

	CLASS XII BUSINESS STUDIES SAMPLE QUESTION PAPER 2022-23 MM – 80 TIME: 3 HOURS	
	General instructions : 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.	
1.	Rishabh joined an entertainment company Avtaar, as a creative head. As a manager looking after the creative unit of the company, one of the functions he has to perform is the process of organizing. Which step of the process will he need to perform after identifying and dividing the work that has to be done in accordance with previously determined plans? a) Identification and division of work - b). Departmentalisation - c). Assignment of Duties - d). Establishing Reporting Relationships	1
2.	Which characteristic of the business environment is highlighted when changes are taking place too frequently and it becomes difficult to predict the future? - a). Uncertainty - b). Complexity - c). Inter-relatedness - d). Relativity	1
3.	Aarohan Ltd. is a company manufacturing automobiles where division of work into key areas includes production, purchase, marketing, accounts and personnel. Which of the following is a disadvantage of the organization structure of Aarohan Ltd.? - a). It may lead to increase in cost - b). Managers may gain power and assert independence and ignore organization interests. - c). It ensures that different functions get due attention. - d). Heads do not get training for top management positions.	1

4.	Identify the dimensions of the business environment illustrated by the picture given above in which Sapna who has joined the workforce recently is working on an accounting software. a. Technological and social. b. Technological and political c. Political and economic d. Social and legal	1
5.	Identify the reason which makes management important in the light of the fact that it is generally seen that individuals in an organization resist change, as a change often means moving from a familiar, secure environment into a newer and a more challenging one. a. Management helps in achieving group goals. b. Management creates a dynamic organization c. Management increases efficiency d. Management helps in the development of society.	1
6.	The government of India made an announcement regarding Demonetization of the Indian economy on November 8, 2016 with profound implications for it. The process which put restrictions on convertibility of domestic money and bank deposits was meant to create a less-cash economy. One argument against the cash-lite economy is that: - a).Internet connectivity is a prerequisite - b).More people will be introduced into the formal economy. - c).Financial saving will increase - d).Tax evasion will be reduced	1

7.	Airlines will be able to offer the benefit of lower pricing to customers on sectors/routes due to the decision of the civil aviation ministry to remove price caps from August 31, 2022. This can help an airline to do better performance if they take early decisions regarding future courses of action after understanding and doing analysis. Which importance of business environment and its understanding by managers is not highlighted above: a. It helps in improving performance b. It helps in assisting in planning and policy formulation c. It helps in tapping useful resources d. It enables a firm to identify opportunities and get first mover advantage.	1
8.	Alo a mobility platform is in the process of laying off 400-500 employees in a move aimed at driving cost efficiency. Which objective of management will the firm not be able to achieve by carrying out this process. a) Efficiency b) Social c) Profit d) Survival	1
9.	Radha started a home cooked food delivery Dabba service. Her mother, who is a great cook, decided to help her. They relied on friends and family for orders and then on word of mouth. As a step in the process of ensuring that activities are performed as per her plan of supplying healthy, good quality, reasonable food and earning profit, she decided to keep both qualitative and quantitative benchmarks towards which she would strive to work. A function of management is being discussed above. An important characteristic of this function of management is : a. It is the first function of management b. It is the Last function of management c. It is both forward looking and backward looking. d. It is required only in business organizations.	1
10.	Raman and Vasudev were two employees who were embezzling an import-export company in Varanasi where they were working. The finance manager of the company Sampat Singh became suspicious of the two employees when he realized that their activities were not being performed as per the plans. He installed a software program that could secretly log every single stroke of the suspects' computer keys and send an encrypted email report to the Cyber police. The police were able to catch the two dishonest employees red handed and arrest them. Identify the function of management being discussed above. a. Staffing b. Coordination c. Controlling d. Organizing	1
11.	Name the outcome of the function of management which includes designing of roles to be filled by suitably skilled people and defining the inter relationship between roles so that ambiguity in performance of duties can be eliminated. a. Organization structure	1

