

15.09.25✓



Delhi Public School, Howrah

PERIODIC TEST II - (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.

1. Hero Ltd.'s target is to produce 10,000 shirts per month at a cost of ₹ 150 per shirt. The Production Manager was able to produce 10,000 shirts at a cost of ₹ 140 per shirt but not within the stipulated time. As a result, there was loss of revenue. In this case the Production Manager is: 1
 - A) Effective but not efficient
 - B) Efficient but not effective
 - C) Neither effective nor efficient
 - D) All of these
2. "Anyone can be called a manager irrespective of the educational qualification possessed." Identify the characteristic of the profession in that management does not fulfilled in the statement being discussed above. 1
 - A) Ethical code of conduct
 - B) Professional association
 - C) Restricted entry
 - D) Service motive
3. Read the following statements carefully: 1

Statement I: Directing helps in integrating efforts of employees towards the achievement of organisational goals.

Statement II: Directing is concerned only with issuing orders and communication.

In light of the given statements, choose the correct alternative from the following:

 - A) Both statements are true.
 - B) Both statements are false.
 - C) Statement I is true, statement II is false.
 - D) Statement II is true, statement I is false.

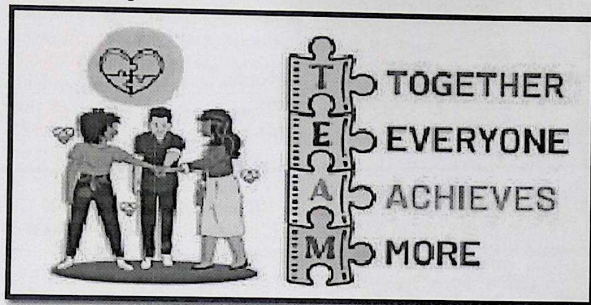
4. Dino Industries is facing a lot of opposition as it pays less salary to women workers as compared to men workers. Which dimension of the environment is being violated by the company? 1
- A) Social Environment
 - B) Technological Environment
 - C) Legal Environment
 - D) Political Environment

5. Mr. Rahul Mehta establishes a modest outlet in his neighbourhood to give his freelance services to businesses after getting a diploma in animation and filmmaking. To begin, he has opted to market his gaming and computer programming services. He can lessen the risk of confusion and avoid overlapping and unnecessary tasks by planning ahead of time what to accomplish and how to do it. However, owing to unforeseen factors such as network troubles and others, his planning does not always work, which has a negative impact on his customers. 1

Which function of management is Rahul utilizing in the above case?

- A) Organising
- B) Directing
- C) Staffing
- D) Planning

6.



Which principle is being highlighted in the above picture?

- A) Esprit de corps
 - B) Discipline
 - C) Order
 - D) Unity of command
7. 'Delegation helps in developing the talents of the employees. It also has psychological benefits.' Which Importance of delegation is highlighted in this statement? 1
- A) Effective management
 - B) Employee development
 - C) Motivation of employees
 - D) Better coordination
8. What is the learning experience that seeks relatively permanent change in an individual that will improve his ability to perform on job? 1
- A) Training
 - B) Development
 - C) Attitude formation
 - D) Job analysis
9. **Assertion(A):** Planning bridges the distance between where we are to where we need to go. 1
Reason(R): Planning includes setting goals and generating appropriate sources of course to achieve those goals.
- 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.
10. **Assertion(A):** Management principles have to be modified as per the changes in the business environment. 1
Reason(R): Principles of management are rigid like pure sciences principles.
 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.
11. "Grouping of jobs of similar nature under functional and organising these major functions as separate departments." Which organizational structure is highlighted in this line? 1
 A) Functional structure
 B) Divisional structure
 C) Both A and B
 D) None of these
12. Deez Ltd. is a corporation that has recently adopted a decentralised management style. The company has developed rapidly, and lower-level management decisions are implemented, saving time because those making decisions are close to taking action. However, Denez's chairman of Deez Ltd. recently met with the chairman of another manufacturing firm, who is also a good friend of Denez's, and asked him how he would measure employee performance if he went with a decentralised method. Denez's secretary calls him a few hours later and requests the list of works to be completed the next day. He tells him about all of the crucial duties that need to be completed.
 Which aspect of decentralisation has been emphasised in the following case? 1
 A) Quick decision making.
 B) Develops initiative among subordinates
 C) Facilitates growth and expansion.
 D) Develops managerial talent for the future
13. From the set of statements given in column I and column II choose the correct pair of statements: 1
- | Column I | Column II |
|---------------------------|---|
| A. Order | i. Employee turnover should be minimized to maintain organizational efficiency. |
| B. Stability of Personnel | ii. Management should promote a team spirit of unity and harmony among employees. |
| C. Harmony, not discord | iii. There should be a place for everything and everyone. |
- A) A-iii, B-i, C-ii
 B) A-i, B-ii, C-iii
 C) A-ii, B-iii, C-i
 D) A-i, B-iii, C-ii
14. A decision to acquire a new and modern plant to upgrade an old one is a _____. 1
 A) Financing decision
 B) Investment decision
 C) Working capital decision
 D) Dividend decision
15. Megha is planning to enter in the business of Herbal Shampoo. Initially, she thought there were very few companies making Herbal Shampoo, but when she started selling her product, she realized that many companies were already in the business of selling herbal shampoo. Identify the factor affecting working capital in the above case. 1
 A) Growth prospects

