CBSE Class 12 Business Studies 2023 - Set 66/5/3

Question Paper

Conducted by the Central Board of Secondary Education (CBSE)

Time Allowed: 3 Hours **Maximum Marks: 80**

General Instructions

(i) Read the following instructions carefully.
(ii) This question paper contains 34 questions. All questions are compulsory.
(iii) Marks are indicated against each question.
(iv) Answers should be brief and to the point.
(v) Answers to questions carrying 3 marks may be from 50 to 75 words.
(vi) Answers to questions carrying 4 marks may be in about 150 words.
(vii) Answers to questions carrying 6 marks may be in about 200 words.
(viii) Attempt all parts of a question together.

Questions

1. Which of the following is NOT a factor affecting capital structure of a company ?

(A) Cost of Debt
(B) Growth Opportunities
(C) Cash Flow Position
(D) Interest Coverage Ratio

2. Which of the following statements is incorrect about Personal Selling ?

(A) It is a direct face to face dialogue that involves an interactive relationship between the seller and buyer.
(B) It refers to short-term incentives designed to encourage the buyers to make immediate purchase of a product or service.
(C) It allows a sales-person to develop personal relationship with the prospective customers.
(D) In this it is possible to take a direct feedback from the customer and to adopt the presentation according to the needs of the prospects.

3. From the following, identify the channel of distribution in which goods pass from the manufacturer to the retailers who, in turn, sell them to the final users.

(A) One level channel
(B) Two level channel
(C) Three level channel
(D) Zero level channel

4. A name, term, sign, symbol, design or some combination of them used to identify the products – goods or services of one seller or group of sellers and to differentiate them from those of the competitors is known as

(A) brand.
(B) brand mark.
(C) brand name.
(D) trade mark.

5. Which of the following statements is incorrect ?

(A) Capital Market refers to facilities and institutional arrangements through which long-term funds, both debt and equity are raised and invested.
(B) Secondary market is the market where securities are sold by the company to the investor directly or through an intermediary.
(C) Primary Market is the Market where only buying of securities takes place. Securities can not be sold there.
(D) Money Market is a market for short term funds which deals in monetary assets whose period of maturity is upto one year.

6. The most commonly used tool of promotion which is a paid form of communication and in which the sponsor bears the cost of communicating with the prospects is

(A) advertising.
(B) personal selling.
(C) sales promotion.
(D) public relations.

7. _____ refers to the increase in profit earned by the equity shareholders due to the presence of fixed financial charges like interest.

(A) Capital structure
(B) Earning per share
(C) Trading on equity
(D) Return on investment

8. Match the factors affecting fixed capital requirements given in the Column-I with their explanations given in Column-II :

	Column-I		Column-II
a.	Nature of Business	i.	A trading organisation needs lower investments in fixed assets as compared to a manufacturing organisation.
b.	Technology upgradation	ii.	A textile manufacturing company is installing a cement manufacturing plant and thus its investments in fixed assets is increasing.
c.	Diversification	iii.	A capital-intensive organisation requires higher investments in fixed assets as compared to labour-intensive organisation.
d.	Choice of Technique	iv.	Mobile phones became obsolete faster and are replaced much sooner than furniture or many other assets. Hence these type of businesses require more fixed capital.

a b c d

(A) i iv ii iii
(B) ii iii iv i
(C) iii ii i iv
(D) iv i iii ii

9. The next step in the 'Selection Process' after 'Selection Decision' is

(A) Job Offer
(B) Medical Examination
(C) Selection Tests
(D) Contract of Employment

10. Identify the External Source of Recruitment illustrated by the picture given below :

Factory Gate

(A) Direct Recruitment
(B) Casual Callers
(C) Advertisement
(D) Labour Contractor

11. The obligation of a subordinate to properly perform the assigned duty is called :

(A) Authority
(B) Responsibility
(C) Accountability
(D) Decentralisation

12. 'Digilocker' is a flagship initiative of 'Ministry of Electronics and IT', Government of India. It aims at digital empowerment of the citizens by providing access to authentic digital documents such as academic certificates issued by different Examination Boards, Driving Licenses, Vehicle registrations etc. in a digital fromat.