	b. Delegation of authority c. Decentralization d. controlling																	
12.	Statement-I Transportation helps in creating time utility and warehousing helps in creating place utility Statement-II The process of classification of products into different groups on the basis of their important characteristics is known as standardization. Choose the correct option from the options given below: a. Statement I is true and II is false b. Statement II is true and I is false c. Both the statements are true d. Both the statements are false	1																
13.	Match the various terms of Financial Markets Column - I with their respective Statements in Column-II <table><tr><td></td><td>Column - I</td><td></td><td>Column - II</td></tr><tr><td>a</td><td>Financial market</td><td>i</td><td>It is also known as the Stock market</td></tr><tr><td>b</td><td>Primary market</td><td>ii</td><td>It is a market for creation and exchange of financial assets.</td></tr><tr><td>c</td><td>Secondary market</td><td>iii</td><td>It is also known as New issue market</td></tr></table> (a) (ii), (iii), (i) (b) (i), (iii), (ii) (c) (iii), (ii), (i) (d) (i), (ii), (iii)		Column - I		Column - II	a	Financial market	i	It is also known as the Stock market	b	Primary market	ii	It is a market for creation and exchange of financial assets.	c	Secondary market	iii	It is also known as New issue market	
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14.	_____ is a number assigned to each transaction by the stock exchange and is printed on the contract note. a. Client code number b. Unique order code c. Permanent account number d. Depository participant number	1																
15.	One of the important decision areas under the marketing function of is managing inventory. a. Branding b. Pricing c. Promotion d. Physical distribution.	1																
16.	Which of the following statements is incorrect? a. Providing liquidity to securities is one of the functions of stock exchange b. Process of holding shares in electronic form is known as Dematerialization c. Securities Exchange Board of India performs the regulatory function of controlling insider trading and imposing penalties for such practices. d. Capital market consists of Commercial banks, Development banks and stock	1																

	exchanges	
17.	One of the following is considered to be an extension of the marketing concept, which apart from customer satisfaction pays attention to ethical and ecological aspects of marketing. Identify the concept. a. Selling concept b. Product concept c. Production concept d. Societal Marketing concept	
18.	While the product costs set the lower limits of the price for a product, the upper limit of price which a buyer would be prepared to pay is decided by: a. Utility and demand of the product b. The marketing manager of the firm c. The Government d. The competitors of the firm	
19.	Which of the following statements about Advertising is incorrect? a. It is a personal form of communication b. It is a paid form of communication c. It is a mass selling technique. d. It is inflexible as the message can't be adjusted to the needs of the buyer.	
20.	Arrange the steps involved in trading procedure at the stock exchange in correct sequence : i) Settlement of order ii) Opening of Demat Account iii) Placing of order iv) Execution of order a) (ii) ; (iv);(iii);(i) b) (ii) ;(i) ;(iii);(ii) c) (iii);(ii);(ii);(i) d) (ii);(iii);(iv);(i)	
21.	Top management plans for the entire organization. According to these plans the organizational structure is developed and staffed. In order to ensure that these plans are executed according to plans, directing is required. Any discrepancies between actual and realized activities are then taken care of at the stage of controlling. Name and explain the process highlighted above which started at the planning stage itself and is implicit and inherent in all the functions of management in an organization.	3

