

NIOS Class 12 Business Studies Sample Paper-8

Duration: 180 Minutes

Maximum Marks: 100

Instructions

- This paper contains **51 Questions**. The paper is divided into three sections: **Section A – 20 marks**, **Section B – 30 marks**, and **Section C – 50 marks**.
- **Section A** (Q.No. 1 to 20):
 - Multiple Choice Questions (MCQs) carrying **1 mark** each.
 - Select the most appropriate option from four given choices.
- **Section B** (Q.No. 21 to 35):
 - Objective-type questions carrying **2 marks** each.
 - Include fill in blanks, matching columns, identify statements, etc.
- **Section C** (Q.No. 36 to 51):
 - **Q.No. 36 to 41**: Short answer questions carrying **2 marks** each.
 - **Q.No. 42 to 47**: Medium answer questions carrying **3 marks** each.
 - **Q.No. 48 to 51**: Long answer questions carrying **5 marks** each.
- An **internal choice** has been provided in some questions.
- There is **No Negative marking**.
- Use of mobile phones, smartwatches, calculators, or any electronic gadgets is strictly prohibited.

Section: A

- Q1.** Which example shows the legal environment of business? **(1)**
- (A) A festival increasing demand for sweets
- (B) A new consumer protection rule for online sellers
- (C) A rise in household income
- (D) A change in fashion among youth



- Q2.** Which clause of the Memorandum of Association states the main activities for which a company is formed? (1)
- (A) Capital clause
 - (B) Objects clause
 - (C) Liability clause
 - (D) Situation clause
- Q3.** A public company must have at least how many members at the time of formation? (1)
- (A) Two
 - (B) Three
 - (C) Five
 - (D) Seven
- Q4.** A plan used repeatedly for handling similar situations is generally called a: (1)
- (A) Budget
 - (B) Standing plan
 - (C) Single-use plan
 - (D) Invoice
- Q5.** The relationship between authority and responsibility should be: (1)
- (A) Completely unrelated
 - (B) Balanced and clear
 - (C) Hidden from subordinates
 - (D) Given only to outsiders
- Q6.** Induction training is mainly given to: (1)
- (A) New employees joining the organisation
 - (B) Retired employees only
 - (C) Customers before purchase



(D) Shareholders before dividend

Q7. Which communication flow moves from subordinates to superiors? (1)

(A) Downward communication

(B) Upward communication

(C) Horizontal communication

(D) External advertising

Q8. Taking corrective action is a step of: (1)

(A) Controlling

(B) Packaging

(C) Import licensing

(D) Share transfer

Q9. The finance decision concerned with choosing between equity and debt is called: (1)

(A) Financing decision

(B) Product decision

(C) Placement decision

(D) Recruitment decision

Q10. Which source of finance does not create a fixed interest burden? (1)

(A) Debentures

(B) Bank loan

(C) Equity shares

(D) Public deposits

Q11. Treasury bills are usually associated with the: (1)

(A) Money market

(B) Consumer market



- (C) Retail market
- (D) Labour market

Q12. Which marketing concept focuses on consumer satisfaction along with social welfare? **(1)**

- (A) Production concept
- (B) Selling concept
- (C) Societal marketing concept
- (D) Product concept only

Q13. Which promotional tool gives short-term incentives such as coupons and contests? **(1)**

- (A) Sales promotion
- (B) Warehousing
- (C) Transportation
- (D) Capital budgeting

Q14. A departmental store is best described as a: **(1)**

- (A) Small mobile shop
- (B) Large retail store with many departments
- (C) Foreign wholesale agent
- (D) Market for securities

Q15. Selling Indian tea to a buyer in Japan is an example of: **(1)**

- (A) Import trade
- (B) Export trade
- (C) Internal trade
- (D) Retail trade only

Q16. A certificate of origin mainly certifies the: **(1)**



- (A) Country where goods were produced
- (B) Name of the retailer
- (C) Salary of exporter
- (D) Colour of package

Q17. Which option is an advantage of self-employment? **(1)**

- (A) Complete absence of risk
- (B) Freedom to use personal skill and initiative
- (C) Guaranteed monthly salary from employer
- (D) No need for customers

Q18. Which of the following is broader than e-commerce? **(1)**

- (A) E-business
- (B) Cash memo
- (C) Bill of entry
- (D) Retail counter

Q19. Encryption in e-business is used mainly for: **(1)**

- (A) Making data unreadable to unauthorised persons
- (B) Increasing physical shop rent
- (C) Reducing product quality
- (D) Avoiding all taxation

Q20. The first persons who sign the Memorandum of Association are called: **(1)**

- (A) Subscribers
- (B) Debtors
- (C) Retailers
- (D) Wholesalers



Section: B

Q21. Complete these statements by writing the correct business terms: (2)

1. The surroundings that include government policy, political stability, and attitude toward business form the environment.
2. The process of bringing a company into legal existence is called

Q22. Pair the finance terms in Column I with the correct explanations in Column II: (2)

Column I	Column II
(a) Dividend	(i) Market for long-term funds
(b) Debenture	(ii) Regulator of securities market
(c) SEBI	(iii) Long-term debt instrument
(d) Capital market	(iv) Share of profit distributed

Q23. Write the proper term for each management description: (2)

1. Granting decision-making power to a subordinate for assigned work.
2. Integrating efforts of different departments to achieve common goals.

Q24. Insert suitable marketing words in the blanks: (2)

1. A name, symbol, or design used to identify a product is called a
2. The written information on a package is called a

Q25. Rewrite these incorrect statements in correct form: (2)

1. A stock exchange directly gives long-term loans to companies.
2. Retailers normally sell goods in bulk to producers.

Q26. Write the expanded forms of these abbreviations: (2)

1. RTGS
2. IEC



Q27. Classify the following as PS for primary market and SS for secondary market: (2)

1. A company issues shares to the public for the first time.
2. An investor sells listed shares to another investor through a stock exchange.

Q28. Name the concept described in each case: (2)

1. Keeping a portion of profit in the business for future use.
2. A fixed preferential return paid to preference shareholders.

