

CBSE Class 12 Business Studies 2024 - 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. Niyati is working as a teacher in a school in Mansarovar Garden. She always tells the children at the school not to pollute the environment, and not to throw wrappers of chips and chocolates here and there. She always carries a bag with her to collect the wrappers and put them in the dustbin. By doing this, which responsibility of a consumer is she discharging :

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|--------------------------------|----------------------------------|
| (A) Reading labels carefully | (B) Asserting to get a fair deal |
| (C) Respecting the environment | (D) Being honest in the dealings |

2. Read the following statements : Assertion (A) and Reason (R). Choose the correct alternative from the options given below : Assertion (A) : When the allocative function is performed well, scarce resources are allocated to those firms which have the highest productivity for the economy. Reason (R) : Allocative function allocates or directs funds into their most productive investment opportunity.

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| (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. |

3. 'Mudro Infratech' got a short-term contract for building two villas within a period of ten months with the expectation to earn a huge amount of profit. The Works Manager accepted this challenge and completed the work within the given time period. The profit of the company went up by 40% due to this temporary order. The Finance Manager was aware that the company would not earn this huge profit in the near future. So, he decided not to increase dividend per share as earnings for the year had gone up, but not the earning potential of the company. He also knew that this increase in earnings was temporary in nature. The factor affecting Dividend Decision being highlighted above is :

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|--------------------------|------------------------------|
| (A) Cash flow position | (B) Shareholders' preference |
| (C) Growth opportunities | (D) Stability of dividends |

4. Statement I : Leadership indicates the ability of an individual which influences the behaviour of others. Statement II : Leadership is exercised to achieve personal goals of the leader. Choose the correct option from the following :

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| (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. |

5. _____ is concerned with designing jobs that include greater variety of work content, require higher level of knowledge and skill, and give workers more autonomy and providing them opportunity for personal growth and a meaningful work experience.

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|------------------------------------|--------------------|
| (A) Job security | (B) Perquisites |
| (C) Employee recognition programme | (D) Job enrichment |

6. Statement I : The objective of financial management is to maximize shareholders' wealth. Statement II : The shareholders gain if the value of shares in the market increases. Choose the correct option from the following :

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|--|--|
| (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. |

7. 'Panmol Dairy' started using environment-friendly 'Bilona' method of making ghee, unlike other dairies which were using modern methods involving machines and chemicals. By doing this, 'Panmol Dairy' is providing employment to hundreds of illiterate people in the rural areas. Which objective of management is 'Panmol Dairy' trying to achieve :

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|------------------------|------------------------|
| (A) National objective | (B) Personal objective |
| (C) Social objective | (D) Economic objective |

8. In the _____ a securities account can be opened, all shares can be deposited in it. These can be withdrawn / sold at any time and instruction to deliver or receive shares on behalf of the investor can be given.

- | | |
|--------------------|--------------------|
| (A) Primary market | (B) Stock exchange |
| (C) Bank | (D) Depository |

9. 'Bonfast Cement Ltd.' supports 7 villages with housing facilities, schools, safe drinking water, health and hygiene. The company sends its employees to visit a nearby village every 15 days to provide support and to see whether the facilities provided are being implemented on ground. The objective which 'Bonfast Cement Ltd.' is trying to achieve is :

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|------------------------------|------------------------|
| (A) Personal objective | (B) Social objective |
| (C) Organizational objective | (D) Economic objective |

10. To motivate its employees on one side, 'Harshita Pearls' rewards them with increase in pay, promotion, recognition, etc. whereas on the other side it stops increments, gives punishment, threatens employees so that they may act in a desired manner. Which feature of motivation is being highlighted in the above case ?

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| (A) Motivation is a complex process. | (B) Motivation is an internal feeling. |
| (C) Motivation can be either positive or negative. | (D) Motivation produces goal-directed behaviour. |

11. Which of the following statements is not highlighting the importance of financial planning :

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| (A) It helps in forecasting what may happen under different business situations. | (B) It helps in avoiding business shocks and surprises and helps the company in preparing for the future. |
| (C) It provides a link between investment and financing decisions on a continuous basis. | (D) Detailed plans of action prepared under financial planning increases waste, duplication of efforts and gaps in planning. |

12. Most of the organizations these days have adapted themselves to changing environment. To reach and engage with the target customers, they started to have a strong presence on social media like Facebook, Instagram, etc. From the following, identify the feature of management being highlighted :

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|-------------------------------------|---|
| (A) Management is a group activity. | (B) Management is a continuous process. |
| (C) Management is multidimensional. | (D) Management is a dynamic function. |

13. The legal framework in India requires the manufacturers to provide information about ingredients, date of manufacture, quantity, price, directions for use, etc., on the label of the product. From the following, identify the consumer right that is satisfied by the firm by fulfilling the requirement :

- (A) Right to safety (B) Right to be informed
(C) Right to be assured (D) Right to be heard

14. Due to increasing presence of women in the workforce, 'Kisan Mart' comes out every Friday with big discount offers on daily use items to attract office-going women to shop on weekends. Which dimension of business environment is being highlighted in the above case ?

