

CBSE Class 12 Business Studies 2023 - Set 66/2/1

Question Paper

Conducted by the Central Board of Secondary Education (CBSE)



Time Allowed: 3 Hours

Maximum Marks: 80

General Instructions

- (i) This question paper contains 34 questions. All questions are compulsory, subject to the internal choices given.
- (ii) Questions 1–20 carry 1 mark each; Questions 21–24 carry 3 marks each; Questions 25–30 carry 4 marks each; Questions 31–34 carry 6 marks each.
- (iii) Answers should be brief and to the point. Answer 3-mark questions in 50–75 words, 4-mark questions in about 150 words, and 6-mark questions in about 200 words.
- (iv) Attempt all parts of a question together. Where alternatives are given, attempt only one.

Questions

1. Akash works as a production manager in 'Elite Enterprises' manufacturing LED lights. Due to festive season, there is lot of demand for their lights. Akash was given the task of producing 100 units of LED lights @ ₹ 200 per unit within 5 days for an urgent order. Akash was able to achieve the target of 100 units of LED lights within 5 days @ ₹ 220 per unit.

Identify from the following whether Akash is :

- | | |
|----------------------------------|-------------------------------------|
| (A) Efficient only | (B) Effective only |
| (C) Both efficient and effective | (D) Neither efficient nor effective |

2. Which of the following items is a component of economic environment ?

- | | |
|---|---|
| (A) Expansion of transportation and communication services in Delhi. | (B) Facility of booking train tickets, through mobile apps. |
| (C) Restriction on 15-years-old petrol vehicles plying on roads in Delhi. | (D) The Haryana Government's announcement of free bus rides for females on the occasion of Rakshabandhan. |

3. Identify the type of organization structure depicted in the above diagram :

- | | |
|--------------------------|--|
| (A) Divisional structure | (B) Functional structure |
| (C) Informal structure | (D) Both Informal and Functional structure |

4. With a revolution taking place in the manufacturing of mobile phones with super class cameras, the business of cameras in the consumer market has taken a hit. Studies show that mobile phone photography has devastated the camera industry.

The dimension of business environment highlighted in the above case is :

- | | |
|--------------------------|-------------------------------|
| (A) Economic Environment | (B) Technological Environment |
| (C) Social Environment | (D) Political Environment |

5. Which of the following features of 'Management as an Art' highlights that every manager applies his knowledge of principles in his own way to deal with a given situation ?

- | | |
|------------------------------|--|
| (A) Ethical code of conduct | (B) Existence of theoretical knowledge |
| (C) Personalised application | (D) Universal Validity |

6. 'M/s J.K. Computers' is a small organisation engaged in assembling of computers. In this organisation, decision making rests with top management while the middle level is involved in only the implementation of plans. On the other hand, 'Progressive Computers Ltd.' is a large company where a number of people from each level are involved in the decision-making process.

The application of the principle of 'Centralisation and Decentralisation' is different in the two organisations as the situation in each enterprise is not same.

From the following identify the nature of principles of management :

- | | |
|------------------------|----------------|
| (A) Mainly Behavioural | (B) Contingent |
| (C) Flexible | (D) Universal |

7. The management of a bag manufacturing company has recently changed. Due to this, an improvement can be felt in the way company functions. Now, targets are met according to plans, whereas, earlier deadlines were never given importance. Now there is orderliness, instead of chaos in the organisation and the employees are happy and satisfied.

From the following identify the characteristic of management which is highlighted in the above case :

- | | |
|-------------------------------------|---|
| (A) Management is dynamic. | (B) Management is a continuous process. |
| (C) Management is a group activity. | (D) Management is an intangible force. |

8. In an organisation, coordination is the function of every manager. Top level managers need to coordinate with their subordinates to ensure that the overall plans of the organisation are duly carried out. Middle level managers coordinate with both the top level and the supervisory level managers. Supervisory level managers coordinate the activities of workers to ensure that work proceeds according to plans.

The characteristic of coordination discussed in the above para is :

- (A) Coordination is a continuous process. (B) Coordination is a deliberate function.
(C) Coordination is the responsibility of all Managers. (D) Coordination integrates group efforts.

9. Gitanjali Makan is a successful business leader. She believes that if jobs are made interesting by including greater variety of work content and providing a meaningful work experience, the jobs themselves become a source of motivation to individuals.

