

CBSE Class 12 Business Studies 2023 - Set 66/4/2



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. The marketing function which includes plan for increasing the level of production, promotion of the products, etc. and specifies the action programmes to achieve these objectives is :

- (A) Gathering and analysing market information (B) Marketing planning
(C) Product designing and development (D) Pricing of the product

2. Match the following marketing philosophies given in Column I with their respective meaning given in Column II.

	Column I		Column II
P	The Product concept	(i)	It emphasises on increasing the profit through increased sales volumes by adopting aggressive selling techniques
Q	The Production concept	(i)	It emphasises on quality performance and features of product and thus profit maximisation through product improvement
R	The Selling concept	(ii)	It emphasises on profit maximisation through volume of production, thereby reducing the cost of production
S	The Marketing concept	(iv)	It emphasises on profit maximisation through customer satisfaction, i.e. identifying the needs of its present and prospective buyers and satisfying them in an effective manner

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

3. The method of training in which actual work environment is created in a classroom and employees use the same materials, files and equipment that are required to be used by them in their day-to-day working is :

- (A) Vestibule Training (B) Internship Training
(C) Induction Training (D) Apprenticeship Training

4. Which of the following function of management measures the progress of objectives and guides the organisation to keep it on the right track so that organisational goals might be achieved ?

- (A) Planning (B) Staffing
(C) Directing (D) Controlling

5. Neeraj is the Director of ‘Tulip Public School’ having 2000 students. There are two Headmasters — one for Senior classes and another for Junior classes. 50 teachers are under the supervision of the Senior Headmaster and 60 teachers under the supervision of the Junior Headmaster. No teacher working under the supervision of the Senior Headmaster is happy and satisfied, which is affecting the result of the Senior classes. On the other hand the teachers working under the supervision of the Junior Headmaster are performing their duties willingly and achieving their objectives. All the teachers are happy and satisfied. The Director, Neeraj can feel how nicely the Junior Headmaster was managing his classes.

The characteristic of management discussed above is :

- (A) Management is a goal-oriented process (B) Management is a dynamic function
(C) Management is an intangible force (D) Management is a continuous process

6. Management helps in providing good quality products and services, creating employment opportunities, adopting new technology for the greater good of the people and leads the path towards growth and development.

This highlights the following point of importance of management :

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|---|--|
| (A) Management helps in achieving group goals. | (B) Management creates a dynamic organisation. |
| (C) Management helps in the development of society. | (D) Management helps in achieving personal objectives. |

7. Identify the external source of recruitment illustrated by the picture given below :



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|---------------------------------|-------------------------|
| (A) Recommendation of Employees | (B) Labour Contractors |
| (C) Campus Recruitment | (D) Employment Exchange |

8. The next step in the process of selection after 'Job offer' is :

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|--------------------------|----------------------------|
| (A) Medical examination | (B) Selection decision |
| (C) Employment interview | (D) Contract of employment |

9. Which of the following is not a factor affecting 'Financing Decision' of a Company :

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|-------------------------------------|--------------------------|
| (A) Cost | (B) Risk |
| (C) Cash flow position of a company | (D) Growth opportunities |

10. 'A social process by which individual groups obtain what they need and want through creating offerings and freely exchanging products and services of value with others' is known as :

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|---------------|-------------------|
| (A) Marketing | (B) Marketing mix |
| (C) Branding | (D) Packaging |

11. Which of the following statements is incorrect ?

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|---|---|
| (A) The protective functions of the Securities and Exchange Board of India include levying fee or other charges for carrying out the purposes of the Act. | (B) The development functions of the Securities and Exchange Board of India include training of intermediaries of the securities market. |
| (C) The regulatory functions of the Securities and Exchange Board of India include registration of collective investment schemes and mutual funds. | (D) The objectives of the Securities and Exchange Board of India include protecting the rights and interests of investors, particularly individual investors and to guide and educate them. |

12. The function of Stock Exchange which helps in creating a continuous market where securities are bought and sold is :

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|--|-------------------------------------|
| (A) Safety of transactions | (B) Pricing of securities |
| (C) Providing liquidity and marketability to existing securities | (D) Contribution to economic growth |

13. Statement I : For any exchange to take place it is important that there must be at least two parties — a buyer and a seller.

Statement II : Exchange can take place even if the buyers and sellers are not able to communicate with each other.

