



Delhi Public School, Howrah

PERIODIC TEST I - (2025-2026)

Class-XII

Care must be taken not to write anything on the question paper. All the questions must be attempted in the correct sequence.

SUBJECT: BUSINESS STUDIES (CODE-054)

Time Allowed: - 3 HOURS

Maximum Marks - 80

General Instructions:

Please read the following instructions very 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.

Q. No.		Marks
1.	Identify the reason that makes management important in 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 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
2.	Suhasini, a home science graduate from a reputed college, has recently done a cookery course. She wished to start her own venture with a goal to provide 'healthy food' at reasonable prices. She discussed her idea with her teacher (mentor) who encouraged her. After analysing various options for starting her business venture they shortlisted the option to sell readymade and 'ready to make' vegetable shakes and sattu milk shakes. Then, they weighed the pros and cons of both the shortlisted options. Name the function of management being discussed above. A. Organising. B. Planning. C. Directing. D. Controlling.	1
3.	Read the following statements carefully: Statement I: The application of principles of management is contingent upon the prevailing situation at a particular point of time. Statement II: Principles serve as guidelines for action but do not offer ready-made or one-size-fits-all solutions to every managerial problem. In the light of given statements, choose the correct alternative from the following: A. Both the statements are true. B. Both the statements are false. C. Statement I is true, Statement II is false. D. Statement II is true; Statement I is false.	1

4.	XYZ Ltd. is engaged in producing electricity from domestic garbage. There is almost equal division of work and responsibility between workers and management. The management even takes workers into confidence before taking important decisions. All the workers are satisfied as the behaviour of the management is very good. From the following options identify the principle of management discussed in the given case. A. Initiative. B. Science not rule of thumb. C. Cooperation not individualism. D. Equity.	1
5.	SmartTech Pvt. Ltd. is implementing functional foremanship in its production unit. The planning in-charge oversees the work of a route clerk and instruction card clerk, while the production in-charge monitors the gang boss and speed boss. The company also adopts standardisation and simplification to ensure product uniformity and reduce unnecessary varieties. As a result, productivity and efficiency have improved significantly. Which of the following is not an objective of standardisation as adopted by SmartTech? A. Setting performance benchmarks. B. Establishing product variety. C. Ensuring quality of materials. D. Reducing unnecessary diversity.	1
6.	What principle is being illustrated where rest intervals are provided to maintain efficiency? A. Time Study. B. Method Study. C. Fatigue Study. D. Work Simplification.	1
7.	Identify the dimension of the characteristic of management- "it is multidimensional", which specifies that the task of management is to make the strengths of human resources effective and their weaknesses irrelevant towards achieving the organisation's objectives. A. Management of work. B. Management of people. C. Management of operations. D. Management of goals.	1
8.	Which importance of business environment is reflected in the strategy of companies to launch premium products in response to increased consumer purchasing power? A. Tapping useful resources. B. Coping with rapid changes. C. Identifying opportunities and first mover advantage. D. Assisting in planning and policy formulation.	1

9.	Assertion(A): Differential piece wage system is a technique which does not differentiate between efficient and less efficient workers. Reason(R): Differential piece wage system acts as an incentive for less efficient workers to be motivated to perform better. In the context of the above two statements, which one of the following is correct? A. Both Assertion and Reason are true and the Reason is the correct explanation of the Assertion. B. Both Assertion and Reason are true but the Reason is not the correct explanation of the Assertion. C. Assertion is true but Reason is false. D. Assertion is false but Reason is true.	1
10.	Assertion(A): The process by which a manager synchronises the activities of different departments is known as coordination. Reason(R): Coordination is the force that binds all the other functions of management. A. Both Assertion and Reason are true and the Reason is the correct explanation of the Assertion. B. Both Assertion and Reason are true but the reason is not the correct explanation of the Assertion. C. Assertion is true but Reason is false. D. Assertion is false but Reason is true.	1
11.	'The introduction of mobile phones has adversely affected the business of watches and cameras.' Which dimension of the business environment is related to the given case? A. Political environment. B. Social environment. C. Technological environment. D. Legal environment.	1
12.	Due to rising awareness about health, people are switching from carbonated drinks to natural juices and low-sugar beverages. This has led several beverage companies to introduce sugar-free variants and invest in new product development. The increase in demand for health products due to higher health awareness reflects which feature of the business environment? A. Inter-relatedness. B. Specific and general forces. C. Totality of external forces. D. Relativity.	1
13.	Choose the incorrect statement from the following: A. Planning helps to minimise redundant and wasteful activities. B. Planning cannot be implemented due to environmental changes. C. Planning provides standards for control. D. Planning leads to better coordination among departments.	1
14.	A firm modifying its product packaging to comply with new environmental regulations is responding to _____. A. Technological environment. B. Political environment. C. Legal environment. D. Economic environment.	1
15.	In the context of delegation, the quote "Delegation does not mean abdication" implies: A. Authority and responsibility are passed down permanently. B. Subordinates are entirely accountable. C. Manager is still ultimately accountable. D. Manager has no role after the delegation.	1

