

CBSE Class 12 Business Studies 2024 - 66/2/2



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. Read the following statements : Assertion (A) and Reason (R). Choose the correct alternative from those given below : Assertion (A) : Decentralization is an optional policy decision. Reason (R) : It is done at the discretion of the top management. Alternatives :

- | | |
|--|---|
| (A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A). | (B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A). |
| (C) Assertion (A) is true, but Reason (R) is false. | (D) Assertion (A) is false, but Reason (R) is true. |

2. Lack of confidence of superior in his subordinates is one of the barriers of communication. Identify the communication barrier :

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|----------------------|----------------------------|
| (A) Personal barrier | (B) Psychological barrier |
| (C) Semantic barrier | (D) Organizational barrier |

3. _____ is the process of holding securities in an electronic form.

- | | |
|------------------------|------------------|
| (A) Rolling Settlement | (B) Registration |
| (C) Dematerialization | (D) Depository |

4. Lens-o was started as an online eyewear company selling glasses and contact lenses on their website. Recently, it set up a uniquely designed offline store, so that customers can also buy their products from the company showroom. Which channel of distribution is used by the company :

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

5. Akash Mehra is the Marketing Manager of edanta Enterprises. He gives orders and expects his subordinates to obey those orders. Communication is only one-way with the subordinates only acting according to the command given by him. Identify the leadership style of Akash Mehra :

- | | |
|-------------------|-------------------|
| (A) Authoritative | (B) Participative |
| (C) Free-rein | (D) Pragmatic |

6. The selection tests which are used to measure individuals potential for learning new skills are called :

- | | |
|-----------------------|------------------------|
| (A) Aptitude Tests | (B) Intelligence Tests |
| (C) Personality Tests | (D) Interest Tests |

7. Increase in profit earned by equity shareholders due to the presence of fixed financial charges like interest is referred to as :

- | | |
|--------------------------|------------------------|
| (A) Capital structure | (B) Financing decision |
| (C) Return on Investment | (D) Trading on equity |

8. JKSD India Ltd. recently introd fresh from kitchen jams, ketchups, salad dressings and peanut butter, etc. They appointed salespersons to contact prospective customers in leading malls to create awareness about their products and develop product preferences with the aim of making sales. Which tool of promotion is being used by JKSD India Ltd to market its products :

- | | |
|---------------------|----------------------|
| (A) Advertising | (B) Personal Selling |
| (C) Sales Promotion | (D) Public Relations |

9. esh Constructions, a construction company, decided to strictly eir construction sites : NO HELMET NO ENTRY Identify the type of plan indicated by the above sign :

- | | |
|------------|---------------|
| (A) Policy | (B) Rule |
| (C) Method | (D) Programme |

10. _____ is the process of searching for prospective employees and stimulating them to apply for jobs in the organization.

- | | |
|-----------------|-----------------|
| (A) Training | (B) Selection |
| (C) Development | (D) Recruitment |

11. Which of the following is not a feature of marketing :

- | | |
|---------------------|--------------------------------|
| (A) Needs and wants | (B) Storage and warehousing |
| (C) Customer value | (D) Creating a market offering |

12. Financial market allocates or directs funds available for investment into the most productive investment opportunity. In doing so, it performs the _____ function.

- | | |
|----------------|----------------|
| (A) Creative | (B) Exchange |
| (C) Allocative | (D) Productive |

13. A public issue of equity may reduce the management holding in the company and make it vulnerable to takeover. This factor also influences the choice between debt and equity, especially in companies in which the current holding of management is on a lower side. The factor affecting choice of capital structure discussed in the above case is :

- | | |
|--------------------|------------------|
| (A) Flexibility | (B) Cost of debt |
| (C) Cost of equity | (D) Control |

14. From the following, choose the incorrect statement about the importance of Directing function of management :

- | | |
|--|---|
| (A) Directing helps to initiate action by people in the organization towards attainment of desired objectives. | (B) performance. |
| (C) Directing facilitates introduction of needed changes in the organization. | (D) Directing helps in estimating manpower requirements for the organization. |