Choose the correct option from the following :

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|---|---|
| (A) Both Statement I and Statement II are correct. | (B) Both Statement I and Statement II are incorrect. |
| (C) Statement I is correct and Statement II is incorrect. | (D) Statement I is incorrect and Statement II is correct. |

14. In planning, generally managers have to follow pre-determined plans and they are not in a position to change it. This statement highlights the following limitation of planning :

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| (A) Planning may not work in a dynamic environment | (B) Planning does not guarantee success |
| (C) Planning leads to rigidity | (D) Planning is time-consuming |

15. Resident Welfare Association (RWA) of Noida, Sector 15 decided to organise Diwali mela on the eve of Diwali. They listed all the activities to be done, grouped them as per their nature and assigned the activities/duties to different people of their association. After completion of the mela they found that it was not a success. While analysing the reasons the President of RWA found that mere allocation of work was not enough in the organisation. He found that an important step in the organising process was missing. Identify the step from the following :

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|---|--|
| (A) Assignment of duties | (B) Establishing authority and reporting relationships |
| (C) Identification and division of work | (D) Departmentalisation |

16. Hitesh and Reena are entrepreneurs. They noticed that every year in the months of November and December, Delhi, the capital city of India, witnesses poor air quality and rise in pollution levels. They also observed that nowadays people are more concerned about quality of life. Sensing the need, they were the first to bring into the market a new 'Anti-Pollution W-98 Mask' which was not only helpful in combating the pollution but also in increasing the life expectancy of people. Their venture saw a massive success as there was no competitor.

From the following, identify the importance of Business Environment highlighted above :

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| (A) Business Environment helps the firm to identify threats and early warning signals. | (B) Business Environment helps in tapping useful resources. |
| (C) Business Environment helps in improving performance. | (D) Business Environment enables the firm to identify the opportunities and in getting the first mover advantage. |

17. Plastic utensils are often used as a low cost, convenient option for business or personal use. These utensils are lightweight, easy to transport and can be disposed off easily instead of cleaned and reused. But plastic utensils are harmful from health point of view and create various environmental issues. Nowadays health and fitness trend is becoming popular. People are looking for different alternatives and have started opting for paper-made, steel or glass utensils which has tremendously increased the demand of these products.

The above para discusses an important dimension of Business Environment which is :

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

18. 'AN Stationery Ltd.' is manufacturing various items of stationery like pencils, erasers, gel-pens, ball-pens, etc. The Production Manager, Ghanshyam is very particular about the efficiency of production, which he measures by counting the number of pieces produced and number of defective pieces in a batch. By doing this he is performing an important function of management which is :

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

19. Which of the following statements is incorrect about Sales Promotion ?

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| (A) It includes short-term incentives which are designed to encourage the buyers to make immediate purchase of a product or services. | (B) It includes all promotional efforts other than advertising, personal selling and public relations. |
| (C) It includes only those activities that are used to provide long-term incentives to boost the sales of a firm. | (D) It includes the activities which are undertaken to supplement other promotional efforts such as advertising and personal selling. |

20. 'The use of debt increases the financial risk of a business.' The factor determining the choice of an appropriate capital structure of a company highlighted in the above statement is :

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|---------------------------------|------------------------|
| (A) Debt Service Coverage Ratio | (B) Risk consideration |
| (C) Cost of debt | (D) Flexibility |

21. 'Yellow Pumpkin' is an Italian restaurant in Delhi, well known for its fresh and authentic dishes including pasta, pizza, etc. It has been serving its customers for the last 20 years. It had been winning various awards and recognition for its services.

During Covid-19, it suffered huge losses. As the effect of Covid reduced and the business started picking up, the management of 'Yellow Pumpkin' also decided to go in for home delivery service to increase its revenue and profit. For this they needed support of their workers to work overtime. 'Yellow Pumpkin' entered into an agreement with its workers to put in extra hours without additional payment to revive it out of losses. In return, they promised to increase the wages of the workers when the mission is accomplished. The workers put in extra hours as committed and in just three months, the restaurant's business turned around and it became profitable again. 'Yellow Pumpkin' honoured its commitment and not only increased the wages of the workers but also gave them bonus as an additional incentive.

Identify and explain the principle of management followed by 'Yellow Pumpkin'.

22. After completing his MBA degree, Aman joined a multinational company 'Zeyovya Ltd.' His job demands long hours and commitment to the organisation. He is responsible for integrating diverse elements and coordinating all the activities of the business and for its impact on society. His job is complex and stressful.

- (a) Identify the level of management at which Aman joined the organisation.
- (b) State any two functions to be performed by Aman at this level other than those discussed in the para.

