



# COMMON PRE-BOARD EXAMINATION 2023-24

Subject: BUSINESS STUDIES (054)

Class XII



Time: 3 Hrs.

Max. Marks: 80

## **General Instructions:**

Read the following instructions carefully:

1. This question paper contains 34 questions.
  2. Marks are indicated against each question.
  3. Answers should be brief and to the point.
  4. Answers to the questions carrying 3 marks may be from 50 to 75 words.
  5. Answers to the questions carrying 4 marks may be about 150 words.
  6. Answers to the questions carrying 6 marks may be about 200 words.
  7. Attempt all parts of the questions together.
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1. Highland Ltd has shifted workforce from surplus departments to those where there is shortage instead of laying them off. Which stage of staffing reveal the surplus/shortage of workforce?  
(a) Recruitment (b) Performance appraisal  
(c) Estimating manpower requirement (d) Training and development (1)
  2. The financial incentive offered over and above the wage/salary to an employee is \_\_\_\_\_.  
(a) Bonus (b) Productivity-linked wage incentive  
(c) Profit sharing (d) Perquisites (1)
  3. 'Management cannot be seen but its presence can be felt' Which feature of management is highlighted?  
(a) Group activity (b) Dynamic function  
(c) Intangible force (d) Continuous process (1)
  4. For the following two statements choose the correct option:  
**Statement I:** Management is called an inexact science.  
**Statement II:** Management deals with complex human behaviour, which cannot be determined with accuracy.

Choose the correct option from the options given below:

- (a) Both the statements are true
- (b) Both the statements are false
- (c) Statement I is true and II is false
- (d) Statement II is true and I is false (1)

5. Which of the following is not a function of stock exchange?

- (a) Safety of transaction (b) Pricing of securities
- (c) Providing liquidity and marketability to existing securities
- (d) Holding securities in electronic form (1)

6. Now a days business concerns are using social media platforms to promote their business. They use face book, Instagram and twitter for the promotion of products and services. Legal information is also publishing through these media. Which dimension of Business environment is mentioned in these sentences?

- (a) Social Environment (b) Technological Environment
- (c) Legal Environment (d) Economic Environment (1)

7. Planning is the process of deciding in advance for the future. In which step of planning process, the decision is taken?

- (a) Selecting an alternative (b) Developing Premises
- (c) Evaluating alternative courses (d) Setting Objectives (1)

8. "Holding share certificates in physical format carries risks like certificate forgeries, loss of important share certificates and delays in certificate transfers. But this, allows customers to convert their physical certificates into electronic format, thereby eliminating the afore mentioned hassles." What is mentioned in the paragraph is:

- (a) Depository Trust Company (b) Securities Exchange Commission
- (c) Dematerialisation of securities (d) Federal Depository Insurance

9. Which of the following is NOT a principles/techniques of management given by F.W.Taylor?

- (a) Science, not rule of the Thumb (b) Functional foremanship
- (c) Harmony not discord (d) Stability of personnel (1)

10. Manisha and Mahesh were friends from college days and now they are doing their own business. They regularly meet and discuss their business ideas and present conditions of the market. In one of such meetings, Manisha drew the attention of Mahesh towards the exploitation of consumers. She believed most of the sellers were exploiting the consumers in different ways and were not paying attention towards the social, ethical and ecological aspects of marketing. According to her, sellers should increase their profitability by satisfying the consumers and they were adequately convinced and motivated for purchase of products. Mahesh added his view that, a company cannot

achieve its objectives without understanding the needs of the customers and by considering the social, ethical and ecological aspects. Identify the concept of marketing that these two friends were discussed about.

- |                                |                       |     |
|--------------------------------|-----------------------|-----|
| (a) Societal Marketing Concept | (b) Product Concept   |     |
| (c) Selling Concept            | (d) Marketing Concept | (1) |

11. Green Ltd was engaged in the export business of organic food items. Now the company decided to modify its packing and wants to make small enough to easy handling. As per the expert opinion, latest packing technology is needed. The Finance Manager of the company, estimated the amount of fund required. This will help the company in linking the investment and the financing decisions on a continuous basis.

Identify the financial concept discussed in the above paragraph.