15. Sudha and Shweta were twin sisters. After completing their education from college, they decided to start a business. As they were Commerce students, they knew the importance of deciding in advance what to do and how to do. It was very challenging for them as this decision was to guide all their future actions. While discussing the same with their mother, they got a new idea of starting a Cloud Kitchen. Both the sisters were very excited to start this. The idea took the shape of a concrete plan and within a month, they were successful in starting their Cloud Kitchen. Identify the point of importance of planning highlighted in the above case :

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|---|---|
| (A) Planning reduces the risk of uncertainty. | (B) Planning promotes innovative ideas. |
| (C) Planning establishes standards for controlling. | (D) Planning reduces overlapping and wasteful activities. |

16. A name, term, symbol, design, or some combination of these, 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) Trade Mark |
| (C) Brand Name | (D) Brand Mark |

17. , 2023. She created separate departments for reservations, hotel bookings, online queries and payment handling. Which organisation structure is used by Sunita :

- (A) Functional structure (B) Divisional structure
(C) Informal structure (D) Vertical structure

18. Statement I : Controlling ensures that activities in an organization are performed as per the plans. Statement II : Controlling function of a manager is a pervasive function. Choose the correct option from the options given below :

- (A) Statement I is true and Statement II is false. (B) Statement II is true and Statement I is false.
(C) Both the Statements are true. (D) Both the Statements are false.

19. Sushant was an able Project Manager at Keiro Ltd. Head, Naveen handed over a new project to Sushant. Sushant already had enough work in hand. So, Sushant decided to divide the work assigned to him, among three of his subordinates. He himself kept that part of the work which he himself could perform effectively and got his subordinates to help him with what remained. The project got completed well in time because of this. The concept of management used by Sushant to complete the project was :

- (A) Delegation (B) Decentralization
(C) Accountability (D) Authority

20. Match the Marketing Management philosophies given in Column I with their main focus given in Column II :
Column I Column II
1. Production concept (i)
2. Product concept (ii)
3. Quality, performance and features of product
4. Marketing concept (iii)
5. well-being
6. Societal marketing (iv)
7. Quantity of product concept
Choose the correct option from the following :

- (A) 1-(i), 2-(ii), 3-(iii), 4-(iv) (B) 1-(ii), 2-(iii), 3-(i), 4-(iv)
(C) 1-(iv), 2-(ii), 3-(i), 4-(iii) (D) 1-(ii), 2-(iv), 3-(i), 4-(iii)

21(a). State any three regulatory functions of Securities and Exchange Board of India. 3

OR

21(b). State any three objectives of Securities and Exchange Board of India. 3

22. After studying Entrepreneurship in Class XII, Neel completed a baking course and started a bakery, . He set a target of earning a modest 10% return on investment in the first year. As he was supplying healthy bakery products, the demand kept increasing. Cakes and Bakes became a famous bakery in a year. He now wanted to develop a plan to define the direction and scope of Cakes and Bakes the long run. He made a marketing plan to decide if he could charge higher price to improve his return on investment, how to advertise the products, etc. Quoting lines from the above paragraph, identify and explain two types of plans discussed in the above case. 3

23. . He has 1000 workers working under him in his department. Piyush booked a special order for 300 pairs of gents shoes at an estimated cost price of ₹ 500 per pair plus 20% profit margin. The order is to be completed within 10 days. After completion of the order, Piyush found out that the production cost of one pair of shoes was ₹ 600. He tried to find out the reason, but he couldnt. He reported it to the Chief Executive Officer. The Chief Executive Officer appointed Abhay to find out the cause. Abhay was not only a specialized Cost Accountant, but also a qualified Human Resource Manager. After two days, Abhay reported that the set targets could be completed with the help of only 800 workers, which revealed that there was overmanning in the organization. The organization was not utilizing the human resources optimally, which had led to higher labour cost. The above case highlights one of the points of importance of an important function of management. (i) Identify the function of management. (ii) State any two points of importance of the function of management identified in part (i), except the one discussed in the above case. 3

24(a). Explain any three points of importance of Controlling function of management. 3

OR

24(b). Explain the relationship between Planning and Controlling functions of management with the help of any three points. 3

