requirements, followed by recruitment, selection, placement and orientation. Explain the other steps involved in staffing process. (4)

OR

Explain 'method' and 'rule' as types of plan.

31. Ankita was the Managing Director of Tech Smart, an IT company. She was facing problems in retaining the employees in the company. While discussing this problem with her friend Prachi, who had recently completed her MBA in Human Resource Management, she shared that employees in her company are not motivated enough even though the company was offering them good salaries and stability of income. Prachi explained to Ankita that all the needs of employees are not satisfied by money alone. Psychological, social and emotional factors also play an important role in providing motivation. Explain any four such incentives which may help the company in retaining its employees and provide motivation as suggested by Prachi. (6)

A-6



32. The e-retailing form of market was something unheard to the Indian customer in 2007. Flipkart which has created a niche for itself in terms of market share, goodwill and popularity in the online market to threat because of its smooth operations. It started with an initial capital of ₹4 lakh, it now aims for annual turnover of around ₹4,500 crore.

Identify any four marketing functions performed by flipkart to reach this position. (6)

33. Vedansh Limited has a share capital of ₹10,00,000 divided into shares of ₹100 each. For expansion purpose, the company requires additional funds of ₹5,00,000.

The management is considering the following alternatives for raising funds:

Alternative 1: Issue of 5,000 equity shares of ₹100 each.

Alternative 2: Issue of 10% debentures of ₹5,00,000.

The company's present Earnings Before Interest and Tax (EBIT) is ₹ 4,00,000 p.a. Assuming that the rate of return of investment remains the same after expansion, which alternative should be used by the company in order to maximise the returns to the equity shareholders? The tax rate is 50%. Show the working. (6)

34. Royal Glaze Ltd continues to maintain its position as one of the largest consumer goods companies in the world. Its organizational structure is designed to facilitate the achievement of its objectives in alignment with its vision statement. The company maintains two distinct product divisions in its organizational structure- "Foods" and "Home care". Looking ahead, the companies focusing on embracing changes so that it can continue to be the market leader. As part of its expansion plans, it is planning to venture into electronics segment in the near future. (6)

- (i) Identify the organizational structure of Royal Glaze Ltd.
- (ii) Draw the organizational structure chart of Royal Glaze Ltd considering its future plans to enter into electronics segment.
- (iii) State any three advantages of this type of organizational structure drawn in (ii) above.