The above para discusses a few dimensions of Business Environment. Identify the correct dimensions from the following :

(A) Economic Environment and Technological Environment
(B) Social Environment and Economic Environment
(C) Social Environment and Political Environment
(D) Political Environment and Technological Environment

13. 'Whether the decisions have been translated into desired actions or not' can be confirmed by performing which of the following function of management ?

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

14. The activities whose outcome not only improves the job performance but also help individuals in the progress towards maturity and actualisation of their potential capacities is known as

(A) training.
(B) education.
(C) development.
(D) performance appraisal.

15. 'The purpose of planning is to meet future events effectively to the best advantage of an organisation.' This statement highlights which of the following features of planning ?

(A) Planning focuses on achieving objectives.
(B) Planning involves decision-making.
(C) Planning is the primary function of management.
(D) Planning is futuristic.

16. 'Cartoony Planet' is a well-known indoor playground for organising parties for children in Noida. It has many play-stations and it organises various activities for the kids to enjoy. Looking at the increasing number of children visiting 'Cartoony Planet', a new indoor playground in the name of 'Tiny-Tots House' came up with advanced swings, play stations and entertainment activities near 'Cartoony Planet'.

To compete with the newly opened indoor playground, 'Cartoony Planet' also added some advanced swings and entertainment activities to attract more children.

The above information highlights one of the features of 'Business Environment'. Identify the feature from the following :

(A) Uncertainty
(B) Dynamic Nature
(C) Relativity
(D) Interrelatedness

17. 'Dolma' and 'Una' were gardeners with decades of hands-on experience. They were the first ones to recognise the need of indoor gardens specially for plant-lovers living in apartments. They took advantage of this opportunity and decided to offer beautiful designing ideas for indoor gardening through their innovative venture 'My Space'.

'My Space' offered creative ideas like 'Garden wall', 'Hanging Garden', 'Window Garden', 'Book-shelf garden' and many more. Since there were no competitors they soon became the market leaders in the field.

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

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

18. Different organisations have different goals. 'Zeepo' is an upcoming retail chain for providing consumer goods door-to-door, the objective of this organisation is to increase sales. 'Allie' is an educational organisation working with an objective of providing education to under privileged children of the society. Management of each of these organisations unite the efforts of their employees towards achieving organisational goals.

The characteristic of management discussed above is :

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

19. Statement-I : The concept of product relates to not only the physical product but also the benefits offered by it from customer's point of view.

Statement-II : The concept of product does not include the extended product by way of after sale services, availability of spare parts, handling complaints etc.

Choose the correct option from the following :

(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.

20. Himanshu is working as a 'Marketing Manager' in 'Suvidit-Air-Conditioners', a well known brand in the field of air-conditioners. Till last month the company was able to achieve its sales targets. But this month Himanshu observed that targets were not being met and the number of air-conditioners sold was decreasing. He analysed the situation and found that the new salesman appointed last month was not good and for this he took necessary action.

Which of the following function of management helped Himanshu to identify the decrease in sale ?

(A) Planning

(B) Organising

(C) Directing

(D) Controlling

21. Monika, Rashmi and Garima are childhood friends. After completing their education, Monika joined a school as a teacher. Rashmi joined a firm as a Chartered Accountant and Garima as a General Manager in a Multi-National Company. After a long time in a re-union function of the school, they met each other. Rashmi said that they were all professionals now. Garima told Rashmi that she can say this about Monika and herself, but not about her since Manager is not considered a full fledged professional.

Why did Garima say that she was not a professional ? State any three points in support of your answer.

22. Vibhu joined as a Chief Executive Officer (CEO) of 'Mega Marut Ltd.', a firm manufacturing cars. On the first day he addressed his subordinates saying that organisations should have a chain of authority and communication that runs from top to bottom and should be followed by managers and the subordinates. He also added that for routine matters a worker can not directly contact the CEO but in an emergency he/she may contact directly.

Vibhu discussed an important principle of management. Identify and explain the principle with the help of an example.

23(a). Explain (i) Ensuring order and discipline; and (ii) Facilitating co-ordination in action, as importance of controlling function of management.

OR

23(b). Explain : (i) Critical point control; and (ii) Management by exception, as an important part of 'Analysing Deviations' a step in the process of controlling.