16.	Which of the following statements best describes the difference between strategy and policy? A. Strategy focuses on step-by-step actions, while policy focuses on long-term vision. B. Strategy defines long-term objectives and directions; policy guides decision-making within that framework. C. Strategy is followed by employees, while policy is for external stakeholders. D. Strategy is more rigid than policy.	1										
17.	Sunita, the owner of a travel agency, has divided the work of her agency into three main departments: operations, sales, and administration. Operations include ticketing and customer care, sales involve account executives, and administration includes the cashier and utility staff. Each department has designated duties and responsibilities. The organisational structure followed by Sunita in her travel agency is an example of: A. Divisional structure. B. Functional structure. C. Matrix structure. D. Informal structure.	1										
18.	Match the steps in the process of organising in Column I with the appropriate explanation in Column II: <table><tr><th>Column I</th><th>Column II</th></tr><tr><td>1. Identification and division of work</td><td>(a) Dividing work into manageable activities</td></tr><tr><td>2. Departmentalisation</td><td>(b) Establishing a hierarchal structure</td></tr><tr><td>3. Assignment of duties</td><td>(c) Grouping similar activities together</td></tr><tr><td>4. Establishing authority & reporting relationships</td><td>(d) Allocating jobs to the members of each department</td></tr></table> A. 1 (a), 2 (b), 3 (c), 4 (d). B. 1 (a), 2 (c), 3 (b), 4 (d). C. 1 (b), 2 (a), 3 (d), 4 (c). D. 1 (a), 2 (c), 3 (d), 4 (b).	Column I	Column II	1. Identification and division of work	(a) Dividing work into manageable activities	2. Departmentalisation	(b) Establishing a hierarchal structure	3. Assignment of duties	(c) Grouping similar activities together	4. Establishing authority & reporting relationships	(d) Allocating jobs to the members of each department	1
Column I	Column II											
1. Identification and division of work	(a) Dividing work into manageable activities											
2. Departmentalisation	(b) Establishing a hierarchal structure											
3. Assignment of duties	(c) Grouping similar activities together											
4. Establishing authority & reporting relationships	(d) Allocating jobs to the members of each department											
19.	A company, Fresh Foods Pvt. Ltd., is planning to open a new organic food department. The management assigns employees to develop a step-by-step plan that includes the necessary resources, the team responsible, and a timeline for completing the project. The plan also includes a budget and adheres to specific procedures and rules outlined in the existing company policy. The plan prepared by Fresh Foods Pvt. Ltd. for opening the new department is an example of _____. A. Method. B. Standing Plan. C. Programme. D. Rule.	1										
20.	Read the following statements carefully: Statement I: Organisation structure is an indispensable means; and the wrong structure will seriously impair business performance and even destroy it. Statement II: Policies define the narrow parameters within which a manager may not function. In the light of given statements, choose the correct alternative from the following: A. Both the statements are true. B. Both the statements are false. C. Statement I is true, Statement II is false. D. Statement II is true; Statement I is false.	1										
21.	a) Name and explain the principle of management according to which a manager should replace 'I' with 'We' in all his conversation with workers. OR b) State the difference between Time study and Motion study.	3										

