

PSEB 12th Business Studies Model Test Paper 2026 Question

Time Allowed :3 Hours	Maximum Marks :80	Total Questions :
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General Instructions

Read the following instructions very carefully and strictly follow them:

1. This question paper is for **Class XII** examination conducted by the **Punjab School Education Board (PSEB)**.
2. The duration of the examination is **3 hours**.
3. The question paper is divided into different sections according to the prescribed syllabus.
4. All questions are compulsory unless stated otherwise.
5. Use of calculators, mobile phones, smart watches, or any other electronic gadgets is **strictly prohibited** inside the examination hall.
6. Figures to the right of the questions indicate full marks.
7. Attempt the questions in the same sequence as given in the question paper.
8. Internal choices, wherever provided, should be attempted carefully.
9. Write your answers neatly and legibly in the answer sheet provided.
10. Draw neat and properly labelled diagrams wherever required.

Sections - A

i. State one feature of demonetisation.

ii. Which type of organizational structure has various divisions?

iii. Name the first step in the process of staffing.

iv. What is meant by wealth maximisation?

v. What is meant by window display?

vi. Specialisation in the organisation is promoted by the principle of _____.
(Division of work/units of direction)

vii. Strategies are never _____.
(different/static)

viii. Negative motivation is based on _____.
(fear/incentive)

ix. Funds used to purchase raw materials is a part of _____.
(fixed capital/working capital)

x. As per the Caveat Venditor, let the _____ beware.
(buyer/seller)

xi. Principles of management are static in nature.

xii. New Economic Policy was adopted in 2005.

xiii. Centralisation involves concentration of power.

xiv. Controlling is independent from planning.

xv. Marketing and selling are the different concepts.

xvi. At which level of management does the marketing manager function?

- (A) Top level management
 - (B) Middle level management
 - (C) Supervisory level management
 - (D) None of these
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xvii. The cost of planning is generally:

- (A) High
 - (B) Low
 - (C) No cost
 - (D) None of these
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xviii. Which of the following is an internal source of recruitment?

- (A) Promotion
 - (B) Extension of service
 - (C) Transfer
 - (D) All of these
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xix. Maslow's theory of motivation deals with:

- (A) Hierarchy of needs
 - (B) Awarding of employees
 - (C) Carrot and Stick approach
 - (D) None of these
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xx. A consumer needs protection against:

- (A) Unfair trading practices
 - (B) Social exploitation
 - (C) Political vendetta
 - (D) Exploitation by middlemen
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Sections - B

i. "Management as a group activity". Explain.

ii. What is the principle of order?

iii. What are the rules?

iv. State two features of informal organisation.

v. Explain off-the-job training method.

vi. What do you understand by democratic leadership style?

vii. Write any two limitations of controlling.

viii. State the meaning of fixed capital.

ix. State any two advantages of branding to marketers of goods and services.

x. State any two reliefs available to consumers under the Consumer Protection Act 2019.

Sections -C

i. Discuss in brief any four features of management.

OR

i. Give any four differences between the contributions of Taylor and Fayol.

ii. Discuss in brief any four dimensions of the business environment.

OR

ii. "Things do not always go according to plans." Critically evaluate the statement.

iii. Write four advantages of using external sources of recruitment.

OR

iii. "An effort to control everything may end up in controlling nothing." Explain.

iv. Write any four rights of consumers provided by Consumer Protection Act 2019.

OR

iv. Enlist any four advantages of packaging of consumer products.

Sections - D

i. Read the case given below and answer the following questions:

Super Fine Rice Ltd. has the largest share of 55% in the market. The company's policy is to sell only for cash. In 2015, for the first time the company's number one position in the industry has been threatened because other companies started selling rice on credit also. But the managers of Super Fine Rice Ltd. continued to rely on its previously tried and tested successful plans which did not work because the environment is not static. This led to a decline in sales of Super Fine Rice Ltd.

1. What was the market share of Super Fine Rice Ltd. before the decline in sales?

(A) 45%

(B) 50%

- (C) 55%
 - (D) 60%
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2. What was the company's sales policy?

- (A) Selling on credit only
 - (B) Selling only for cash
 - (C) Selling on both cash credit
 - (D) Selling online only
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3. What change did the competitors make that affected Super Fine Rice Ltd.?

- (A) Increased prices
 - (B) Reduced the quality
 - (C) Started selling rice on credit
 - (D) Started exporting rice
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4. Which limitation of planning is highlighted when the managers continue to follow old strategies?

- (A) Planning does no guarantee success
 - (B) Planning reduces creativity
 - (C) Planning is time-consuming
 - (D) Planning leads to rigidity
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5. Which important limitation of planning is reflected by the statement, "Environment is not static"?

- (A) Planning does not work in dynamic environment
- (B) Planning does not lead to success
- (C) Planning is suitable for all businesses

(D) Planning improves coordination

6. What was the result of Super Fine Rice Ltd. continuing with outdated plans?

- (A) Employee satisfaction decreased
 - (B) Decline in sales
 - (C) Expansion into new markets
 - (D) Decreased customer loyalty
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ii. "In October 2024, the Central Consumer Protection Authority (CCPA) issued a show-cause notice to Ola Electric after receiving numerous consumer complaints. Customers reported issues such as faulty electric scooters, delayed deliveries, and inadequate after-sales service. Some even shared videos of defective scooters and unresponsive service centres. Despite Ola Electric's claim of resolving over 99% of complaints, the CCPA found discrepancies and initiated a class-action lawsuit against the company. This marked a significant step in enforcing consumer rights under the Consumer Protection Act, 2019."

1. When did the CCPA issue a show-cause notice to Ola Electric?

- (A) September 2024
 - (B) October 2024
 - (C) November 2024
 - (D) December 2024
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2. What were the primary consumer complaints against Ola Electric?

- (A) Overpriced scooters and loud advertisements
 - (B) Faulty scooters, delayed deliveries, and poor after-sales service
 - (C) Battery explosions and software glitches
 - (D) Theft of personal data from the app
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3. How did customers provide evidence of defective scooters?

- (A) Filed written complaints at police stations
 - (B) Shared videos of defects and unresponsive service centres
 - (C) Posted anonymous reviews on forums
 - (D) Contacted local politicians
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4. What did the CCPA do after identifying discrepancies in Ola Electric's claims?

- (A) Issued a public apology to the company
 - (B) Initiated a class-action lawsuit
 - (C) Ordered a nationwide product recall
 - (D) Fined the company 10 crore
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5. Which service-related issue was highlighted in consumer complaints?

- (A) Lack of charging stations
 - (B) Inadequate after-sales service
 - (C) Delayed software updates
 - (D) Poor marketing strategies
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6. What key discrepancy led to the CCPA's legal action?

- (A) Ola Electric's false advertising claims
 - (B) Mismatch between resolved complaints and consumer reports
 - (C) Tax evasion by the company
 - (D) Unauthorized use of government subsidies
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Sections - E

i. Give any six points of importance of delegation.

OR

i. Write any six measures to overcome the barriers and improve communication effectiveness.

ii. "Advertising is a necessary evil." Analyse the statement.

OR

ii. Discuss any six factors affecting the choice of capital structure.
