



Class: XII

Time: 1 ½ Hrs

Subject: Business Studies

MM: 80

**GENERAL INSTRUCTIONS:**

(Candidates are allowed additional 15 minutes for only reading the paper.)

ALL QUESTIONS ARE COMPULSORY

Each Question carries 1 mark.

Fill OMR Sheet with Pencil ....

**SECTION - A**

1. Successful organisations do not achieve goals by chance but by following a deliberate process known as[1]

- (a) Planning
- (b) Co-ordination
- (c) Controlling
- (d) Management

2. Management is essential for the organisations which are[1]

- (a) Non-profit organisations
- (b) Service organisations
- (c) Social organisations
- (d) All of the above

3. Management contains a series of interrelated functions that include[1]

- (a) Planning
- (b) Organising
- (c) Directing
- (d) All of the above

4. People in the organisations carry out diverse tasks with the aim to achieve[1]

- (a) Different objectives
- (b) Common objectives
- (c) Both of the above
- (d) None of the above

5. Successful management ensures that[1]

- (a) Goals are achieved with least cost
- (b) Timely achievement of goals
- (c) Both of the above
- (d) None of the above

6. The principles of management do not provide readymade straight jacket solutions to all management problems because[1]

- (a) The real business situations are complex.
- (b) The real business situations are dynamic.
- (c) The principles act as general guidelines.
- (d) All of the above

7. Principles of management can be modified by the manager when the situation demands. This statement implies that the principles of management are[1]

- (a) Rigid
- (b) Contingent
- (c) Flexible
- (d) Universally applicable

8. Principles of management emphasize on logical and rational decision making rather than on the basis of bias and prejudice. The given statement highlights that the knowledge of principles of management leads to[1]

- (a) Providing managers with useful insight into reality
- (b) Scientific decisions
- (c) Meeting changing environmental requirements
- (d) All of the above

9. India continues to be a lower-middle-income country alongwith 46 others, while Sri Lanka has climbed to the upper-middle-income group for thefiscal year (FY) 2020, according to the World Bank’s classification of countries byincome levels, released on July 1, 2019. Identify the related dimensions of business environment. [1]

- (a) Social dimension
- (b) Technological dimension
- (c) Economic dimension
- (d) Political dimension

10. The Government of India launched “Make in India”initiative in September, 2014 to increase foreign direct investment (FDI) in 25 sectors. As ofApril, 2015, FDI inflow in India has increased by 48% since the launch of “Make in India”initiative. Identify the concept being described in the above lines, withregard to inflow of FDI. [1]

- (a) Demonetisation
- (b) Privatisation
- (c) Liberalisation
- (d) Globalisation

11. Which of the following is not a benefit of planning? [1]

- (a) Planning reduces overlapping and wasteful activities.
- (b) Planning is a mental exercise.
- (c) Planning provides directions.
- (d) Planning reduces the risks of uncertainty.

12. Which of the following statements is not true withreference to planning? [1]

- (a) Planning is a pre-requisite for controlling.
- (b) Planning does not lead to rigidity.
- (c) Planning enables a manager to look ahead and anticipatechanges.
- (d) Planning facilitates co-ordination among departments andindividuals in the Organisation.

13. What is known as the primary function of management? [1]

- (a) Controlling
- (b) Organising

(c) Planning

(d) Staffing

14. It is a good source of filling the vacancies with employees from over staffed[1] departments.

(a) Transfer

(b) Promotion

(c) Placement agencies

(d) Government exchanges

15. Under this method of recruitment, a notice is placed on the notice board of the organisation containing the details of the jobs available. [1]

(a) Casual callers

(b) Labour contractors

(c) Recommendations of employees

(d) None of the above

16. Which of the following is an internal source of recruitment? [1]

(a) Transfer

(b) Advertising on television

(c) Casual callers

(d) Labour contractors

17. Jagga started a small stationery shop in the nearby market. In pursuit of earning higher profits in a short term, he overpriced all his products by 20%. Gradually, the consumers understood his pricing strategy and stopped coming to his shop for making any purchase. Identify the related point highlighting the importance of consumer protection from businessmen's point of view.