The non-financial incentive that has been discussed in the above case is :

- (A) Employee participation (B) Job Enrichment
(C) Career Advancement Opportunity (D) Job Security

10. 'RP Infotech Ltd.' decided to approach 'Patel Engineering College' to recruit qualified personnel for various technical jobs in its newly opened branch in Surat.

Which source of recruitment from the following has been used by 'RP Infotech Ltd.' in the above case :

- (A) Direct Recruitment (B) Placement Agencies and Management Consultants
(C) Campus Recruitment (D) Recommendation of employees

11. 'An organization structure is deliberately designed by the top management to facilitate smooth functioning of the organisation'.

Which of the following is not a feature of such a structure ?

- (A) It clarifies who has to report to whom. (B) There is systematic coordination among the various activities to achieve organisational goals.
(C) The standards of behaviour evolve from group norms rather than officially laid down rules and regulations. (D) It places more emphasis on work to be performed than interpersonal relationships among the employees.

12. Statement – I : Capital market instruments are considered riskier both with respect to returns and principal repayment.

Statement – II : Capital market investment generally yields a higher return for investors.

Choose the correct option from the options given below :

- (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.

13. Match the various items of Column – I with the respective statements in Column – II.

Column – I	Column – II
a. Advertising	(i) Creates a positive image about the company and its products.
b. Personal selling	(ii) Paid form of impersonal communication.
c. Public relations	(iii) Develop Personal relationship with the prospective buyer.

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

14. When the proportion of debt and equity is such that it results in an increase in the value of equity share the _____ is/are said to be optimal.

- (A) working capital (B) fixed capital
(C) capital structure (D) Both (a) and (b)

15. The _____ function of marketing ensures the buyers that goods conform to predetermined standards of quality and reduces the need for inspection. It also ensures that goods belong to a particular quality and helps in realising higher prices for high quality output.

- | | |
|---------------------------------------|---------------------------------|
| (A) Product Designing and Development | (B) Standardisation and Grading |
| (C) Marketing Planning | (D) Branding |

16. Which of the following statements is Not true for primary market ?

- | | |
|---|---|
| (A) There is no fixed Geographical location. | (B) Only buying of securities takes place, securities cannot be sold there. |
| (C) Prices are determined by demand and supply of the security. | (D) It directly promotes capital formation. |

17. In which of the following situations, a company will fix high price for its product ?

- | | |
|--|---|
| (A) When firm's objective is to obtain larger share of the market. | (B) When the firm is facing difficulties in surviving in the market because of intense competition. |
| (C) When the firm wants to cover high cost of Research and Development to attain product quality leadership. | (D) When the firm wants to maximise its total profit in the long run. |

18. Which of the following will not be considered as consumers as per Consumer Protection Act, 2019 ?

- | | |
|--|---|
| (A) A person, who avails any service for a consideration which has been partly paid. | (B) Any user of goods if such use is made with the approval of the buyer. |
| (C) A person who purchases goods through online means. | (D) A person who obtains goods for resale purposes. |

19. As per Consumer Protection Act, 2019, 'the consumer has a right to get relief in case the product or service falls short of his expectations.'

Which consumer right is discussed in the above statement ?

- | | |
|-----------------------------|-------------------------|
| (A) Right to be heard | (B) Right to be assured |
| (C) Right to seek redressal | (D) Right to safety |

20. Which of the following is not a function of Securities and Exchange Board of India (SEBI) ?

- | | |
|---|---------------------------------|
| (A) Training of intermediaries of the securities market | (B) Controlling insider trading |
| (C) Registration of brokers and sub-brokers and other players in the market | (D) Pricing of securities |

21. The students of Class XII of 'NK Senior Secondary School' visited the factory of 'Jaipur Exports Private Limited', a company manufacturing readymade garments. They observed that different workers were allocated different tasks like cutting the fabric as per specification, stitching dresses, putting buttons, ironing the finished dresses, packing them and putting labels. The Chief Executive Officer told the students that this results in efficient and effective output. They also observed orderliness in the factory as there was a fixed place for everything and it was present there.

The students later discussed with their Business Studies teacher and understood that principles of management given by Fayol were being followed in the factory.

Identify and explain the two principles of management that have been discussed in the above case.