Q29. Supply the missing trade terms: (2)

1. Trade in which imported goods are exported again to another country is called trade.
2. A place where goods are stored safely until needed is called a

Q30. Match each e-business term with its use: (2)

Term	Use
(a) Firewall	(i) Electronic sale-purchase platform
(b) Payment gateway	(ii) Managing stock records electronically
(c) Online marketplace	(iii) Protecting network from unauthorised access
(d) Inventory software	(iv) Processing online payment safely

Q31. Identify the business environment component: (2)

1. Rise in literacy and change in lifestyle increase demand for online education.
2. New machinery reduces production time and improves product uniformity.

Q32. Fill the blanks with correct management terms: (2)

1. Checking whether work is being done according to plan is called
2. The process of choosing from among alternative courses of action is called .

Q33. State whether the statements are Correct or Incorrect: (2)



1. A company has a separate legal entity from its members.
2. Advertising always involves direct face-to-face conversation with every buyer.

Q34. Write one business term for each statement: (2)

1. The amount paid by a company to debenture holders for use of borrowed funds.
2. The portion of profits distributed to shareholders.

Q35. Recognise the banking or digital facility: (2)

1. A card used to make electronic payments at shops or online.
2. A secret code used by a customer to access ATM or online banking securely.

Section: C

Q36. Explain any two effects of political environment on business decisions. (2)

Q37. State any two differences between private company and public company. (2)

Q38. Explain the concept of organising and mention any two steps in the organising process. (2)

OR

Explain any two advantages of decentralisation.

Q39. What is communication? Explain any two barriers to communication. (2)

OR

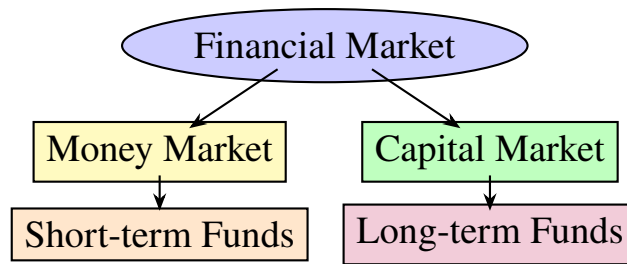
Explain any two methods of improving communication in an organisation.

Q40. Explain any two advantages of retained earnings as a source of finance. (2)

Q41. What is salesmanship? Mention any two qualities of a good salesperson. (2)



Q42. With the help of a diagram, explain the classification of financial market into money market and capital market. (3)



Q43. Explain any three factors affecting choice of channel of distribution. (3)
OR

Explain any three services provided by wholesalers to manufacturers.

Q44. Differentiate between import trade and export trade on any three bases. (3)

Q45. Explain any three services provided by retailers to consumers. (3)

Q46. Describe any three opportunities for self-employment in India. (3)

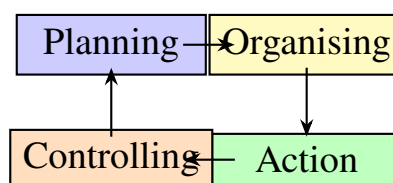
Q47. Explain any three advantages of internet banking for customers. (3)
OR

Explain any three risks involved in modern modes of business.

Q48. Explain the company form of business organisation and discuss its main features. (5) **OR**

Explain the merits and limitations of a public company.

Q49. Describe planning, organising, and controlling as connected functions of management with a diagram. (5)



OR

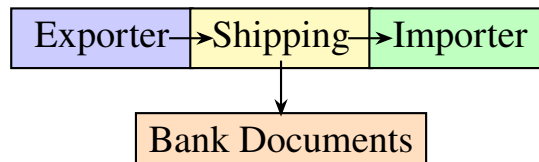
Explain staffing, directing, and co-ordination as connected functions of management.

Q50. Explain the meaning of marketing and discuss the importance of marketing in modern business. (5)

OR

Explain advertising and sales promotion as parts of promotion mix.

Q51. Describe external trade and explain the main documents used in export trade. (5)



OR

Explain import procedure in brief.



Detailed Solutions

Q1.

Solution

Concept: The question checks a specific syllabus term from Business Studies and requires choosing the option that fits the definition most exactly.

Solution:

Step 1: Focus on the main idea in the question: Which example shows the legal environment of business?

Step 2: The option extbfA new consumer protection rule for online sellers matches that main idea directly according to the standard business definition.

Step 3: The remaining options may be related to business, but they either describe another concept or do not answer the exact demand of the question.

Step 4: In an MCQ, the most precise option should be selected, not a broad or indirectly connected word.

Step 5: After comparing all alternatives, option B is the best and most accurate answer.

Step 6: Therefore, the final response is A new consumer protection rule for online sellers.

Final Answer: A new consumer protection rule for online sellers

Answer: (B) [Go Back to Question 1](#)

Q2.

Solution

Concept: The question checks a specific syllabus term from Business Studies and requires choosing the option that fits the definition most exactly.

Solution:

Step 1: Focus on the main idea in the question: Which clause of the Memorandum of Association states the main activities for which a company is formed?

Step 2: The option extbfObjects clause matches that main idea directly according to the standard business definition.

Step 3: The remaining options may be related to business, but they either describe another concept or do not answer the exact demand of the question.

Step 4: In an MCQ, the most precise option should be selected, not a broad or indirectly connected word.

Step 5: After comparing all alternatives, option B is the best and most accurate answer.

Step 6: Therefore, the final response is Objects clause.

Final Answer: Objects clause

Answer: (B) [Go Back to Question 2](#)



Q3.

Solution

Concept: The question checks a specific syllabus term from Business Studies and requires choosing the option that fits the definition most exactly.

Solution:

Step 1: Focus on the main idea in the question: A public company must have at least how many members at the time of formation?

Step 2: The option extbfSeven matches that main idea directly according to the standard business definition.

Step 3: The remaining options may be related to business, but they either describe another concept or do not answer the exact demand of the question.

Step 4: In an MCQ, the most precise option should be selected, not a broad or indirectly connected word.

Step 5: After comparing all alternatives, option D is the best and most accurate answer.

Step 6: Therefore, the final response is Seven.