[1]

- (a) Long-term interest of business is assured
- (b) Business uses society's resources so they need to safeguard consumer's interests.
- (c) Social responsibility towards consumers as an important interest group.
- (d) It is the moral obligation of the businessmen to give due consideration to the consumer's interests.

18. Which of the following statements is not true with regard to Treasury bills? [1]

- (a) Are issued in the form of a promissory note.
- (b) They are highly liquid and have assured yield
- (c) They carry high risk of default.
- (d) They are available for a minimum amount of ₹25,000 and in multiples thereof.

19. Which of the following statements is not true with regard to capital market? [1]

- (a) The funds are raised for a short period of time.
- (b) Both debt and equity funds can be raised.
- (c) It is classified into two types.
- (d) All of the above.

20. Which of the following statements is not true with regard to stock exchange? [1]

- (a) It provides a platform for buying and selling of new securities.
- (b) It curbs the marketability of the securities.
- (c) By providing a ready market, it extends liquidity to these securities.
- (d) It provides a platform for buying and selling of old securities.

21. Which of the following is not a type of semantic barriers? [1]

- (a) Badly expressed message
- (b) Unclarified assumptions
- (c) Technical jargon
- (d) Premature evaluation

22. Which of the following is not a type of psychological barriers? [1]

- (a) Premature evaluation
- (b) Lack of attention

- (c) Fear of challenge to authority
- (d) Distrust

23. Which of the following is not an element of directing? [1]

- (a) Supervision
- (b) Communication
- (c) Leadership
- (d) Inspection

24. It means the process of making subordinates to act in a desired manner to achieve certain organisational goals. [1]

- (a) Supervision
- (b) Communication
- (c) Leadership
- (d) Motivation

25. Effective motivation in the organisation does not contribute towards [1]

- (a) Developing performance levels of employees
- (b) Helping to reduce employee turnover
- (c) Resistance to changes in the organisation
- (d) All of the above

26. Mohit recently got a raise in his salary due to annual increment. Which of his human needs is being satisfied through this? [1]

- (a) Security Needs
- (b) Belonging Needs
- (c) Self Actualisation Needs
- (d) Basic Physiological Needs

27. Which of the following is not an assumption of Maslow's theory? [1]

- (a) People's behaviour is not based on their needs.
- (b) Satisfaction of such needs influences their behaviour.
- (c) A satisfied need can no longer motivate a person; only next higher level need can motivate him.
- (d) A person moves to the next higher level of the hierarchy only when the lower need is

satisfied.

28. Ashutosh works as a manager in Kuber Ltd. Besides the salary, the company offers him benefits such as free housing, medical aid and education to the children, etc. Identify the type of incentive being offered to him. [1]

- (a) Perquisites
- (b) Job Enrichment
- (c) Co-partnership
- (d) Pay and allowances

29. Business finance is needed to[1]

- (a) Establish a business
- (b) Run a business
- (c) Expand a business
- (d) All of the above

30. The size of assets, the profitability and competitiveness are all affected by[1]

- (a) Working capital decision
- (b) Capital budgeting decision
- (c) Financing decision
- (d) Dividend decision

31. The inability of a business to meet its fixed financial obligations, like payment of interest, is known as[1]

- (a) Business risk
- (b) Financial risk
- (c) Long-term risk
- (d) Market risk

32. Name the financial decision which relates to disposal of profits. [1]

- (a) Investment decision
- (b) Financing decision
- (c) Dividend decision
- (d) Capital budgeting decision

33. SEBI is a regulator of [1]

- (a) capital market.
- (b) money market
- (c) commodity market.
- (d) overseas market

34. \_\_\_\_\_ is the market which helps existing investors to sell their securities. [1]

- (a) Primary market
- (b) Secondary market
- (c) Capital market
- (d) Commodity market