- B) Nature of business
C) Level of competition
D) Business cycle fluctuation
16. Which style of leadership does not believe in use of power unless it is absolutely essential? 1
A) Autocratic leadership
B) Democratic leadership
C) Laissez fair leadership
D) Political leadership
17. When Suman Das applied for the post of Computer teacher in a school in Balasore, he was asked to prepare a PowerPoint presentation on a particular topic during the selection procedure. Identify the type of selection test being mentioned in the above lines. 1
A) Trade test
B) Intelligence test
C) Personality test
D) Interest test
18. Out of the following, which is not an example of Noise? 1
A) Crossing of a vehicle
B) Telephone lines going dead in the middle of a conversation
C) A group of people talking nearby.
D) More number of organizational levels.
19. Namita and Shamita, students of Class 12 (Commerce), had a discussion about the nature of controlling. Namita argued that controlling is a forward-looking function, while Shamita believed it is a backward-looking function. In your opinion, who is correct? 1
A) Namita
B) Shamita
C) Both are wrong
D) Namita and Shamita
20. Read the following statements carefully: 1
Statement I: Motivation is a complex process because individuals differ in their needs and expectations.
Statement II: The same type of motivator works equally well for all employees.
In light of the given statements, choose the correct alternative from the following:
A) Both statements are true.
B) Both statements are false.
C) Statement I is true, statement II is false.
D) Statement II is true, Statement I is false.
21. a) Ritu is serving as the manager of the Northern Division in a large corporate house. Identify the level of management she belongs to and explain the main functions performed at this level. 3
OR
b) Explain how controlling helps in
(i) Accomplishing organizational goals; and
(ii) Judging the accuracy of standards.
22. Identify and explain the elements of 'directing' in the following cases: 3
a) Mahesh guides the efforts of his subordinates to accomplish the desired objectives and gives instructions to ensure optimum utilization of resources and achievement of work targets.
b) Aswin, MD, explains the plan in writing to the departmental managers and receives their feedback.
23. a) Define policies and procedures. How are they interlinked? 3
OR
b) "Budget is both a planning and controlling device." Explain with an example.