23(a). Explain any two points that highlight the importance of 'Directing' function of management.

OR

23(b). Explain 'Leadership' and 'Communication' as elements of Directing function of management.

24(a). Give the meaning of 'financial planning'. State any two objectives of financial planning.

OR

24(b). State how the following factors affect the working capital requirements of a company :

- (i) Business Cycle
 - (ii) Growth Prospects
 - (iii) Nature of Business
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25(a). Identify and explain the following as steps in the process of 'Staffing' :

- (i) Evaluating an employee's current and/or past performance against certain predetermined standards.
 - (ii) Placing an employee in a position of increased responsibility usually with more pay and job satisfaction.
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OR

25(b). Identify and explain the two sources of recruitment which reduce the induction of fresh talent in the organisation and cannot be used to fill all the vacancies.

26(a). State any four financial incentives.

OR

26(b). State the four needs in Maslow's Need Hierarchy after 'Basic Physiological Needs'.

27. 'Hitesh Ltd.' is a well-known company in the cement industry since 1999. The company has an authorised capital of ₹ 100 crore and is listed with a reputed stock exchange. The value of its shares is increasing day-by-day due to increase in the demand for cement.

Now the company wants to enter into car manufacturing business. For this it requires ₹ 200 crore. The Finance Manager of the company decides to raise this capital by a public issue.

(a) Identify the market in which the company's existing securities are being traded.

(b) Name the market through which the company wants to raise its capital of ₹ 200 crore for its new business.

(c) Distinguish between the markets identified in (a) and (b) above on the basis of any two points.

28. Give the meaning of 'Money Market'. Differentiate between 'Money Market' and 'Capital Market' on the basis of the following :

- (a) Instruments
 - (b) Liquidity
 - (c) Safety
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29. 'Smart Watch Ltd.' is a watch manufacturing company marketing smart-watches for adults. The company now wants to manufacture smart-watches for children also. For this it gathered and analysed market information, did marketing planning, product designing and development, standardisation and also decided about the packaging, labelling, branding, pricing, warehousing, transportation and distribution of these smart-watches. Even after doing all the above stated activities the company is not picking up the sales.

The Chief Executive Officer of the company asked the Marketing Manager to find out the reason. The Marketing Manager investigated the matter and found out that his marketing team had not performed the two important functions of marketing which may help the company not only in boosting the sales but also in getting repeat sales.

Identify and explain the functions of marketing which were not performed by the marketing team.

30. Considering the inadequate job opportunities and too many aspirants for jobs, 'Alen Pvt. Ltd.' decided to give its employees certain stability about future income and work so that they do not feel worried on these aspects. As a result, the employees of 'Alen Pvt. Ltd.' are now working with greater zeal.

Identify the incentive discussed in the above lines and state three more incentives of the same type.

31. Identify and explain the type of plans in the following cases :

(a) 'Ananta Travel and Tourism Pvt. Ltd.' is providing tourism and hospitality services to its customers. To achieve its objectives the company prepares a comprehensive plan taking into consideration the business environment.

(b) Amit is Chief Executive Officer of 'Mannat Raj Industries'. He developed the broad parameters within which the managers may function. By doing so he tried to provide a base for interpreting strategy which was stated in general terms.

32(a). Explain the following points of importance of 'Organising' function of management :

- (i) Optimum Utilisation of Resources
- (ii) Effective Administration
- (iii) Development of Personnel

OR

32(b). Explain the following points of importance of 'Delegation' :

- (i) Motivation of Employees
- (ii) Facilitation of Growth
- (iii) Basis of Management Hierarchy

33. Kartik is engaged in trading of Smart Televisions. He purchases these televisions from 'Vivek Electronics', the manufacturer. All the televisions are certified by 'Bureau of Indian Standards'. During Deepawali season, 'Vivek Electronics' supplied some defective television sets to Kartik. Kartik is getting complaints about the televisions from almost all the customers.

(a) Who amongst the following can exercise his/her 'Right' and against whom ?

- (i) Kartik
- (ii) Vivek Electronics
- (iii) Consumers

(b) Define 'Consumer' as per the provisions of the Consumer Protection Act, 2019.

(c) State the 'Right' which can be exercised to get relief.

34(a). Explain the following characteristics of management :

- (i) Management is a goal-oriented process
- (ii) Management is a continuous process
- (iii) Management is all pervasive

OR

34(b). Explain the following as nature of principles of management :

- (i) Universal applicability
- (ii) Flexible
- (iii) Mainly behavioural

- End of Question Paper -