Final Answer: Seven

Answer: (D) [Go Back to Question 3](#)

Q4.

Solution

Concept: The question checks a specific syllabus term from Business Studies and requires choosing the option that fits the definition most exactly.

Solution:

Step 1: Focus on the main idea in the question: A plan used repeatedly for handling similar situations is generally called a:

Step 2: The option extbfStanding plan matches that main idea directly according to the standard business definition.

Step 3: The remaining options may be related to business, but they either describe another concept or do not answer the exact demand of the question.

Step 4: In an MCQ, the most precise option should be selected, not a broad or indirectly connected word.

Step 5: After comparing all alternatives, option B is the best and most accurate answer.

Step 6: Therefore, the final response is Standing plan.

Final Answer: Standing plan

Answer: (B) [Go Back to Question 4](#)



Q5.

Solution

Concept: The question checks a specific syllabus term from Business Studies and requires choosing the option that fits the definition most exactly.

Solution:

Step 1: Focus on the main idea in the question: The relationship between authority and responsibility should be:

Step 2: The option extbfBalanced and clear matches that main idea directly according to the standard business definition.

Step 3: The remaining options may be related to business, but they either describe another concept or do not answer the exact demand of the question.

Step 4: In an MCQ, the most precise option should be selected, not a broad or indirectly connected word.

Step 5: After comparing all alternatives, option B is the best and most accurate answer.

Step 6: Therefore, the final response is Balanced and clear.

Final Answer: Balanced and clear

Answer: (B) [Go Back to Question 5](#)

Q6.

Solution

Concept: The question checks a specific syllabus term from Business Studies and requires choosing the option that fits the definition most exactly.

Solution:

Step 1: Focus on the main idea in the question: Induction training is mainly given to:

Step 2: The option extbfNew employees joining the organisation matches that main idea directly according to the standard business definition.

Step 3: The remaining options may be related to business, but they either describe another concept or do not answer the exact demand of the question.

Step 4: In an MCQ, the most precise option should be selected, not a broad or indirectly connected word.

Step 5: After comparing all alternatives, option A is the best and most accurate answer.

Step 6: Therefore, the final response is New employees joining the organisation.

Final Answer: New employees joining the organisation

Answer: (A) [Go Back to Question 6](#)



Q7.

Solution

Concept: The question checks a specific syllabus term from Business Studies and requires choosing the option that fits the definition most exactly.

Solution:

Step 1: Focus on the main idea in the question: Which communication flow moves from subordinates to superiors?

Step 2: The option extbfUpward communication matches that main idea directly according to the standard business definition.

Step 3: The remaining options may be related to business, but they either describe another concept or do not answer the exact demand of the question.

Step 4: In an MCQ, the most precise option should be selected, not a broad or indirectly connected word.

Step 5: After comparing all alternatives, option B is the best and most accurate answer.

Step 6: Therefore, the final response is Upward communication.

Final Answer: Upward communication

Answer: (B) [Go Back to Question 7](#)

Q8.

Solution

Concept: The question checks a specific syllabus term from Business Studies and requires choosing the option that fits the definition most exactly.

Solution:

Step 1: Focus on the main idea in the question: Taking corrective action is a step of:

Step 2: The option extbfControlling matches that main idea directly according to the standard business definition.

Step 3: The remaining options may be related to business, but they either describe another concept or do not answer the exact demand of the question.

Step 4: In an MCQ, the most precise option should be selected, not a broad or indirectly connected word.

Step 5: After comparing all alternatives, option A is the best and most accurate answer.

Step 6: Therefore, the final response is Controlling.

Final Answer: Controlling

Answer: (A) [Go Back to Question 8](#)



Q9.

Solution

Concept: The question checks a specific syllabus term from Business Studies and requires choosing the option that fits the definition most exactly.

Solution:

Step 1: Focus on the main idea in the question: The finance decision concerned with choosing between equity and debt is called:

Step 2: The option extbfFinancing decision matches that main idea directly according to the standard business definition.

Step 3: The remaining options may be related to business, but they either describe another concept or do not answer the exact demand of the question.

Step 4: In an MCQ, the most precise option should be selected, not a broad or indirectly connected word.

Step 5: After comparing all alternatives, option A is the best and most accurate answer.

Step 6: Therefore, the final response is Financing decision.

Final Answer: Financing decision

Answer: (A) [Go Back to Question 9](#)

Q10.

Solution

Concept: The question checks a specific syllabus term from Business Studies and requires choosing the option that fits the definition most exactly.

Solution:

Step 1: Focus on the main idea in the question: Which source of finance does not create a fixed interest burden?

Step 2: The option extbfEquity shares matches that main idea directly according to the standard business definition.

Step 3: The remaining options may be related to business, but they either describe another concept or do not answer the exact demand of the question.

Step 4: In an MCQ, the most precise option should be selected, not a broad or indirectly connected word.

Step 5: After comparing all alternatives, option C is the best and most accurate answer.

Step 6: Therefore, the final response is Equity shares.

Final Answer: Equity shares

Answer: (C) [Go Back to Question 10](#)



Q11.

Solution

Concept: The question checks a specific syllabus term from Business Studies and requires choosing the option that fits the definition most exactly.

Solution:

Step 1: Focus on the main idea in the question: Treasury bills are usually associated with the:

Step 2: The option extbfMoney market matches that main idea directly according to the standard business definition.

Step 3: The remaining options may be related to business, but they either describe another concept or do not answer the exact demand of the question.

Step 4: In an MCQ, the most precise option should be selected, not a broad or indirectly connected word.

Step 5: After comparing all alternatives, option A is the best and most accurate answer.

Step 6: Therefore, the final response is Money market.

Final Answer: Money market

Answer: (A) [Go Back to Question 11](#)

Q12.

Solution

Concept: The question checks a specific syllabus term from Business Studies and requires choosing the option that fits the definition most exactly.

Solution:

Step 1: Focus on the main idea in the question: Which marketing concept focuses on consumer satisfaction along with social welfare?

Step 2: The option extbfSocietal marketing concept matches that main idea directly according to the standard business definition.

Step 3: The remaining options may be related to business, but they either describe another concept or do not answer the exact demand of the question.

