

CBSE Class 12 Business Studies 2023 - Set 66/3/2



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. Rahul wants to buy shares of 'Rexter Ltd.' which are being traded at the National Stock Exchange. He feels that the share prices will go up in the future. Which market should he approach for this purpose ?

- (A) Money market (B) Primary market
(C) Secondary market (D) Both (b) and (c)

2. Which of the following is a development function of Securities and Exchange Board of India ?

- (A) Training of intermediaries of the securities market (B) Promotion of fair practices and code of conduct in the securities market
(C) Undertaking steps for investor protection (D) Prohibition of fraudulent and unfair trade practices

3. Statement I : Values are general rules for behaviour of individuals in society formed on the basis of common practice and principles after research in work situations.

Statement II : While practising principles of management, values cannot be neglected as businesses have to fulfil social and ethical responsibilities towards society.

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.

4. The element of promotion mix which involves a variety of programmes designed to promote or protect a company's image and its individual products in the eyes of the public is :

- (A) Personal selling (B) Public relations
(C) Marketing (D) Sales promotion

5. The process of holding securities in electronic form is called dematerialisation. Which of the following statement does *not* relate to dematerialisation ?

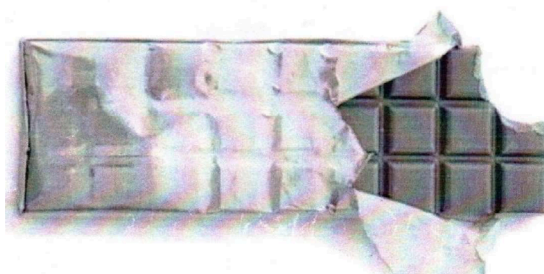
- (A) Smooth transfer and settlement of trade through a single account in shares (B) Demat securities can be pledged or hypothecated to get loans
(C) No danger of loss, theft or forgery of share certificates (D) Existing physical shares cannot be converted into electronic form

6. Match the various communication barriers given in Column II with their respective categories given in Column I :

Column I	Column II
P. Semantic Barriers	(i) Distrust
Q. Psychological Barriers	(ii) Lack of proper incentives
R. Organisational Barriers	(iii) Symbols with different meanings
S. Personal Barriers	(iv) Status

- (A) P-(i), Q-(ii), R-(iii), S-(iv) (B) P-(iv), Q-(iii), R-(i), S-(ii)
(C) P-(iii), Q-(i), R-(iv), S-(ii) (D) P-(iii), Q-(ii), R-(iv), S-(i)

7. The level of packaging of the chocolate shown in the picture below is :



- (A) Secondary packaging (B) Transportation packaging
(C) Designer packaging (D) Primary packaging

8. Sarita bought a flat from Sujan Developers for ₹ 5 crore and was shocked to discover that the quality of construction was bad, roof leaked during the rainy season and plaster was coming off at various places. Which consumer forum should she approach for redressal of her grievance ?

- (A) District Commission (B) State Commission
(C) National Commission (D) Supreme Court

9. In a recent ruling, the Supreme Court of India has ordered an immediate stop on commercial activities in a 500-metre radius of the Taj Mahal and asked Agra Development Authority to ensure compliance of its directive. Which dimension of business environment is reflected here ?

- (A) Social (B) Technological
(C) Legal (D) Political

10. 'Compro Solutions' offers IT services to clients across the country. During Covid-19, to accommodate changes taking place in the business environment, it suitably modified its organisation structure in a way that work from home became the new way of working for all employees bringing cost benefits and flexibility in the organisation. The point of importance of organising discussed above is :

- (A) Benefits of specialisation (B) Adaptation to change
(C) Development of personnel (D) Clarity in working relationships

11. Which of the following is *not* a part of social environment of Business ?

- (A) Life expectancy (B) Education system and literacy rates
(C) Consumption habits (D) Money supply in the economy

12. Which of the following is *not* a function of middle level management ?

- (A) Analysing the business environment and its implications for survival of the firm (B) Interpreting the policies framed by top management
(C) Ensuring that their department has necessary personnel (D) Motivating people in their department to achieve desired objectives

13. These days consumers are making eco-friendly and healthy choices and are saying no to all things made of plastic and replacing it with stainless steel and ceramic containers, thus forcing business to change as well. Identify the feature of business environment highlighted above :

- (A) Totality of external sources (B) Specific and general forces
(C) Inter-relatedness (D) Dynamic nature

14. Government of India demonetised notes of ₹ 500 and ₹ 1000 on November 8, 2016. Demonetisation means :

- (A) They ceased to be legal tender except for a few specified purposes. (B) These notes could not be banked but could be freely used otherwise.
(C) These notes could be converted into gold coins from Reserve Bank of India. (D) These notes could be used for household purposes but not for business purposes.