35. It is a short-term, negotiable, self-liquidating instrument which is used to finance the credit sales of firms. [1]

- (a) Commercial bill
- (b) Commercial papers
- (c) Call money
- (d) None of the above

36. A District Forum has jurisdiction to entertain a consumer complaint involving product value: [1]

- (a) Up to ₹ 20 lakh
- (b) Up to ₹ 10 lakh
- (c) Between ₹ 20 lakh and ₹ 1 crore
- (d) Above ₹ 1 crore

37. A complaint can be filed against \_\_\_\_\_ who adopt(s) unfair trade practices. [1]

- (a) Trader only
- (b) Manufacturer only
- (c) Trader and Manufacturer
- (d) Consumer

38. Which of the following statements is not true with regard to the District Forum?  
[1]



- (a) It consists of a President and three other members, one of whom should be a woman.
- (b) The members are appointed by the District Government.
- (c) A complaint can be made to the appropriate District Forum when the value of the goods or services in question, along with the compensation claimed, does not exceed 10 lakhs.
- (d) All of the above

39. Need hierarchy theory of motivation has been given by [1]

- (a) Maslow.
- (b) Fayol.
- (c) Taylor.
- (d) Koontz.

40. Grapevine is a form of [1]

- (a) formal communication.
- (b) channel of communication
- (c) informal communication.
- (d) barrier to communication

41. \_\_\_\_ aims at instructing, guiding, motivating people to achieve the desired results. [1]

- (a) Communication
- (b) Directing
- (c) Motivating
- (d) Organising

42. During the year 2018, Halla Walla Limited made surplus profits due to growing reputation of the business as a result of sincerity of its employees. In order to give due recognition to its employees and motivate them to continue with the good work, the company decided to give a certain percentage of profits to them. Identify the type of financial incentive being adopted by the company. [1]

- (a) Perquisites
- (b) Productivity linked wage incentives
- (c) Co-partnership

(d) Profit sharing

43. \_\_\_denotes concentration of authority at the top level. [1]

(a) Decentralisation

(b) Centralisation

(c) Coordination

(d) Delegation

44. \_\_\_\_principle of management puts emphasis on judicious application of penalties by the management. [1]

(a) Esprit de corps

(b) Order

(c) Division of work

(d) Discipline

45. The technique of differential piece rate system was developed by Taylor in order to[1]

(a) Discriminate between efficient and inefficient workers

(b) Reward the efficient worker

(c) Motivate the inefficient workers to perform better

(d) All of the above

46. The element that aims at integrating group efforts to achieve group objectives is called \_\_\_\_ [1]

(a) Cooperation

(b) Coordination

(c) Management

(d) Directing

47. Identify the feature of co-ordination being highlighted in the given statement:  
"Coordination is not a one time function, it begins at the planning stage and continues till controlling." [1]

- (a) Coordination ensures unity of action
- (b) Coordination is an all pervasive function
- (c) Coordination is a continuous process
- (d) Coordination is a deliberate function

48. Which of the following is a function of top level management? [1]

- (a) Ensuring quality of output
- (b) Assigning necessary duties and responsibilities to their departments
- (c) Taking responsibility for all the activities of the business and its impact on the society
- (d) Ensuring that the safety standards are maintained within the organisation.

49. The basic role of strategy is to provide [1]

- (a) setting procedures.
- (b) direction for action
- (c) direction for motivation.
- (d) direction for control

50. \_\_\_\_\_ is a comprehensive plan for achieving its objectives. [1]

- (a) Strategy
- (b) Method
- (c) Rule
- (d) Policy

51. In 2019 alone, Swiggy has launched operations in 300 towns and cities. Swiggy follows a two-step sequence while expanding to a small town. First, it provides more laborious training to restaurants and delivery partners compared to their counterparts in the city. Second, it focuses on building scale in operations and increase the restaurant's reach to a larger base of consumers, including optimizing kitchens, resource planning among others.