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

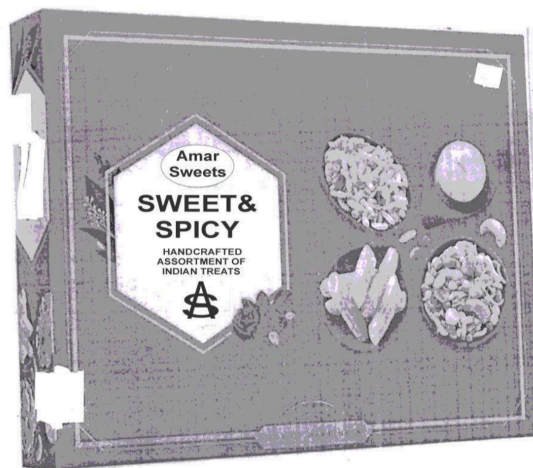
15. Raunaq, while studying at the university, felt that there should be a food joint in the university campus to provide food to students round the clock. After passing out of college, he set up 'Hunger Point', a food joint with a varied menu ranging from burgers, pizzas, street food and much more, in the university campus. For this, he obtained necessary permissions from the university administration. Since he was the first one to recognize the need for a food joint for all the students in an environment where students study day and night, it soon became a popular eating joint. Within six months, 'Hunger Point' started earning good profits. Identify the point of importance of business environment discussed in the above case :

- (A) It enables the firm to identify opportunities and get the first mover advantage. (B) It helps the firm to identify threats and early warning signals.
(C) It helps in assisting in planning and policy formulation. (D) It helps in improving performance.

16. Match the Levels of Management given in Column I with the functions performed at each level given in Column II :
Column I Column II
1. Top Level Management (i) They directly oversee the efforts of the workforce.
2. Middle Level Management (ii) They ensure that their department has the necessary personnel.
3. Operational Management (iii) They are responsible for the welfare and survival of the organisation.
Choose the correct option from the following :

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

17. Identify from the following what is depicted in the given picture :



- (A) Trade Mark only (B) Brand Name only
(C) Brand Mark only (D) Both Brand Name and Brand Mark

18. From the following, identify the one which is not a function of stock exchange :

- (A) Providing liquidity and marketability to existing securities (B) Spreading of equity cult
(C) Ensuring safety of transactions (D) Ensuring that there is no scope for speculation

19. Choose the incorrect statement with respect to demonetization :

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|---|---|
| (A) The two largest denomination notes of ₹ 500 and ₹ 1000 were demonetized with immediate effect, ceasing to be legal tender except for buying properties. | (B) The aim of this step was to curb corruption and accumulation of black money. |
| (C) It led to the tax administration channelizing savings into the formal financial system. | (D) Restrictions were placed on the convertibility of domestic money and bank deposits. |

20. 'Maslow's Need Hierarchy theory' is based on certain assumptions. Identify the incorrect statement with respect to these assumptions :

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|--|---|
| (A) People's behaviour is based on their needs. | (B) A satisfied need can no longer motivate a person. |
| (C) People's needs are in a hierarchical order, starting from basic needs to higher level needs. | (D) A person moves to lower level of need only when a higher level need is satisfied. |

21. Neeraj Ltd. started an airline to provide good quality air services. For the same, he purchased ten aircrafts. Out of these, two aircrafts would be used to train the pilots. It will help them to achieve proficiency in handling the aircrafts before they would actually fly them. (i) Identify and explain the method of training discussed above. (ii) State any two advantages the pilots would get from this training. 3

22(a). Give the meaning of 'Contract Note' and 'T+2' system in the trading procedure in a stock exchange. 3

OR

22(b). State any three regulatory functions of Securities and Exchange Board of India. 3

23. Two ambitious friends, Sana and Mihir, having passion for creating innovative software applications, established a tech startup named 'Quick Solutions'. Their software was developed in such a way that it caters to the needs of all sections. Since its inception, 'Quick Solutions' was earning enough revenue to cover the costs. They faced countless challenges from competing with large and well-established companies. But they learned from their mistakes and continuously improved their product. Slowly, their software gained recognition for its quality and uniqueness and the company started making profits. It was a big incentive for Sana and Mihir for the continued successful operation of the enterprise. Within two years, the customer base increased manifold. Now, Sana and Mihir decided to make additional capital investment and hired more employees. They invested in research and development and expanded their product line to meet emerging market demands. 'Quick Solutions' ultimately became the industry leader because of the tireless efforts of Sana and Mihir. Quoting lines, identify and state the objectives of management discussed in the above case which 'Quick Solutions' seeks to achieve. 3

24(a). Explain any three psychological barriers to communication. 3

OR

24(b). 'Directing helps in effective and efficient functioning of the organization.' Explain this statement by giving any three points. 3