15. Taylor called for complete mental revolution on the part of both management and workers. It meant that management and workers should transform their thinking. Management should share the gains of the company, if any, with the workers. At the same time, workers should work hard and be willing to embrace change for the good of the company. The principle of management highlighted above is :

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|------------------------------------|---|
| (A) Science, not the Rule of Thumb | (B) Cooperation, not Individualism |
| (C) Harmony, not Discord | (D) Development of Each and Every Person to His or Her Greatest Efficiency and Prosperity |

16. Keya Ltd. is a large organisation manufacturing a popular brand of desi ghee and supplying it to various states of India. They manufacture 10,000 litres of desi ghee every day and pack in cartons of 250 ml, 500 ml and 1 litre sizes. The production manager ensures that one out of every ten cartons of each size is checked for quality control everyday.

The step of the controlling process discussed in the above para is :

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|---|---------------------------------------|
| (A) Setting performance standards | (B) Measurement of actual performance |
| (C) Comparison of actual performance with standards | (D) Analysing deviations |

17. Prateek Singh opened a jewellery store 'Fashion Jewels' offering workwear, light jewellery with modern designs for young working women. Good jewellery designs not only made the jewellery attractive for young working women, but also gave him a competitive edge in the market. The jewellery was a hit with working women and 'Fashion Jewels' was able to report a profit of ₹ 3 crore in the first year itself. The function of marketing performed by Prateek Singh in the above case was :

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|------------------------------|---------------------------------------|
| (A) Packaging and labelling | (B) Promotion |
| (C) Customer support service | (D) Product designing and development |

18. The process that initiates implementation of plans by clarifying jobs and working relationships and effectively deploying resources for attainment of identified and desired results is known as :

- | | |
|----------------|-----------------|
| (A) Organising | (B) Controlling |
| (C) Staffing | (D) Planning |

19. Identify the correct sequence of two-level-channel of distribution :

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|--|---|
| (A) Manufacturer → Retailer → Agent → Customer | (B) Manufacturer → Consumer → Retailer → Wholesaler |
| (C) Manufacturer → Agent → Customer → Retailer | (D) Manufacturer → Wholesaler → Retailer → Consumer |

20. _____ has been established with the specific objective of providing a ready market for money market instruments.

- | | |
|-------------------------------------|--|
| (A) Discount Finance House of India | (B) Securities and Exchange Board of India |
| (C) Reserve Bank of India | (D) State Bank of India |

21. Human resources are the most important asset of an organisation. The ability of an organisation to achieve its goal depends upon the quality of its human resources. The General Manager of 'Allied and Sons' appointed an IIM graduate, Pawan Rai, specialised in finance as Marketing Manager. On monthly evaluation, it was found that Pawan Rai's performance was not up to expectations and he was not able to meet the monthly targets of the organisation. The Chief Executive Officer (CEO) of the company asked for investigation into the matter. The CEO was told that Pawan Rai has a specialisation in finance but was appointed as a Marketing Manager. The CEO discussed this matter with the General Manager and explained to him the importance of putting the right person at the right job. He further explained that it would not only lead to higher performance but would also provide many other benefits. Besides the benefits of putting the right man at the right job, state the three other benefits which the CEO might have explained to the General Manager that are not given in the above para.

22(a). Explain any three points of importance of 'Controlling' function of management.

OR

22(b). 'Planning and Controlling are inseparable twins of management.' Explain the relationship between planning and controlling with the help of any three points.