Step 4: In an MCQ, the most precise option should be selected, not a broad or indirectly connected word.

Step 5: After comparing all alternatives, option C is the best and most accurate answer.

Step 6: Therefore, the final response is Societal marketing concept.

Final Answer: Societal marketing concept

Answer: (C) [Go Back to Question 12](#)



Q13.

Solution

Concept: The question checks a specific syllabus term from Business Studies and requires choosing the option that fits the definition most exactly.

Solution:

Step 1: Focus on the main idea in the question: Which promotional tool gives short-term incentives such as coupons and contests?

Step 2: The option extbfSales promotion matches that main idea directly according to the standard business definition.

Step 3: The remaining options may be related to business, but they either describe another concept or do not answer the exact demand of the question.

Step 4: In an MCQ, the most precise option should be selected, not a broad or indirectly connected word.

Step 5: After comparing all alternatives, option A is the best and most accurate answer.

Step 6: Therefore, the final response is Sales promotion.

Final Answer: Sales promotion

Answer: (A) [Go Back to Question 13](#)

Q14.

Solution

Concept: The question checks a specific syllabus term from Business Studies and requires choosing the option that fits the definition most exactly.

Solution:

Step 1: Focus on the main idea in the question: A departmental store is best described as a:

Step 2: The option extbfLarge retail store with many departments matches that main idea directly according to the standard business definition.

Step 3: The remaining options may be related to business, but they either describe another concept or do not answer the exact demand of the question.

Step 4: In an MCQ, the most precise option should be selected, not a broad or indirectly connected word.

Step 5: After comparing all alternatives, option B is the best and most accurate answer.

Step 6: Therefore, the final response is Large retail store with many departments.

Final Answer: Large retail store with many departments

Answer: (B) [Go Back to Question 14](#)



Q15.

Solution

Concept: The question checks a specific syllabus term from Business Studies and requires choosing the option that fits the definition most exactly.

Solution:

Step 1: Focus on the main idea in the question: Selling Indian tea to a buyer in Japan is an example of:

Step 2: The option **Export trade** matches that main idea directly according to the standard business definition.

Step 3: The remaining options may be related to business, but they either describe another concept or do not answer the exact demand of the question.

Step 4: In an MCQ, the most precise option should be selected, not a broad or indirectly connected word.

Step 5: After comparing all alternatives, option **B** is the best and most accurate answer.

Step 6: Therefore, the final response is **Export trade**.

Final Answer: Export trade

Answer: (B) [Go Back to Question 15](#)

Q16.

Solution

Concept: The question checks a specific syllabus term from Business Studies and requires choosing the option that fits the definition most exactly.

Solution:

Step 1: Focus on the main idea in the question: A certificate of origin mainly certifies the:

Step 2: The option **Country where goods were produced** matches that main idea directly according to the standard business definition.

Step 3: The remaining options may be related to business, but they either describe another concept or do not answer the exact demand of the question.

Step 4: In an MCQ, the most precise option should be selected, not a broad or indirectly connected word.

Step 5: After comparing all alternatives, option **A** is the best and most accurate answer.

Step 6: Therefore, the final response is **Country where goods were produced**.

Final Answer: Country where goods were produced

Answer: (A) [Go Back to Question 16](#)



Q17.

Solution

Concept: The question checks a specific syllabus term from Business Studies and requires choosing the option that fits the definition most exactly.

Solution:

Step 1: Focus on the main idea in the question: Which option is an advantage of self-employment?

Step 2: The option extbfFreedom to use personal skill and initiative matches that main idea directly according to the standard business definition.

Step 3: The remaining options may be related to business, but they either describe another concept or do not answer the exact demand of the question.

Step 4: In an MCQ, the most precise option should be selected, not a broad or indirectly connected word.

Step 5: After comparing all alternatives, option B is the best and most accurate answer.

Step 6: Therefore, the final response is Freedom to use personal skill and initiative.

Final Answer: Freedom to use personal skill and initiative

Answer: (B) [Go Back to Question 17](#)

Q18.

Solution

Concept: The question checks a specific syllabus term from Business Studies and requires choosing the option that fits the definition most exactly.

Solution:

Step 1: Focus on the main idea in the question: Which of the following is broader than e-commerce?

Step 2: The option extbfE-business matches that main idea directly according to the standard business definition.

Step 3: The remaining options may be related to business, but they either describe another concept or do not answer the exact demand of the question.

Step 4: In an MCQ, the most precise option should be selected, not a broad or indirectly connected word.

Step 5: After comparing all alternatives, option A is the best and most accurate answer.

Step 6: Therefore, the final response is E-business.

Final Answer: E-business

Answer: (A) [Go Back to Question 18](#)



Q19.

Solution

Concept: The question checks a specific syllabus term from Business Studies and requires choosing the option that fits the definition most exactly.

Solution:

Step 1: Focus on the main idea in the question: Encryption in e-business is used mainly for:

Step 2: The option extbfMaking data unreadable to unauthorised persons matches that main idea directly according to the standard business definition.

Step 3: The remaining options may be related to business, but they either describe another concept or do not answer the exact demand of the question.

Step 4: In an MCQ, the most precise option should be selected, not a broad or indirectly connected word.

Step 5: After comparing all alternatives, option A is the best and most accurate answer.

Step 6: Therefore, the final response is Making data unreadable to unauthorised persons.

Final Answer: Making data unreadable to unauthorised persons

Answer: (A) [Go Back to Question 19](#)

Q20.

Solution

Concept: The question checks a specific syllabus term from Business Studies and requires choosing the option that fits the definition most exactly.

Solution:

Step 1: Focus on the main idea in the question: The first persons who sign the Memorandum of Association are called:

Step 2: The option extbfSubscribers matches that main idea directly according to the standard business definition.

Step 3: The remaining options may be related to business, but they either describe another concept or do not answer the exact demand of the question.

Step 4: In an MCQ, the most precise option should be selected, not a broad or indirectly connected word.

Step 5: After comparing all alternatives, option A is the best and most accurate answer.

Step 6: Therefore, the final response is Subscribers.