- |                        |                        |     |
|------------------------|------------------------|-----|
| (a) Financing Decision | (b) Financial Planning |     |
| (c) Trading on Equity  | (d) Capital Structure  | (1) |

12. Business must establish a consumer service and grievance cell of its own. Which consumer right suggest it?

- |                       |                                 |     |
|-----------------------|---------------------------------|-----|
| (a) Right to be heard | (b) Right to be informed        |     |
| (c) Right to safety   | (d) Right to consumer education | (1) |

13. Vaiga Ltd produced a good quality product, and made it available at the selling points with an appropriate price, which are convenient to customers. But the sales were not good in the market. There is a need for developing proper communication with the market in the absence of communication, the customers would not be able to know about the product and how it can satisfy their needs and wants or may not be convinced about its utility and benefits.

Identify the element of marketing mix highlighted in the above paragraph.

- |             |               |     |
|-------------|---------------|-----|
| (a) Product | (b) Price     |     |
| (c) Place   | (d) Promotion | (1) |

14. 'Managers at all the levels need to perform the controlling function to keep a check on the activities in their respective areas of operation.' Which feature of controlling is being referred to?

- |                                    |  |     |
|------------------------------------|--|-----|
| (a) Controlling is all pervasive   | (b) Controlling is looking back            |     |
| (c) Controlling is forward looking | (d) Controlling is a goal-oriented process | (1) |

15. Centralisation refers to:

- |  |   |     |
|--|---|-----|
| (a) creating divisions as profit centers.          | (b) dispersal of decision-making authority. |     |
| (c) retention of decision-making authority         |   |     |
| (d) opening of a head office/center of importance. |   | (1) |

16. Sangam Ltd. is a large company manufacturing electric motors. The company has several departments Production, Marketing, Finance and HR. Mr. Deepak, CEO of the company set the target sale of ₹15 crore in a month. To increase the sales, the marketing manager, Mr. Kaushal insists on offering 10% discount to customers. But the finance manager does not approve such discount as it would mean loss of revenue. Because of dual subordination, the sales manager, Mr. Anupam could not achieve the sales target. Which principle of management has been overlooked by this company?

- (a) Discipline
- (b) Unity of direction
- (c) Unity of command
- (d) Subordination of individual interest to general interest (1)

17. The manager of Sradha Ltd is overburdened with routine work and is unable to concentrate on core issues of the company. To overcome this problem, he entrusted some of his responsibility and authority to his immediate subordinate. Which concept of management is used by the manager?

- (a) Centralisation
- (b) Delegation
- (c) Decentralisation
- (d) Span of management (1)

18. Sam was working in a mobile assembling unit of a company. The standard unit of production was 12 unit per day. During his working time, Sam realized that by reorganizing the sequence of tasks more units can be assembled at a lower cost. He informed his discovery to the supervisor. But he instructed Sam to continue the same method and techniques decided earlier.

Identify the limitation of the primary function of management.

- (a) Planning focuses on achieving objectives
- (b) Planning reduces creativity
- (c) Planning involves huge cost
- (d) Planning is time consuming (1)

19. Dev has two projects A and B in hand. The same amount of risk is involved in both the projects. If the rate of return of project A and B is 20% and 15% respectively, then under normal circumstance, which of the two projects is likely to be selected?

- (a) Project A
- (b) Project B
- (c) Both project A and project B
- (d) None of the above (1)

20. Which of the following is not a component of economic environment of business?

- (a) Interest rates
- (b) Inflation rates
- (c) Rates of savings and investments
- (d) Literacy rates (1)

21. Mather Ltd is taking a proactive approach to addressing consumer concerns about harmful chemicals in the cultivation of fruits and vegetables. When they conducted a market study, they found that most of the consumers were concerned about the harmful chemicals being used in growing fruits and vegetables. Householders are searching for an alternative. The company discussed with agricultural experts and developed innovative cultivation technique with the chemical free fertilizers. They developed a comprehensive training program for farmers to educate them on the new cultivation technique. Now Mather Ltd could not only address consumer concerns but also differentiate itself in the market by providing a sustainable and environmental friendly solution for growing fruits and vegetables.

Identify and explain two dimensions of business environment highlighted in the above paragraph. (3)

22. State any three functions performed by a middle level manager.

**OR**

State any three characteristics of Co-ordination. (3)

23. Raj was struggling to make ends meet while working on a daily wage basis in a workshop. It was difficult for him to fulfill the basic needs of his family. When his son fell ill and he couldn't afford the medical expenses, he decided to participate in a cycle race to win prize money. Luckily, he emerged victorious, and the cycle company was so impressed that they offered him a permanent and pensionable job. Raj gladly accepted the job, providing him with a more stable source of income to support his family's basic needs.

(i) Which element of directing is indicated above.