25(a). Explain the following functions of marketing : 4 (i) Marketing planning (ii) Gathering and analyzing market information

OR

25(b). Explain the following factors which affect the fixation of price of a product : 4 (i) Product cost (ii) Utility and Demand

26. Arushi successfully runs a bookstore 'Children's Delight' catering to children of the age group of 5 – 15 years. They have the complete range of children's books like activity books, colouring books, fiction and much more. The books are of good quality and are highly appreciated by schools, parents and children. They have 16 stores all over India, where children can not only purchase the books, but can also come and read, and participate in quiz competitions and experience the joy of reading. They have their own well-managed inventory management, storage, and warehousing to deliver books to locations all over India. The bookstore regularly communicates the availability, features, merits, etc. of the books to target customers and persuades them to buy the books. Quoting lines in the situation, identify and explain the two elements of marketing mix in addition to 'Product' highlighted in the above case. 4

27(a). Explain any four characteristics of planning. 4

OR

27(b). Explain any four points of importance of decentralisation. 4

28. State any four points of importance of consumer protection from the point of view of business. 4

29. Vibhas recently joined as a Human Resource Manager of 'Bajanta Enterprises'. The company had embarked on a special project for which Vibhas had appointed twenty new employees. After the employees underwent on-the-job training for a month and had been on the job for some time, there was a need to evaluate their performance against certain pre-determined standards. Not only this, 'Bajanta Enterprises' had to address the career related issues and promotional avenues for their employees. Vibhas was designing activities to serve their employees' long-term interests. By doing this, 'Bajanta Enterprises' had completed the two important steps of staffing process. Identify and explain those steps. 4

30. 'Leno' is a reputed car manufacturing company, which is going to complete its 75 years in October 2024. The Chief Executive Officer of the company decided to take the company to a higher level. For this he called a meeting of all departmental heads of the company. In the meeting, the Chief Executive Officer proposed a target to increase sales by 10% and profits by 20% in its Platinum Jubilee year. The Human Resource Manager estimated that an increase of 500 workers would be required to achieve the target. The Finance Manager suggested that the company must hold adequate cash balances for various purposes, and he will prepare a statement showing the estimated cash inflows and outflows for this particular period. Identify and explain two types of plans discussed in the above case. 4

31(a). Explain the following principles of general management : 6 (i) Stability of Personnel (ii) Esprit de corps (iii) Order

OR

31(b). Explain the following features of principles of management : 6 (i) General guidelines (ii) Mainly behavioural (iii) Contingent

32(a). Explain the following factors affecting choice of capital structure of a company : 6 (i) Return on Investment (ii) Floatation Costs (iii) Flexibility

OR

32(b). Explain the following factors affecting working capital requirement of a company : 6 (i) Nature of business (ii) Business cycle (iii) Inflation

33. Nishtha runs a chain of famous restaurants, 'Indian Kitchen', in different parts of Delhi. The restaurant chain was known for good quality food and quick service. 'Indian Kitchen' was generating good revenue and had goodwill in the market. Nishtha would take a weekly report from all the Restaurant Managers and take necessary action to resolve the problems, if any. Nishtha noticed a sudden decline in sales in one of the restaurants. She questioned the Restaurant Manager who mentioned that the restaurant is seeing a gradual decrease in the number of customers, but could not provide a clear explanation for it. So, Nishtha formed a team to find out the causes of the declining customers as this is the key area for restaurant business and is critical to the success of business. By doing this, Nishtha is performing a step of the process of a function of management. (i) Identify and explain the function of management discussed above. (ii) Explain the step of the function identified in (i) above, followed by Nishtha to find out the causes of declining revenue. (iii) Explain the step Nishtha will take after she gets the report from the team formed to find out the causes of declining revenue. 6

34. 'Rewton Ltd.' was a reputed computer software company providing unique software all over India. The turnover of the company was very high resulting in good profits. The Chief Executive Officer, Vihaan, was very strict and disciplined. He specified the boundaries of authority and responsibility for achieving organizational goals. There was systematic coordination among the various activities and specific relationships among various job positions. The company provided facilities like a canteen, a gym, a library, a music room, and a rest area for its employees, which they could use during rest intervals. Using these facilities, the employees developed friendships and discussed not only their personal, social and emotional issues, but also the official ones. The General Manager was of a different view. He told the Chief Executive Officer that there was no use providing these facilities to the employees as it is an extra financial burden on the organization on one hand and on the other hand, it encourages groupism and whenever any change is required in the organization, they all resist. He suggested that they should do away with these facilities. But the Chief Executive Officer, Vihaan, explained to the General Manager that this type of social interaction is necessary, and is in the best interest of the organization. These interactions among people at work give rise to a network of social relationships among employees and have many benefits. (i) Identify and explain the type of organisation whose existence the Chief Executive Officer felt was necessary. (ii) State any two advantages and two disadvantages of the type of organization identified in (i) above. 6

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