Final Answer: Subscribers

Answer: (A) [Go Back to Question 20](#)



Q21.

Solution

Concept: Objective questions require exact terms, correct classifications, full forms, or accurate matching of business ideas.

Solution:

Step 1: Read the instruction carefully: Complete these statements by writing the correct business terms:

Step 2: Identify whether the item belongs to business environment, company form, management, finance, marketing, trade, or e-business.

Step 3: Recall the exact term used in the syllabus and avoid vague substitutes.

Step 4: Check both sub-parts because each part normally carries one mark.

Step 5: The complete correct response is: Political; Incorporation.

Step 6: These answers are precise and suitable for the objective marking pattern.

Final Answer: Political; Incorporation

Answer: (Political; Incorporation) [Go Back to Question 21](#)

Q22.

Solution

Concept: Objective questions require exact terms, correct classifications, full forms, or accurate matching of business ideas.

Solution:

Step 1: Read the instruction carefully: Pair the finance terms in Column I with the correct explanations in Column II:

Step 2: Identify whether the item belongs to business environment, company form, management, finance, marketing, trade, or e-business.

Step 3: Recall the exact term used in the syllabus and avoid vague substitutes.

Step 4: Check both sub-parts because each part normally carries one mark.

Step 5: The complete correct response is: (a)-(iv), (b)-(iii), (c)-(ii), (d)-(i).

Step 6: These answers are precise and suitable for the objective marking pattern.

Final Answer: (a)-(iv), (b)-(iii), (c)-(ii), (d)-(i)

Answer: ((a)-(iv), (b)-(iii), (c)-(ii), (d)-(i)) [Go Back to Question 22](#)



Q23.

Solution

Concept: Objective questions require exact terms, correct classifications, full forms, or accurate matching of business ideas.

Solution:

Step 1: Read the instruction carefully: Write the proper term for each management description:

Step 2: Identify whether the item belongs to business environment, company form, management, finance, marketing, trade, or e-business.

Step 3: Recall the exact term used in the syllabus and avoid vague substitutes.

Step 4: Check both sub-parts because each part normally carries one mark.

Step 5: The complete correct response is: Delegation; Co-ordination.

Step 6: These answers are precise and suitable for the objective marking pattern.

Final Answer: Delegation; Co-ordination

Answer: (Delegation; Co-ordination) [Go Back to Question 23](#)

Q24.

Solution

Concept: Objective questions require exact terms, correct classifications, full forms, or accurate matching of business ideas.

Solution:

Step 1: Read the instruction carefully: Insert suitable marketing words in the blanks:

Step 2: Identify whether the item belongs to business environment, company form, management, finance, marketing, trade, or e-business.

Step 3: Recall the exact term used in the syllabus and avoid vague substitutes.

Step 4: Check both sub-parts because each part normally carries one mark.

Step 5: The complete correct response is: Brand; Label.

Step 6: These answers are precise and suitable for the objective marking pattern.

Final Answer: Brand; Label

Answer: (Brand; Label) [Go Back to Question 24](#)



Q25.

Solution

Concept: Objective questions require exact terms, correct classifications, full forms, or accurate matching of business ideas.

Solution:

Step 1: Read the instruction carefully: Rewrite these incorrect statements in correct form:

Step 2: Identify whether the item belongs to business environment, company form, management, finance, marketing, trade, or e-business.

Step 3: Recall the exact term used in the syllabus and avoid vague substitutes.

Step 4: Check both sub-parts because each part normally carries one mark.

Step 5: The complete correct response is: Stock exchange provides a market for securities; Retailers sell in small quantities to consumers.

Step 6: These answers are precise and suitable for the objective marking pattern.

Final Answer: Stock exchange provides a market for securities; Retailers sell in small quantities to consumers

Answer: (**Stock exchange provides a market for securities; Retailers sell in small quantities to consumers**)

[Go Back to Question 25](#)

Q26.

Solution

Concept: Objective questions require exact terms, correct classifications, full forms, or accurate matching of business ideas.

Solution:

Step 1: Read the instruction carefully: Write the expanded forms of these abbreviations:

Step 2: Identify whether the item belongs to business environment, company form, management, finance, marketing, trade, or e-business.

Step 3: Recall the exact term used in the syllabus and avoid vague substitutes.

Step 4: Check both sub-parts because each part normally carries one mark.

Step 5: The complete correct response is: Real Time Gross Settlement; Importer Exporter Code.

Step 6: These answers are precise and suitable for the objective marking pattern.

Final Answer: Real Time Gross Settlement; Importer Exporter Code

Answer: (**Real Time Gross Settlement; Importer Exporter Code**) [Go Back to Question 26](#)



Q27.

Solution

Concept: Objective questions require exact terms, correct classifications, full forms, or accurate matching of business ideas.

Solution:

Step 1: Read the instruction carefully: Classify the following as PS for primary market and SS for secondary market:

Step 2: Identify whether the item belongs to business environment, company form, management, finance, marketing, trade, or e-business.

Step 3: Recall the exact term used in the syllabus and avoid vague substitutes.

Step 4: Check both sub-parts because each part normally carries one mark.

Step 5: The complete correct response is: PS; SS.

Step 6: These answers are precise and suitable for the objective marking pattern.

Final Answer: PS; SS

Answer: (PS; SS) [Go Back to Question 27](#)

Q28.

Solution

Concept: Objective questions require exact terms, correct classifications, full forms, or accurate matching of business ideas.

Solution:

Step 1: Read the instruction carefully: Name the concept described in each case:

Step 2: Identify whether the item belongs to business environment, company form, management, finance, marketing, trade, or e-business.

Step 3: Recall the exact term used in the syllabus and avoid vague substitutes.

Step 4: Check both sub-parts because each part normally carries one mark.

Step 5: The complete correct response is: Retained earnings; Preference dividend.

Step 6: These answers are precise and suitable for the objective marking pattern.

Final Answer: Retained earnings; Preference dividend

Answer: (Retained earnings; Preference dividend) [Go Back to Question 28](#)



Q29.

Solution

Concept: Objective questions require exact terms, correct classifications, full forms, or accurate matching of business ideas.