(ii) By quoting the lines from the above paragraph identify the needs of Raj that are satisfied by the offer of Cycle Company.

(iii) Also, explain two other needs of Raj followed by above that are still to be satisfied. (3)

24. Hema purchased one liter of pure desi ghee from a shopkeeper. After using it, she had a doubt that it is adulterated. She sent it for a laboratory test which confirmed that the ghee is adulterated. State any three reliefs available to Hema, if she complains and the consumer court is satisfied about the genuineness of the complaint.

**OR**

Ankita bought a book from a bookstore, but discovered that ten pages were missing while reading it. When she raised the issue with the book seller, he initially rejected her request, claiming it wasn't his mistake. Despite her complaint, Ankita faced a challenge in resolving the issue with the missing pages.

(i) Identify which consumer right is rejected here.

(ii) Write two more rights of a consumer as per the Consumer Protection Act, 2019. (3)

25. Neha, Mani, and Nisha have teamed up to start a furniture manufacturing business. They have outlined key activities for their business, including (1) Sourcing raw materials, (2) Acquiring machinery, (3) Furniture production, (4) Securing financial arrangements, (5) Marketing and selling furniture, (6) Exploring potential markets for their products and (7) Hiring and selecting employees.

In order to facilitate the work, they thought that four managers should be appointed to look after the  
(a) Production, (b) Finance, (c) Marketing, (d) HR.

- a. Identify the function of management involved in the above-mentioned paragraph.
- b. Quote the lines from the above paragraph which help you in identifying this function.
- c. State the steps followed in the process of this function of management.

**OR**

Alfa Steel Ltd has the following main jobs: (i) Manufacturing, (ii) Financing, (iii) Marketing  
(iv) Research and Development.

- (a) Which type of organisational structure will you suggest for this type of company and why?
- (b) State any three benefits of that structure you suggested for the company. (4)

26. Describe the concept of Authoritative leadership and state its features.

**OR**

There are some barriers in communication which are concerned with organisational structure and rules and regulations. State any four such barriers. (4)

27. Stock exchange acts as a regulator of the securities market. It creates a continuous market where the securities are bought and sold. Through the process of disinvestment and reinvestment, savings get channelized into their most productive investment avenues. To ensure that the investing public gets a safe and fair deal in the market, the membership of the stock exchange is well regulated and its dealings are well defined according to the existing legal framework. It also ensures wider share of ownership by regulating new issues, better trading practices and taking effective steps in educating the public about investments.

Identify and state any four functions performed by the Stock Exchange discussed in the above paragraph. (4)

28. Ragini purchased a laptop for ₹85,000. After using it for a while, she discovered that the laptop's keyboard was not working properly. When she contacted the seller, they declined to address the issue.

(a) Suggest her suitable authority where she can file a complaint under the Consumer Protection Act, 2019.

(b) What procedure will be followed by the concerned authority to redress her grievance? (4)

29. Mr. Kethan took over 'Tech Innovate Solutions,' a company that was facing difficulties before. Determined to enhance its performance, Kethan noticed deficiencies in the production methods and employee selection processes, which were not based on scientific principles. Following scientific management principles, Kethan believed in finding the best method to boost efficiency. He told the Production Manager to create and apply this method, highlighting the importance of training workers to follow the improved processes. The Production Manager, using scientific management techniques, thoughtfully examined different factors such as the order of tasks, resource allocation, and product delivery. As a result, the adopted method significantly boosted output, improved product quality and reduced costs and wastage for Tech Innovate Solutions.

Identify and explain the principles and the technique of scientific management followed by the Production Manager in the above case. (4)

30. Electro Appliances, a major assembly company for refrigerators, recently conducted a 'Time' and 'Motion' study, determining that, on average, a worker can assemble ten refrigerators in a day. The company has 100 employees. Despite offering attractive allowances to minimize labor turnover and absenteeism, the company is facing a shortfall in achieving its daily target of assembling 1,000 units. The company observed, through performance analysis and CCTV footage, that some employees were involved in non-work-related activities like gossiping. This contributed to the lower daily assembly output of 800 units. To address this issue, Electro Appliances is considering measures to ensure a more focused and productive work environment.

- (a) Identify the function of management discussed above.  
(b) State those steps in the process of the function identified which are discussed in the above paragraph. (4)

31. Amrutha Patel joined the growing electric vehicle sector in Pune, aiming for a 90% market share across India within a year, confident in a projected fourfold increase in EV demand in the next 2-3 years. To reach her ambitious goal, Amrutha considered acquiring an existing EV business, forming partnerships or aggressively developing independently amidst strong competition. Amrutha reviewed proposals from different companies, examining factors like earnings per share, taxes, dividends and future predictions. Recognizing the influence of economic policy changes on these forecasts, she stayed vigilant in the dynamic industry, acknowledging the need for adjustments based on modifications in the country's economic policies.