Identify the type of plan being described in the above lines. [1]

- (a) Method
- (b) Strategy

(c) Programme

(d) Procedure

52. Globalisation means[1]

(a) reduced role of public sector

(b) integration of economies

(c) lowering interest rates

(d) control of inflation

53. \_\_\_\_ feature of business environment states that various factors of business environment affect each other. [1]

(a) Pervasive

(b) Continuous

(c) Dynamic

(d) Interrelatedness

54. The government has been doubling down on its efforts to switch to 100% electric vehicles by 2030. Many companies such as Tata Motors, Kinetic Motors, Maruti Suzuki and Hyundai Motors are all readying their EV models for a 2020 launch in order to support the plan.

Identify the type of plan being described in the above lines.

(a) Method

(b) Strategy

(c) Programme

(d) Objective

55. On 8th November 2016, with the announcement from Government of India, all the ₹500 and ₹1,000 banknotes of the Mahatma Gandhi series have ceased to be a legal tender. The government also announced the issuance of new ₹500 and ₹2,000 banknotes in exchange for the demonetised banknotes. Identify the concept being described in the above lines.

[1]

- (a) Globalisation
- (b) Liberalisation
- (c) Demonetisation
- (d) Privatisation

56. As a result of major government initiatives, more and more people are going 'green'. In order to keep in line with the trend, 'Clapaway' a carpet cleaning company has advertised that they only use natural cleaners that come from renewable resources and that all their service vehicles are hybrid vehicles that use both gas and electricity. Identify one of the points related to the importance of business environment and its understanding by managers which is being highlighted in the above case. [1]

- (a) It helps in assisting in planning and policy formulation.
- (b) It helps in coping with rapid changes.
- (c) It helps in improving performance.
- (d) It enables the firm to identify opportunities and getting the first mover advantage.

57. Since more number of people have become more beauty and health conscious, our economy has witnessed an unprecedented surge in the number of health and beauty spas and wellness clinics. Related feature of business environment being described in the above lines is — [1]

- (a) Totality of external forces
- (b) Dynamic nature
- (c) Interrelatedness
- (d) Relativity

58. Any kind of external devices, like compact discs (CD's) for computer, have become obsolete. Google, with its Google Drive service, Apple with its iCloud offering, enables the users store documents, photos, music and movies on web-based servers. Identify the feature of business environment being described in the above lines. [1]

- (a) Relativity
- (b) Dynamic nature
- (c) Uncertainty
- (d) Interrelatedness

59. India's population is expected to grow under 0.5 percent during 2031-41 due to decline in fertility rate and increase in life expectancy. These changes in India's demography will also have implications such as the proportion of elementary school-going children will witness significant declines, lack of hospital beds and increase in retirement age. The related feature of business environment being described in the above lines is [1]

- (a) Totality of external forces
- (b) Dynamic nature
- (c) Interrelatedness
- (d) Relativity

60. Identify the correct sequence of the steps involved in the controlling process. [1]

- (a) Measurement of actual performance, Taking corrective action, Setting performance standards, Comparison of actual performance with standards, Analysing deviations.
- (b) Comparison of actual performance with standards, Setting performance standards. Measurement of actual performance, Analysing deviations, Taking corrective action
- (c) Setting performance standards, Measurement of actual performance, Comparison of actual performance with standards, Analysing deviations, Taking corrective action
- (d) Taking corrective action, Measurement of actual performance, Comparison of actual performance with standards, Analysing deviations, Setting performance standards.

61. Deviations are said to be positive in nature when [1]

- (a) Planned performance is more than the actual performance
- (b) Actual performance is more than the planned performance
- (c) Both planned and actual performances are same
- (d) None of the above

62. Which one of the following is a marketing management philosophy? [1]

- (a) Societal marketing concept
- (b) Distribution concept
- (c) Direct marketing concept
- (d) Channel concept

63. Divisional structure leads to conflict in [1]

- (a) resource allocation.
- (b) marketing management.
- (c) motivation.
- (d) planning process.