24(a). State any three protective functions of Securities and Exchange Board of India.

OR

24(b). State any three objectives of Securities and Exchange Board of India.

25(a). 'Tapping external sources for various job positions has many benefits'. State any four such benefits.

OR

25(b). 'Due to rapid technological changes jobs have become more complex and importance of training has increased for employees.' State any four such benefits.

26(a). Give the meaning of 'Formal Communication' and 'Informal Communication'.

OR

26(b). State any four organisational barriers of communication.

27. Sameeksha is a Class-XII student having Business Studies as one of her subjects. After studying 'Consumer Protection' as one of the chapters in Business-Studies, she tried to apply the acquired knowledge while purchasing and using the goods. She is very fond of cooking and always tries new recipies. This time she wants to purchase a 'Bread Maker' to prepare homemade bread. She checked online about the various brands of 'Bread Maker' available in the market and compared their price, so that an intelligent and wise choice can be made. Then she went to a near by market to buy it. Being an informed consumer she looked for the Standardization Mark, negotiated the price printed on the label, checked the date of manufacturing and asked for guarantee or warranty of the product.

After satisfying with all the concerned information she purchased the 'Bread Maker' and as a responsible consumer asked for the cash-memo. After coming back home she opened the packaging of the 'Bread Maker' and found an instruction booklet inside. She carefully read all the instructions and operated the Bread Maker step-by-step and succeeded in making nice 'Atta Bread' for her family.

Sameeksha has fulfilled many responsibilities of a consumer while purchasing and using the 'Bread Maker'.

State any four responsibilities fulfilled by Sameeksha besides asking for a cash-memo.

28. What is meant by 'Investment Decision' ? State how 'Long term Investment Decision' and 'Short term Investment Decision' affect the business.

29. Mahamana Enterprises is not only giving salary to its employees but it also offers bonus to them over and above the salary. To further encourage the employees, it announced that it will provide a share in the profits of the company to them. These incentives are helpful in increasing the purchasing power of the employees.

State four other incentives of the type of incentive discussed in the above para.

30. Harish is working as a finance manager in 'Kozee Softwares Ltd.' He has been awarded 'Best employee of the year Award' because of his foresightedness. He always aims at smooth operations of all the financial activities by focusing on fund requirements and their availability in the light of financial decisions. He takes into consideration the growth, performance, investments and requirement of funds for a given period so that financial resources are not left idle and don't unnecessarily add to the cost.

By doing all this Harish strives to achieve the two main objectives of an important concept of financial management. Identify the concept and explain its two objectives.

31(a). Explain 'Co-operation, Not Individualism' as a principle and 'Fatigue Study' as a technique of scientific management.

OR

31(b). Explain 'Cause and effect relationship' as a feature of principles of management (i) Meeting Changing Environment requirements; and (ii) Management Training, education and research as significance of principles of management.

32(a). Explain 'Policy' and 'Method' as type of Plans.

OR

32(b). Explain the following limitations of planning :

(i) Planning reduces creativity

(ii) Planning involves huge costs

33. 'Best Electronics' started manufacturing washing machines under the brand name 'Amaze'. Once the washing machines were manufactured, packaged, branded, priced and promoted, they had to be made available to the customers at the right place, in the right quantity and at the right time.

'Best Electronics' provided for accurate and speedy processing of orders so that the washing machines reach the customers in time, in the right quantity and specifications. They also ensured that the washing machines are physically made available to the customers. Further, 'Best Electronics' arranged for facilities to store the washing machines at different locations near the market to minimize the charges on transportation. Explain any three components of physical distribution discussed in the above case.

34. Due to spread of COVID-19 pandemic, employees of almost all the companies were working online from their homes. In 2022 when most of the companies called them back to their office and started working offline, 'Taty Software Ltd.' still asked their employees to work from home. Because of this, employees of 'Taty Software Ltd.' were feeling bored, hence for recreation they formed a cricket-club. They started meeting every Saturday and Sunday on a ground near their office building.

(i) Identify and state the type of organisation formed by the employees of 'Taty Software Ltd.'

(ii) Also, state any two advantages and two limitations of the type of organisation identified in (i) above.

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