Solution:

Step 1: Read the instruction carefully: Supply the missing trade terms:

Step 2: Identify whether the item belongs to business environment, company form, management, finance, marketing, trade, or e-business.

Step 3: Recall the exact term used in the syllabus and avoid vague substitutes.

Step 4: Check both sub-parts because each part normally carries one mark.

Step 5: The complete correct response is: Entrepot; Warehouse.

Step 6: These answers are precise and suitable for the objective marking pattern.

Final Answer: Entrepot; Warehouse

Answer: (Entrepot; Warehouse) [Go Back to Question 29](#)

Q30.

Solution

Concept: Objective questions require exact terms, correct classifications, full forms, or accurate matching of business ideas.

Solution:

Step 1: Read the instruction carefully: Match each e-business term with its use:

Step 2: Identify whether the item belongs to business environment, company form, management, finance, marketing, trade, or e-business.

Step 3: Recall the exact term used in the syllabus and avoid vague substitutes.

Step 4: Check both sub-parts because each part normally carries one mark.

Step 5: The complete correct response is: (a)-(iii), (b)-(iv), (c)-(i), (d)-(ii).

Step 6: These answers are precise and suitable for the objective marking pattern.

Final Answer: (a)-(iii), (b)-(iv), (c)-(i), (d)-(ii)

Answer: ((a)-(iii), (b)-(iv), (c)-(i), (d)-(ii)) [Go Back to Question 30](#)



Q31.

Solution

Concept: Objective questions require exact terms, correct classifications, full forms, or accurate matching of business ideas.

Solution:

Step 1: Read the instruction carefully: Identify the business environment component:

Step 2: Identify whether the item belongs to business environment, company form, management, finance, marketing, trade, or e-business.

Step 3: Recall the exact term used in the syllabus and avoid vague substitutes.

Step 4: Check both sub-parts because each part normally carries one mark.

Step 5: The complete correct response is: Social environment; Technological environment.

Step 6: These answers are precise and suitable for the objective marking pattern.

Final Answer: Social environment; Technological environment

Answer: (Social environment; Technological environment) [Go Back to Question 31](#)

Q32.

Solution

Concept: Objective questions require exact terms, correct classifications, full forms, or accurate matching of business ideas.

Solution:

Step 1: Read the instruction carefully: Fill the blanks with correct management terms:

Step 2: Identify whether the item belongs to business environment, company form, management, finance, marketing, trade, or e-business.

Step 3: Recall the exact term used in the syllabus and avoid vague substitutes.

Step 4: Check both sub-parts because each part normally carries one mark.

Step 5: The complete correct response is: Controlling; Decision-making.

Step 6: These answers are precise and suitable for the objective marking pattern.

Final Answer: Controlling; Decision-making

Answer: (Controlling; Decision-making) [Go Back to Question 32](#)



Q33.

Solution

Concept: Objective questions require exact terms, correct classifications, full forms, or accurate matching of business ideas.

Solution:

Step 1: Read the instruction carefully: State whether the statements are Correct or Incorrect:

Step 2: Identify whether the item belongs to business environment, company form, management, finance, marketing, trade, or e-business.

Step 3: Recall the exact term used in the syllabus and avoid vague substitutes.

Step 4: Check both sub-parts because each part normally carries one mark.

Step 5: The complete correct response is: Correct; Incorrect.

Step 6: These answers are precise and suitable for the objective marking pattern.

Final Answer: Correct; Incorrect

Answer: (Correct; Incorrect) [Go Back to Question 33](#)

Q34.

Solution

Concept: Objective questions require exact terms, correct classifications, full forms, or accurate matching of business ideas.

Solution:

Step 1: Read the instruction carefully: Write one business term for each statement:

Step 2: Identify whether the item belongs to business environment, company form, management, finance, marketing, trade, or e-business.

Step 3: Recall the exact term used in the syllabus and avoid vague substitutes.

Step 4: Check both sub-parts because each part normally carries one mark.

Step 5: The complete correct response is: Interest; Dividend.

Step 6: These answers are precise and suitable for the objective marking pattern.

Final Answer: Interest; Dividend

Answer: (Interest; Dividend) [Go Back to Question 34](#)



Q35.

Solution

Concept: Objective questions require exact terms, correct classifications, full forms, or accurate matching of business ideas.

Solution:

Step 1: Read the instruction carefully: Recognise the banking or digital facility:

Step 2: Identify whether the item belongs to business environment, company form, management, finance, marketing, trade, or e-business.

Step 3: Recall the exact term used in the syllabus and avoid vague substitutes.

Step 4: Check both sub-parts because each part normally carries one mark.

Step 5: The complete correct response is: Debit / Credit Card; PIN.

Step 6: These answers are precise and suitable for the objective marking pattern.

Final Answer: Debit / Credit Card; PIN

Answer: (Debit / Credit Card; PIN) [Go Back to Question 35](#)

Q36.

Solution

Concept: Explain any two effects of political environment on business decisions.

Solution:

Step 1: Political environment affects business through government stability, policies, taxation, licences, subsidies, and restrictions.

Step 2: If the government encourages small industry through credit support, entrepreneurs may expand production.

Step 3: If frequent policy changes occur, businesses may delay investment because risk increases.

Step 4: Political attitude toward foreign trade also affects import and export decisions.

Step 5: Thus managers must study political conditions before planning investment, pricing, expansion, and compliance.

Step 6:

Final Answer: See the structured explanation above.

Answer: (See Solution) [Go Back to Question 36](#)



Q37.

Solution

Concept: State any two differences between private company and public company.

Solution:

Step 1: A private company has a minimum of two members and generally restricts transfer of shares.

Step 2: It cannot invite the public to subscribe to its securities.

Step 3: A public company requires at least seven members and may raise capital from the public by issuing securities, subject to legal requirements.

Step 4: Shares of a public company are more freely transferable.

Step 5: Therefore, the two forms differ in membership, public invitation, share transfer, and scale of capital collection.

Step 6:

Final Answer: See the structured explanation above.

Answer: (See Solution) [Go Back to Question 37](#)

Q38.