24. XYZ Electronics Ltd. wants to set up a new unit in India with 100% foreign capital. The management is also looking for advanced technology from foreign companies. Earlier, such ventures were not easily permitted. But with the 1991 policy changes, XYZ Electronics finds it possible to invest in India and sign agreements without many hurdles. 3
- (i) Which policy reforms made this possible?
(ii) How did the government facilitate foreign investment post-1991?
25. a) Which source of recruitment is needed to bring new blood in the organization? Explain the limitations of this source. 4
- OR
- b) What is meant by 'Selection'? Explain any three steps involved in the process of selecting employees.
26. a) Explain the following Dimensions of Business Environment: 4
- (i) Social Environment
(ii) Economic Environment
- OR
- b) Explain the following Principles of Management of Henry Fayol:
- (i) Subordination of Individual Interest to General Interest.
(ii) Scalar Chain
27. At Bright Future School, the Chairman decided to introduce smart classrooms and e-learning facilities. The principal translated this plan into action by arranging training sessions for teachers, procuring digital equipment, and ensuring cooperation among departments. The Class Supervisors monitored daily teaching activities and guided teachers in using the new technology effectively. 4
- a) Identify the levels of management involved in the above case.
b) Explain how each level contributed to achieving the organisation's goal.
28. 'X Ltd.' issued 14% Debenture of Rs. 4,00,000 and Rs.10,000 Equity shares of Rs. 60 each. This investment resulted in a net profit of Rs. 2,00,000 before interest and tax. The tax rate was 50%. 4
- a) Calculate the 'Result on Investment' and 'Earnings per Share' of 'X Ltd.'
b) State with reason whether the above example is that of favourable or unfavourable financial leverage.
29. Sunshine Pvt. Ltd. is a publishing company. Its book on Accountancy for class XI is in great demand. As a result, the employees in the marketing department are always racing against time. The employees have to work overtime and on holidays to cater to the demand. 3+1
- Managers in the marketing department are under stress as they have to handle more than two territories. The work stress has led to dissatisfaction among the employees and managers. Based on the above case, answer the following questions:
- a) Name and explain the step of the staffing process that has not been performed properly.
b) State the next two stages immediately following the step identified in part 'a'.
30. Laser Ltd. is an IT company having 1,000 employees. All its employees take things easy and are free to approach any one for minor queries and problems. Because of this the operations of the company are disturbed and its revenue has declined. Everyone is seen talking to each other resulting in inefficiency in its offices. It has also resulted in loss of secrecy and confidential information being leaked out. Explain the measures that the manager should adopt to improve the communication system of 'Laser Ltd.' 4
31. Krishna Ltd. is manufacturing steel at its plant at Noida. Due to economic growth, the steel demand is also growing. The company is planning to set up a new steel plant in Gurgaon. It needs Rs. 800 crore to start the new plant. It decides to raise Rs. 300 crore through debentures, Rs. 200 crore through long-term loan from banks, and Rs. 200 crore by issuing equity shares to the public. It decided to finance the remaining amount by utilizing its reserves and surplus. Based on the above case, answer the following questions: 6

- a) State the importance of financial planning for this company.
 b) What is the capital structure of this company? Explain.
 c) Identify the decision involved when the company decides to raise Rs. 800 crore from different sources of funds.
 d) How will the dividend decision of Krishna Ltd. be affected? Explain.
32. 'AS Ltd.' is a large company engaged in assembling of air-conditioners. Recently the company had conducted the 'Time' and 'Motion' study and concluded that on an average, a worker can assemble ten air-conditioners in a day. The target volume of the company in a day is assembling of 1,000 units of air-conditioners. The company is providing attractive allowances to reduce labour turnover and absenteeism. All the workers are happy. Even then the assembling of air-conditioners per day is 800 units only. To find out the reason, the company compared actual performance of each worker and observed through CCTV that some of the workers were busy in gossiping. Based on the above case, answer the following questions: 6
- a) Identify and explain the function of management discussed above.
 b) State the steps in the process of the function identified which are discussed in the above paragraph.
33. Voltage fluctuations have been common and quite high in India. They harm our electrical appliances like televisions, refrigerators, and air conditioners, often leaving them in a permanently damaged situation. N-Guard Company decided to manufacture stabilizers for North India, where the voltage fluctuation ranges from 220V to 230V. Once the demand for North India was taken care of, they decided to launch stabilizers of varying voltages from 90V to 260V to meet the requirements of voltage fluctuations in other regions of India also. Three engineers were appointed for the South, West, and East regions of India, as the voltage was different in all three regions. Though all the engineers were appointed to manufacture stabilizers but the product differed from region to region. Based on the above case, answer the following questions: 6
- a) Identify and state the organisational structure of N-Guard Company.
 b) State any two advantages and two limitations of the structure identified in the above paragraph.
34. a) i) Explain the following principles of Scientific Management: 3+3
- A. Harmony, not discord
 - B. Development of each person to his/her greatest efficiency and prosperity
- ii) Explain how principles of management assist managers:
- A. In making scientific decisions
 - B. In providing useful insights into real-world situations
 - C. In management training, education, and research
- OR**
- b) i) Explain the following techniques of Scientific Management:
- A. Differential Piece-Rate Wage System
 - B. Standardisation and Simplification of Work
- ii) Explain the following as features of the nature of management principles:
- A. Universal applicability
 - B. Flexibility
 - C. Mainly behavioural in nature