25. VBR Cinema an Indian multiplex cinema hall was the first to recognize the change in consumption habits of people. It changed its food menu from burgers, pizza, soft drinks, etc. and switched over to healthier options like salads and smoothies, soups and anjeer-based sweets. Within a month, the revenue of the multiplex from sale of food items doubled. VBR Cinema, by continuously monitoring the environment and adopting suitable business practices, was able to improve its revenues and profits and was hopeful that it will continue to succeed in the market in the long run too. Identify and explain one dimension of business environment and one point of importance of understanding the business environment highlighted in the above case. 4

26(a). Explain any four advantages of external sources of recruitment. 4

OR

26(b). Explain Direct Recruitment and Casual Callers as external sources of recruitment. 4

27(a). Explain the following factors affecting the requirements of fixed capital : 4 (i) Technology upgradation (ii) Choice of technique

OR

27(b). Explain the following factors affecting dividend decision : 4 (i) Stability of earnings (ii) Taxation policy

28. Distinguish between Money Market and Capital Market on the following basis : 4 (i) Participants (ii) Instruments (iii) Duration (iv) Liquidity

29. Inaya Ltd is a multinational technology company focusing on artificial intelligence, online advertising and search engine technology. The company is generating good profits and takes care of the well-being of its staff. The company offers benefits like car allowance, medical aid and allowance for childrens education to all employees above the Manager level. It regularly contributes towards the Employees Provident Fund and pays gratuity on retirement to its employees. Under a special incentive scheme, the employees are offered shares of Inaya Ltd at a set price which is lower than the market price. Each year, the company keeps aside funds to pay one percent of base salary as bonus to its employees. No wonder 90% of the employees would recommend working at Ltd to a friend. Explain four incentives being provided by Inaya Ltd to motivate their employees for better performance. 4

30. Ashwin was a fashion designer. On losing his job, he decided to sell the designer clothes online under the brand name oque. The garments were made of good quality fabric with intricate designs and skilled craftsmanship, making them expensive to produce. Realizing that the online market is very competitive, he decided to charge a reasonable price for the garments. The price would cover the cost of production and sale of garments as well as give him 10% margin over and above the cost. Identify and explain two factors affecting the price determination discussed in the above case. 4

31. Ashish wanted to purchase one LCD TV for his home. He decided to go to various stores selling electronic items to check the available varieties of different brands. One of his friends took him to a manufacturer selling LCD TV at almost half the price. The manufacturer described its various features and insisted that Ashish buys the LCD TV from him. Seeing the features, Ashish decided to buy the TV from him, even when the TV was not having any standardisation mark on it. When Ashish asked for the cash memo, the manufacturer discouraged him, saying that it will attract additional tax. He further told Ashish not to worry and promised that if there would be any problem with the TV, he would replace it immediately. The TV started malfunctioning within a month and Ashish asked for its replacement. The manufacturer refused to replace the LCD TV, telling him that the problem is due to mishandling of the TV. Ashish decided to file a complaint in the Consumer Court against the manufacturer. (i) Identify and explain two consumer rights discussed in the above case. (ii) State two consumer responsibilities that Ashish did not fulfil while buying the LCD TV. 6

32(a). Explain the following principles of general management : 6 (i) Unity of command (ii) Equity (iii) Initiative

OR

32(b). Explain the following points of significance of principles of management : 6 (i) Meeting changing environment requirements (ii) Management training, education and research (iii) Optimum utilisation of resources and effective administration

33(a). Distinguish between Functional Structure and Divisional Structure on any six bases. 6

OR

33(b). Explain any four limitations of planning function of management. 6

34. Nalini has an online flower and gifts retail business. She has eight outlets in four cities of India. From November to February, during the wedding season, the demand shoots up. She coordinates the efforts of her staff in a conscious and deliberate manner and plans for the wedding season demand in the month of June itself. She ensures that there is adequate workforce and continuously monitors whether work is proceeding according to plans. She also briefs the marketing department in time to prepare their promotional and advertising campaigns. Thus, her coordination with all departments of the organization begins at the planning stage and continues till controlling. This acts as a binding force between the departments and ensures that all action is aimed at achieving organizational goals. As a result, Nalini is able to give a common focus to group effort to ensure that the business is performing as planned, year after year. Quoting lines from the above paragraph, identify and explain four features of an important concept of management highlighted in the above case. 6

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