Solution

Concept: Explain the concept of organising and mention any two steps in the organising process.

Solution:

Step 1: Organising is the management function of arranging work, authority, and resources to implement plans.

Step 2: One step is identification and division of work.

Step 3: The total work is divided into smaller activities so that it can be handled efficiently.

Step 4: A second step is grouping related activities into departments such as purchase, sales, accounts, or production.

Step 5: Under the alternative, decentralisation reduces burden on top managers and develops decision-making ability among lower-level managers.

Step 6:

Final Answer: See the structured explanation above.

Answer: (See Solution) [Go Back to Question 38](#)



Q39.

Solution

Concept: What is communication? Explain any two barriers to communication.

Solution:

Step 1: Communication is the process of exchange of ideas, facts, instructions, and feelings between two or more persons.

Step 2: One barrier is language difficulty.

Step 3: If words are technical or unclear, the receiver may misunderstand the message.

Step 4: A second barrier is lack of attention.

Step 5: If the receiver is distracted or not interested, the message may not be understood.

Step 6: Under the alternative, communication can be improved by using simple language, feedback, active listening, and suitable channels.

Final Answer: See the structured explanation above.

Answer: (See Solution) [Go Back to Question 39](#)

Q40.

Solution

Concept: Explain any two advantages of retained earnings as a source of finance.

Solution:

Step 1: Retained earnings mean the portion of profit kept in the business instead of distributing it as dividend.

Step 2: One advantage is that it is an internal source, so no issue cost or formal borrowing procedure is required.

Step 3: A second advantage is that it does not create a fixed interest burden like loans or debentures.

Step 4: Retained earnings also strengthen financial position and provide funds for expansion.

Step 5: However, excessive retention may reduce current dividend to shareholders.

Step 6:

Final Answer: See the structured explanation above.

Answer: (See Solution) [Go Back to Question 40](#)



Q41.

Solution

Concept: What is salesmanship? Mention any two qualities of a good salesperson.

Solution:

Step 1: Salesmanship is the art of persuading prospective buyers through personal communication to purchase a product or service.

Step 2: A good salesperson should have product knowledge so that customer questions can be answered correctly.

Step 3: Another quality is good communication skill, because the salesperson must explain features and benefits clearly.

Step 4: Honesty, patience, confidence, courtesy, and ability to understand customer needs are also important.

Step 5: Salesmanship is useful for products that require demonstration or explanation.

Step 6:

Final Answer: See the structured explanation above.

Answer: (See Solution) [Go Back to Question 41](#)

Q42.

Solution

Concept: With the help of a diagram, explain the classification of financial market into money market and capital market.

Solution:

Step 1: Financial market is a market where financial assets are created and exchanged. It is broadly divided into money market and capital market.

Step 2: Money market deals in short-term funds, generally with maturity up to one year. It helps businesses manage temporary surplus or shortage of funds.

Step 3: Examples include treasury bills, commercial paper, and call money. Capital market deals in long-term funds and securities such as shares, debentures, and bonds.

Step 4: It helps companies raise funds for expansion, fixed assets, and long-term projects. The diagram shows financial market at the top and its two main branches below.

Step 5: This classification is useful because the purpose, period, risk, and instruments differ in the two markets.

Step 6:

Final Answer: See the structured explanation above.

Answer: (See Solution) [Go Back to Question 42](#)



Q43.

Solution

Concept: Explain any three factors affecting choice of channel of distribution.

Solution:

Step 1: Choice of channel of distribution depends on several factors. First, nature of product is important.

Step 2: Perishable goods need short channels, while durable consumer goods may use wholesalers and retailers. Second, market size and location affect the channel.

Step 3: If customers are widely scattered, intermediaries help reach them economically. Third, cost and control must be considered.

Step 4: Direct selling gives more control but may be costly for a large market. Fourth, competition also matters because firms may use similar channels to remain available to customers.

Step 5: Under the alternative, wholesalers help manufacturers by buying in bulk, storing goods, bearing risk, and distributing products to retailers.

Step 6:

Final Answer: See the structured explanation above.

Answer: (See Solution) [Go Back to Question 43](#)

Q44.

Solution

Concept: Differentiate between import trade and export trade on any three bases.

Solution:

Step 1: Import trade and export trade are opposite forms of external trade. Import trade means buying goods from a foreign country and bringing them into the home country.

Step 2: Export trade means selling goods produced in the home country to foreign buyers. Imports involve outflow of foreign exchange, while exports bring foreign exchange into the country.

Step 3: Import documents include import licence, Bill of Entry, and customs clearance papers, while export documents include shipping bill, invoice, Bill of Lading, and certificate of origin. Import trade satisfies domestic demand for goods not available or not sufficient in the home country.

Step 4: Export trade expands markets for domestic producers and earns foreign exchange.

Step 5:

Step 6:

Final Answer: See the structured explanation above.

Answer: (See Solution) [Go Back to Question 44](#)



Q45.

Solution

Concept: Explain any three services provided by retailers to consumers.

Solution:

Step 1: Retailers provide many services to consumers. First, they sell goods in small quantities according to the needs and purchasing power of customers.

Step 2: Consumers need not buy in bulk. Second, retailers provide convenience by locating shops near residential areas or by offering online delivery.

Step 3: Third, they provide information about product use, price, quality, and available alternatives. Fourth, they may offer credit, home delivery, replacement, or after-sale assistance.

Step 4: Fifth, retailers keep a variety of goods, allowing customers to compare and choose. These services make retailers an important final link between producers or wholesalers and consumers.

Step 5:

Step 6:

Final Answer: See the structured explanation above.

Answer: (See Solution) [Go Back to Question 45](#)

Q46.

Solution

Concept: Describe any three opportunities for self-employment in India.

Solution:

Step 1: Self-employment opportunities in India are available in trade, services, manufacturing, agriculture-based activities, and digital work.

Step 2: One opportunity is small retail trade, such as grocery shops, stationery stores, mobile accessories shops, or online reselling.

Step 3: A second opportunity is service work, such as repair services, beauty parlours, tailoring, tuition centres, digital marketing, or computer services.