22. Keshav Bannerjee is the Chief Executive Officer (CEO) of 'Das Networking Ltd.', a leading IT company in Bengaluru. He believes that if needs of employees are taken care of, the employees take good care of the customers. In this company various benefits are provided to the employees to help them meet their medical and housing needs etc., while in job. It is also providing benefits like gratuity at the time of their retirement. The employees are provided various opportunities to attend skill development programmes to improve their skills and be promoted to the higher level jobs.

Identify and state the three incentives offered by the company in the above para to improve the performance of its employees.

23(a). Explain 'Vestibule Training' as a method of training.

OR

23(b). Explain any three benefits of training to the employees.

24(a). State any three points of importance of Financial Planning.

OR

24(b). State any three factors that determine the requirement of fixed capital of a company.

25(a). State the first four steps involved in the process of choosing the best candidate out of a number of prospective candidates for a job.

OR

25(b). State any four benefits of using internal sources of recruitment.

26(a). Explain any two points highlighting the importance of 'controlling' function of management.

OR

26(b). Explain any two points describing the relationship between 'planning' and 'controlling'.

27. Balvinder is the Production Manager of 'Pramod Tea Company' in Guwahati. He gives orders to his subordinates and expects that they obey those orders. He does not consult them nor encourage them to participate in decision making.

(i) Identify and state the leadership style adopted by Balvinder.

(ii) When can this style be effectively used by a manager ? State.

28. Identify the financial decision that is concerned with deciding how much of the profit earned by a company is to be distributed to shareholders and how much should be retained in the business. Also state any three factors affecting the identified decision.

29. 'Zenith Mall' is a famous shopping mall in Mumbai, owned by 'Pinnacle Group'. It is very popular for its international and national brands of fashionable clothes, restaurants, cinema halls and food courts.

The management of Pinnacle Group has decided to open a new branch of the mall in Pune. This decision was very crucial for the management as it involves huge amounts.

(i) Identify and state the financial decision involved in the above case.

(ii) State any two factors affecting the decision identified in (i) above.

30. Rajneesh purchased a 500 ml bottle of fruit juice for ₹ 60 in Ahmedabad from a local store. While consuming it, he found an insect floating in it. He sent a legal notice to the company immediately and decided to approach a Consumer Dispute Redressal Agency for a relief of ₹ 2 lakh.

(i) Which Consumer Dispute Redressal Agency did Rajneesh approach, out of the three-tier machinery set up under Consumer Protection Act, 2019 for redressal ?

(ii) If Rajneesh is not satisfied by the order of the above Agency, where can he appeal against such order and within how many days ?

(iii) State any two reliefs that can be granted to Rajneesh in the above case.

31(a). Explain any three points that highlight the importance of 'Management'.

OR

31(b). Explain the following techniques of scientific management :

(i) Differential Piece wage system

(ii) Time Study

(iii) Method Study

32(a). 'Planning is important as it provides directions for action, reduces the risks of uncertainty and facilitates decision making.' Explain.

OR

32(b). Delegation of authority 'Develops employees', 'Motivates them' and 'Facilitates growth.' Explain how.

33. 'Maharana' is a famous take-away food outlet in Meerut. It is quite popular among local people and travellers on the national highway.

It offers a wide variety of 'paranthas' and 'sandwiches' packed in special containers which are designed and developed by them to keep the food hot and fresh.

Considering the tough competition in the nearby area, the prices have been set reasonably low.

The owner Nirmal Singh spends huge sums of money to put large hoardings and kiosks in the vicinity, to inform the people about the outlet's location and the special items on its menu.

The firm is performing various marketing functions to achieve its marketing objectives.

On the basis of the information given in the above case identify and explain any three marketing functions.

34. The Government of India in its budget for the financial year of 2021-22 reiterated its support for Electric Vehicle sector. The Government launched several schemes and incentives to boost their demand as well as to motivate manufacturers to invest in the same. Inspired by these incentives and concerned about the environmental impact of gas and diesel-powered engines, Nitin Kothari has set up an electric car manufacturing unit at Bhilwara. He set a target of earning Return On Investment of 10% in the first year itself and forecasted that the demand for electric cars will increase by 20 million in the next few years.

The above case highlights the first two steps of the process of one of the important functions of management.

(a) Identify the function of management discussed above.

(b) State the remaining steps required to complete the above process.

- End of Question Paper -