22.	Mrs. Ahilya Pasi is the Principal of a prestigious school in New Delhi. The school has a vacancy of a headmistress/headmaster of the junior wing of the school. The senior teachers of the school have the opinion that only internal candidates should be considered for this post. However, Mrs. Pasi and the management would like to invite applications from external sources too. Briefly explain any three justifications the management can provide to convince the staff for inviting applications of external candidates for the vacant post.	3
23.	Explain “Critical point control” with respect to Analyzing deviations, a step in the process of controlling. Give a suitable example. OR Explain “Management by exception” with respect to Analyzing deviations, a step in the process of controlling. Give a suitable example.	3
24.	State any three objectives of the Securities Exchange Board of India. Or State any three functions performed by the stock exchange.	3 3
25.	Enumerate any four benefits of the process by which the aptitudes, skills and abilities of employees to perform specific jobs are increased. OR Name the mechanism that attempts to measure certain characteristics of individuals in the process of identifying and choosing the best person out of the number of prospective candidates for the job. Enumerate any three of its types.	4
26.	State any four barriers to communication which are concerned with problems and obstructions in the process of encoding and decoding the message into words or impressions. OR State any four barriers to communication which are related to authority relationships, rules and regulations of the company.	4
27	In Saarthak Steel several initiatives have been taken to further improve the motivation levels of employees through designing jobs that include greater variety of work content, providing certain stability about future income and work, providing fringe benefits like housing, medical aid, etc., allotment of shares in line with various incentives. Identify and briefly explain the incentives being given by the organization to the employees.	4
28.	State any four factors affecting the financial decision that is concerned with raising of finance using shareholders’ funds and borrowed funds.	4

29.	Krish limited is in the business of manufacturing and exporting carpets and other home décor products. It has a share capital of ₹ 70 lacs at the face value of ₹ 100 each. Company is considering a major expansion of its production facilities and wants to raise ₹ 50 lacs. The finance manager of the company Mr. Prabhakar has recommended that the company can raise funds of the same amount by issuing 7% debentures. Given that earning per share of the company after expansion is ₹ 35 and tax rate is 30%, did Mr. Prabhakar give a justified recommendation? Show the working.	4
30.	Mayank purchased a pack of chocolates of a renowned brand for his daughter from a shop in the nearby market. After consuming the chocolates, his daughter fell sick. He filed a case with the District forum against the renowned brand. He lost the case because of a mistake that he could not provide proof of purchase. What should be kept in mind by a consumer while purchasing, using and consuming goods and services apart from avoiding the mistake committed by Mayank, in order to enable him/her to achieve the objective of consumer protection? Enumerate any four points.	4
31.	Briefly explain any three of the following techniques of Scientific Management as given by F.W. Taylor: a. Method study b. Functional foremanship c. Standardization d. Differential piece wage system OR Briefly explain any three of the following principles of management given by Henry Fayol: a. Unity of command b. Equity c. Remuneration d. Initiative	6
32.	‘The pros and cons of each alternative need to be weighed.’ Name and briefly explain the logical steps in the process of planning which are followed by a manager before performing the step highlighted in the above statement. OR Briefly explain the next three steps in the process of planning which the manager will have to have to follow after using conjecture about what might happen in the future.	6
33.	Jojo and Jojo is a company known for its consumer business of baby oil and bandages, but many people do not know that the company also runs a medical device and diagnostics business, as well as a pharmaceutical company. With more than 1,80,000 employees worldwide the company has chosen to share decision making authority with lower levels and place it nearest to the point of action. Therefore the response does not take time. This	6

	propagates the belief that people are competent, capable and resourceful who can get a chance to prove their abilities. And enables the company in identifying those executives who have the necessary potential to become dynamic leaders, so that the checking required on decisions taken by lower levels of management is the least. This makes it possible to evaluate performance at each level and each department can be individually held accountable for their results. By quoting the lines given above identify and briefly explain the benefits of the concept discussed above.	
34.	Choco Ltd. offers a wide variety of chocolate products. It has an action program of not selling its products by their generic name but under different names like Choco-silk bar, Choco-Munchy and Choco-crunchy etc. for different customer segments. All these names have great popularity and acceptability in the markets. As the company policy the products were offered at reasonable and affordable prices for targeting a mass customer base. During the festive season the company launched a massive promotional campaign to increase its revenue and achieve its communication objectives. The company introduced free gifts for the customers. Their on-ground sales team delivers the product not only to the departmental stores but also to small shops, so that all segments of customers can easily get the products. They also provide information and support services to customers to ensure repeat sales. From the viewpoint of the management function, briefly explain any four activities of marketing which the firm will be involved in, apart from the above-mentioned ones it's already performing.	6