Step 4: A third opportunity is small manufacturing or processing, such as food products, handicrafts, candles, garments, or packaging work.

Step 5: Agriculture-related opportunities include dairy, poultry, beekeeping, and organic farming.

Step 6: Self-employment uses personal skill and local resources while creating income and sometimes employment for others.

Final Answer: See the structured explanation above.

Answer: (See Solution) [Go Back to Question 46](#)



Q47.

Solution

Concept: Explain any three advantages of internet banking for customers.

Solution:

Step 1: Internet banking offers several advantages to customers. First, it provides convenience because customers can check balances, transfer funds, pay bills, and view statements without visiting the bank branch.

Step 2: Second, it saves time because transactions can be completed quickly from home, office, or any place with internet access. Third, it provides availability beyond normal banking hours, so many services can be used at any time.

Step 3: Fourth, it reduces paperwork and helps maintain electronic records. Fifth, it supports faster payment through NEFT, RTGS, IMPS, or UPI-linked services.

Step 4: Under the alternative, modern modes of business also involve risks such as cyber fraud, data theft, system failure, and delivery problems.

Step 5:

Step 6:

Final Answer: See the structured explanation above.

Answer: (See Solution) [Go Back to Question 47](#)

Q48.

Solution

Concept: Explain the company form of business organisation and discuss its main features.

Solution:

Step 1: The company form of business organisation is an incorporated association of persons formed under law for carrying on business. It has a separate legal entity, which means the company is distinct from its members.

Step 2: It can own property, enter contracts, borrow money, sue, and be sued in its own name. Another feature is limited liability.

Step 3: Shareholders are normally liable only up to the unpaid amount on shares held by them. The company also has perpetual succession because its existence is not affected by death, insolvency, or transfer of shares by members.

Step 4: A company can collect large capital by issuing shares and debentures, making it suitable for large-scale business. Management may be handled by professional directors and managers.

Step 5: However, formation involves legal formalities, registration, documents, and cost. There may be separation between ownership and management, causing less personal attention.

Step 6: Under the alternative, a public company can raise capital widely and has greater public confidence, but it faces more regulation, disclosure, and procedural delay. Thus the company form is powerful for growth but requires legal compliance and organised management.

Final Answer: See the structured explanation above.

Answer: (See Solution) [Go Back to Question 48](#)



Q49.

Solution

Concept: Describe planning, organising, and controlling as connected functions of management with a diagram.

Solution:

Step 1: Planning, organising, and controlling are connected functions of management. Planning comes first because it sets objectives and decides the course of action. It answers what is to be done, how it is to be done, when it is to be done, and who should do it.

Step 2: Organising follows planning by creating a structure for implementation. It divides work, groups activities, assigns duties, delegates authority, and establishes relationships. Controlling checks whether actual work is being done according to the plan.

Step 3: It sets standards, measures performance, compares performance with standards, finds deviations, and takes corrective action. The diagram shows a cycle: planning leads to organising, organising leads to action, and controlling gives feedback to planning. These functions are not isolated.

Step 4: A plan without organisation remains only an intention. Organisation without a plan has no direction. Control without planning has no standard for comparison.

Step 5: Under the alternative, staffing supplies suitable people, directing guides and motivates them, and co-ordination integrates their efforts. Therefore, management functions support one another and together ensure achievement of organisational goals.

Step 6:

Final Answer: See the structured explanation above.

Answer: (See Solution) [Go Back to Question 49](#)

Q50.

Solution

Concept: Explain the meaning of marketing and discuss the importance of marketing in modern business.

Solution:

Step 1: Marketing means identifying customer needs and satisfying them through planning, product development, pricing, distribution, and promotion. Modern marketing is not limited to selling goods after production.

Step 2: It begins before production by studying customer needs, market trends, competition, income, tastes, and preferences. Marketing is important because it helps a business understand customers and design suitable products.

Step 3: It creates demand by informing and persuading buyers through promotion. It supports distribution by ensuring that goods reach the right place at the right time.

Step 4: Marketing also helps in pricing decisions because the firm must consider cost, competition, and customer value. It contributes to customer satisfaction through quality, packaging, after-sale service, and feedback.

Step 5: For business firms, marketing increases sales, revenue, goodwill, and market share. For



society, marketing helps provide goods and services according to consumer needs and encourages innovation.

Step 6: Under the alternative, advertising is paid non-personal communication, while sales promotion provides short-term incentives such as coupons, gifts, contests, and discounts. Thus marketing is a central business function that connects producers with customers and supports long-term growth.

Final Answer: See the structured explanation above.

Answer: (See Solution) [Go Back to Question 50](#)

Q51.

Solution

Concept: Describe external trade and explain the main documents used in export trade.

Solution:

Step 1: External trade refers to buying and selling of goods and services across national boundaries. It includes import trade, export trade, and entrepot trade. Export trade means selling domestic goods to foreign buyers.

Step 2: Several documents are used in export trade. An enquiry and quotation begin the process by communicating product details, price, and terms. An invoice states quantity, price, description, and amount payable.

Step 3: A packing list gives details of packages for handling and checking. A shipping bill is required for customs clearance before goods are loaded for export. A Bill of Lading is issued by the shipping company as evidence that goods have been received for shipment; it also acts as a document of title.

Step 4: A certificate of origin certifies the country where goods were produced and may help in tariff treatment. An insurance policy protects against loss or damage during transit. A Letter of Credit gives payment assurance through a bank.

Step 5: These documents make international trade systematic, lawful, and secure. The diagram shows exporter, shipping, importer, and bank documents connected in the export process. Under the alternative, import procedure includes enquiry, order, licence, foreign exchange arrangement, shipment documents, customs clearance, and delivery of goods.

Step 6:

Final Answer: See the structured explanation above.

Answer: (See Solution) [Go Back to Question 51](#)



Answer Key

Section A: Q1 to Q20

Q	Ans	Q	Ans	Q	Ans	Q	Ans	Q	Ans
1	B	2	B	3	D	4	B	5	B
6	A	7	B	8	A	9	A	10	C
11	A	12	C	13	A	14	B	15	B
16	A	17	B	18	A	19	A	20	A