22.	a) A subordinate is given a task and necessary authority, but he is not held answerable for its outcome. Identify which element of delegation is missing and explain why it is important. OR b) "In a decentralised organisation, there is better coordination and control." Justify this statement with reasons.	3
23.	"Ajay, Mohan and Neeraj established 'Alpha limited' with the aim of earning justifiable profit and doing services to society. The people working in the company were doing different activities. Their activities were different but their aim was the same. Therefore, the arrangement made in the company was such that the efforts of all people may leave them toward the same path." i. Identify the feature of management described in the paragraph given above. ii. Also explain any two more features of management.	1+2
24.	a) How is a single-use plan different from a standing plan? Explain with three points of distinction. OR b) Planning is considered essential, yet it has certain drawbacks. State any three limitations of planning.	3
25.	a) Ritika, a floor supervisor at a car manufacturing unit, wants to reduce the time and cost involved in the production process. She studies each activity from the procurement of raw materials to final delivery and tries to find the most efficient way of doing the job. i. Which technique of scientific management is Ritika applying? ii. How does this technique help in improving efficiency? OR b) In a packaging company, workers are paid the same wages regardless of their performance. This leads to lack of motivation among efficient workers. i. Suggest a technique of scientific management that can resolve this issue. ii. Explain how it works.	4
26.	a) How does understanding the business environment help an enterprise? Give any four points. OR b) Explain any four features of business environment.	4
27.	In a rapidly growing company, the CEO notices that the top management is burdened with both strategic and operational decisions. To improve efficiency, the company restructures so that operational decisions are taken by department managers, while the top management focuses on long-term strategies. (i) Which principle of organisation is being applied here? (ii) How will this restructuring benefit the organisation? Mention any three points.	1+3
28.	Identify the dimension of business environment, in each of the following cases, and explain them. (any four) (i) The project of Nano Car re-established in Gujarat. (ii) Decrease in the repo rate to overcome recession. (iii) Rise in the BSE price index, soon after the declaration of Lok Sabha Election, 2014 results. (iv) Increase in the number of working women. (v) Prohibition of advertisement of alcoholic beverages on Doordarshan. (vi) Demand for reservation for minorities in government jobs.	4
29.	XYZ power Ltd. set up a factory for manufacturing solar lanterns in a remote village as there was no reliable supply of electricity in rural areas. The revenue earned by the company was sufficient to cover the costs and the risks the demand of lanterns was increasing day by day, so the company decided to increase production to generate higher sales. For this they decided to employ people from the nearby village as very few job opportunities were available in that area. The company also decided to open schools and crèches for the children of its employees. i. Identify and explain the objectives of management discussed above. ii. State two values which the company wanted to communicate to the society.	3+1

30.	Priya is the production head in a large manufacturing firm. She finds it difficult to handle both planning and execution responsibilities on her own. Mistakes are frequently occurring in instructions, material readiness is often delayed, and quality checks are irregular. On advice from a consultant, she decides to adopt a scientific management technique suggested by F.W. Taylor that divides the work among multiple specialists to bring efficiency and clarity to the production process. i) Identify the technique of Scientific Management adopted by Priya. ii) Name any four foremen mentioned under this technique and state their main responsibility.	4
31.	a) I. Discuss briefly Taylor's principles of: A) Science, not a rule of thumb B) Harmony, not discord II. 'Fatigue Study is essential for maintaining workers' efficiency.' Justify this statement with the help of an example. OR b) I. Explain the following principles of management: A) Scalar chain B) Stability of Personnel II. "Scientific selection and training of employees leads to both efficiency and prosperity." Do you agree? Give two reasons in support of your answer, referring to Taylor's principle.	3+3
32.	a) "Organising helps in the survival and growth of an enterprise." Justify the statement by explaining any six points. OR b) i. Explain the concept of formal organisation and discuss any four of its features. ii. How does it help in achieving organisational goals?	6
33.	'Co-ordination is the orderly arrangement of group efforts to provide unity of action in the pursuit of common purpose.' In the light of this statement, explain the nature of coordination.	6
34.	Ritika is the operations manager at "Fresh Bakes Pvt. Ltd." — a company planning to launch a new range of healthy snack items. She begins by carefully studying the current market trends and customer preferences. After thorough research, she sets the objective of capturing 10% of the health snack market within one year. She then evaluates multiple alternatives, such as launching online first or partnering with retail stores. After discussing with her team, she selects the option of launching through both channels simultaneously. She prepares detailed schedules, allocates resources, and assigns responsibilities. She also decides to continuously monitor the progress of the plan and make adjustments if required. Identify and explain all the steps in the planning process followed by Ritika.	6