23(a). Distinguish between 'Capital market' and 'Money market' on the basis of :

- (i) Participants
 - (ii) Investment outlay
 - (iii) Safety
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OR

23(b). State any three regulatory functions of the Securities and Exchange Board of India.

24. Praveen and Naveen are friends. Praveen became a professional after completing his MBBS from 'Hindu Medical College'. Naveen completed his MBA from IIM, Bangalore. In a discussion with Praveen, Naveen said that he too is a professional and is working with a multinational company as a senior manager getting a good package. Praveen was not convinced about the fact that Naveen was a professional in spite of being aware that nowadays there is increasing emphasis on managed business concerns. Praveen gave three reasons in support of his opinion. Explain the three reasons that Praveen might have given.

25(a). Explain two sources of recruitment for various job positions which are more reliable as the candidates are already known to the organisation and they do not need induction training.

OR

25(b). 'It is a process by which the aptitudes, skills and abilities of employees to perform specific jobs are increased.' Identify the process and any three of its benefits to the organisation.

26(a). Identify and state any three features of the process of instructing, guiding, counselling, motivating and leading people in the organisation to achieve its objectives.

OR

26(b). State four incentives which are in direct monetary form or measurable in monetary terms and serve to motivate people for better performance.

27. Managers in 'Galaxy Enterprises' faced lot of issues due to barriers in communication leading to creation of an environment of distrust and misunderstanding.

Suggest any four measures to improve communication effectiveness in 'Galaxy Enterprises'.

28. Identify and state any three factors affecting the decision which involves determining the relative proportion of the use of different sources in raising funds.

29. 'MVT Ltd.' is a leading cosmetic manufacturing company. It has its own consumer service and grievance redressal centre to address consumer concerns. The mobile phone number of the consumer service and grievance redressal cell is printed on the labels of all its products as a policy to get feedback or complaints from their consumers. It also runs various programmes to educate the consumers about their rights and reliefs available to them in case a product or service falls short of their expectations.

Explain the two rights of the consumers which are being promoted by the company.

30. Kaveri is busy in preparing the financial blueprint for her organisation's future operations. She feels that detailed plans of action reduce waste and duplication of efforts. However, her friend, Sana feels that in an uncertain and dynamic world, this type of planning may not work. Kaveri again stresses on her statement and explains why this financial blueprint is important.

Identify the concept and state three points of its importance in addition to those explained in the above para.

31(a). What is meant by 'Informal Organisation'? State any two advantages and two disadvantages of Informal Organisation.

OR

31(b). Give the meaning of 'Functional Structure' of an organisation. State any four advantages of this structure.

32(a). 'The activities that communicate availability, features, merits, etc. of the products and services to the target customers and persuade them to buy these products and services' is an important element of marketing mix. Explain any three tools of communication used by the marketers for this purpose.

OR

32(b). It refers to a set of marketing tools that a firm uses to pursue its marketing objectives in a target market.

(i) Identify and state the concept.

(ii) Explain three elements of the concept identified in (i) above.

33. 'Diamond Logistics Company' had a turnover of ₹ 25 lakh during the year ended 31st March, 2022. In a board meeting held on 15th April, 2022, it was decided to achieve a turnover of ₹ 45 lakh for the next year. To accomplish this objective after taking into consideration the business environment, a comprehensive plan was drawn. The Chief Executive Officer (CEO) of the company also released a plan that would not only guide the thinking of the managers and their decision-making but also channelise their energies towards achievement of this target.

Identify and explain the three types of plans discussed in the above para.

34. A famous cricket coach, Alam Raza was hired by Sports College, Indore to coach the college cricket team for a National level competition. In the first meeting itself, the Principal of the college announced that the players would enter into an agreement with the college. The agreement would state the reporting time for players on the field and other rules and regulations. Failure to obey the agreement and rules would lead to judicious application of penalties. It was also announced by the College Principal that the players would receive orders from the coach and they would all be responsible only to the coach, to prevent confusion regarding tasks to be done. The coach was very determined to train the players to win, as the entire responsibility was on his shoulders. He promoted the spirit of mutual trust and belongingness among the team members without which he felt it would be difficult to win. The players were also enthusiastic and the training started in full swing.

Identify and explain the three principles of management discussed in the above case.

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