The above paragraph discusses some of the steps of one of the functions of management. Identify the function of management and by quoting the lines from the above paragraph, explain these steps in chronological order.

**OR**

After completed her degree in sustainable packaging, Priya gained experience in a company producing eco-friendly packaging materials. Now she decided to venture into her own business, establishing an organic packaging manufacturing unit. Setting clear objectives and targets, Priya formulated an action plan to guide her endeavors. One of her primary objectives was to achieve a 15% profit on the initial investment in the first year. To facilitate this, Priya devised a strategy to source raw materials, such as biodegradable materials and sustainable inks, on a three-month credit basis from certified organic suppliers only.

Additionally, she planned to implement an in-house marketing approach, establishing her own outlets to promote and sell the eco-friendly packaging products. Priya appointed Rohan as the Production Manager, tasking him with determining the exact procedures for manufacturing activities. Rohan also created a workforce plan, detailing the required number of employees throughout the year. Priya communicated her sales targets to Rohan for different products and specific regions for the upcoming quarter. While optimizing the production process, Priya introduced a penalty system of ₹200 per day for any worker failing to adhere to safety measures, such as wearing the required cap, gloves and apron. In this way, Priya incorporated various types of plans.

Quoting lines from the above paragraph identify and explain the different types of plans discussed.

(6)

32. Zest Life is a renowned chain offering a diverse range of health-conscious products in the Indian market. Their product line includes organic snacks, gluten-free cookies, wholesome sweets and natural fruit concentrates. Zest Life prices its products at a higher price compared to competitors, as it sells superior quality products. The brand regularly extends discounts to customers and extends favorable credit terms to retailers, fostering strong partnerships. Operating five retail health stores, Zest Life distributes its products through various health food stores and ensuring products at right place, in the right quantity and at the right time. Employing a variety of communication channels, Zest Life consistently engages customers to enhance sales and promote a healthier lifestyle.

The above para describes the combination of variables used by Zest Life to prepare its market offering. By quoting the sentences identify and explain the Mix.

**OR**

Radha, a student doing her Bachelor Degree in Agricultural Economics, hails from a family deeply rooted in sustainable farming practices. Her father, an experienced farmer selected for a government-backed initiative on innovative crop cultivation, inspired her project idea for her academics. Fascinated by the feasibility of introducing a unique agricultural product to the market, Radha decided to explore the potential of marketing premium-quality organic vegetables at an affordable price. Following her father's advice, Radha utilised online platforms to gather valuable insights from potential customers. Through her research, she identified a significant demand for organically grown packaged vegetables. Recognizing the absence of predetermined specifications in the vegetable market, it was very difficult in achieving uniformity in output.

To distinguish her product from competitors, Radha introduced name for her products - "Green Harvest Organics" and categorized it into three varieties: Fresh Select, Pure Essence, and Supreme Grove, based on varying quality standards. She believed that these names would effectively aid in product differentiation and contribute to the success of her sustainable farming initiative.

Identify and explain the three functions of marketing, with reference to the above paragraph. (6)

33. Eco Weave Industries is a textile manufacturing company with a share capital of 60 lakhs (shares of ₹10 each). In the preceding year, the company reported an earnings per share of 0.5. Seeking to diversify its operations, Eco Weave decided to acquire additional capital of 40 lakhs. To secure the required funds, the company issued 10% debentures. In the ongoing fiscal year, Eco Weave recorded a profit of 12 lakhs on its capital employed. The company diligently fulfilled its tax obligations at a rate of 40%.

State whether the shareholders gained or lost, in respect of earning per share on diversification. Show your calculations clearly. (6)

34. Aditi, the director of a sustainable products company, envisions manufacturing eco-friendly bags using recycled materials from her existing production units. She plans to establish the manufacturing unit in rural areas of Himachal Pradesh, where employment opportunities are limited, and labor is available at reasonable rates. Committed to providing equal opportunities for men and women, Aditi aims to fill four key positions in Sales, Accounts, Purchase and Production. Following an advertisement, she shortlists ten candidates per post after conducting various selection tests.

Identify and explain the next six steps for choosing the best candidate out of the short-listed candidates. (6)