64. \_\_\_\_\_ is the process of grouping similar activities together and creating departments. [1]

- (a) Division of work
- (b) Departmentalisation
- (c) Delegation
- (d) Centralisation

65. Which one of the following is not a marketing mix? [1]

- (a) Product
- (b) Physical distribution
- (c) Product pricing
- (d) Production process

66. The accountability flows [1]

- (a) In all directions
- (b) Downwards
- (c) Upwards
- (d) None of the above

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67. \_\_\_\_\_ involves designing and producing container or wrapper of the product. [1]

- (a) Marketing
- (b) Selling
- (c) Advertising
- (d) Packaging

68. Which of the following types of cases are filed in the State Commission? [1]

- (a) When the value of the goods or services in question, along with the compensation claimed, exceeds ₹20 lakhs but does not exceed ₹1 crore.
- (b) When the value of the goods or services in question, along with the compensation claimed, exceeds ₹20 lakhs but does not exceed ₹2 crore.
- (c) When the value of the goods or services in question, along with the compensation claimed, exceeds ₹40 lakhs but does not exceed ₹1 crore.

(d) None of the above

69. Yash runs a logistic company. The Tour Incharges of each trip in the company are expected to submit a report to the Event Manager on the completion of every trip.

Identify the step in the controlling process being described in the above lines. [1]

(a) Setting of standards

(b) Measurement of actual performance

(c) Taking corrective action

(d) Analysing the deviations

70. Which one of the following is a step of controlling? [1]

(a) Assessing personnel required

(b) Taking corrective action

(c) Assessing environment

(d) Taking disciplinary action

71. Om Prakash has set up a small business unit for the manufacturing of detergent. In order to market the detergent in the local residential areas, he has appointed a team of ten salesmen. Each salesman is expected to sell at least 200 units of the detergent within a week's time.

Identify the point of importance of controlling being highlighted in the above case. [1]

(a) Controlling helps in judging accuracy of standards.

(b) It ensures efficient use of resources.

(c) It helps in improving employee motivation.

(d) It facilitates co-ordination in action

72. Authority granted to an employee should be [1]

(a) More than the responsibility entrusted to him

(b) Less than the responsibility entrusted to him

(c) Equal to the responsibility entrusted to him

(d) All of the above

73. Ram and Shyam Company has two units. The first one headed by Ram manufactures paper bags and the second one headed by Shyam manufactures hand-painted designer envelopes. There is transparency in their wage payment.

(i) Which method of wage payment should be used by Ram? [1]



- (a) Time Rate system
  - (b) Piece rate system
  - (c) Cash
  - (d) None of the above
- (ii) Which method of wage payment should be used by Shyam? [1]
- (a) Time Rate system
  - (b) Piece rate system
  - (c) Cash
  - (d) None of the above
- (iii) Identify one advantage of time rate system of wage payment: [1]
- (a) Determination of labour cost.
  - (b) Employee Development.
  - (c) Increased Supervision.
  - (d) Higher quality of work.
- (iv) Identify one advantage of piece rate system of wage payment: [1]
- (a) Optimum use of resources.
  - (b) Labour cost control per unit.
  - (c) Acceptance by Trade Unions.
  - (d) Sense of security among workers.

74. SPEED, a reputed automobile company has 100 employees. Sakshi was appointed by the Managing Director as she is his daughter. Rahul, an engineer, was selected by the company directly from his college to work on the shopfloor.

- (i) What was the source of Recruitment used while appointing Sakshi? [1]
- (a) Advertisement
  - (b) Campus recruitment
  - (c) Promotion
  - (d) Recommendation by employees
- (ii) What was the source of Recruitment used while appointing Rahul?
- (a) Advertisement

- (b) Campus recruitment
- (c) Promotion
- (d) Recommendation by employees

(iii) What type of training should be provided to Sakshi? [1]

- (a) Job training
- (b) Refresher training
- (c) Promotional Training
- (d) Remedial Training

(iv) What method of training should be used to provide training to Rahul? [1]

- (a) On the job training
- (b) Vestibule training
- (c) Internship training
- (d) Classroom training

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