Delhi Public School, Howrah

PERIODIC TEST III - (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.1 'Since business environment consists of numerous interrelated and dynamic conditions or forces which arise from different sources, it becomes difficult to comprehend at once what exactly constitutes a given environment'. Thus, it is relatively easier to understand the environment in parts but difficult to grasp in its totality. Identify the feature of business environment highlighted above. **(1)**

A. Dynamic nature
B. Relativity
C. Complexity
D. Uncertainty

Q.2 Sagun Ltd. has been awarded recently with the 'Best Employer of the Year Award'**.** The company has believed in the ideas and suggestions of its employees. There is selective dispersal of decision-making authority at all levels. There is no delay in delivery of orders to customers due to prompt decisions taken by employees. Identify the concept of management followed by the company. **(1)**

A. Decentralisation
B. Responsibility
C. Authority
D. Delegation

Q.3 Read the following statements: Assertion (A) and Reason (R). Choose the correct alternative from those given below: **(1)**

Assertion (A): Organising is the management function of assigning duties, grouping tasks, establishing authority, and allocating resources required to carry out a specific plan.

Reason (R): It decides who will do a particular task, where it will be done, and when it will be done.

A. Both Assertion and Reason are true and Reason is the correct explanation of Assertion.
B. Both Assertion and Reason are true but Reason is not the correct explanation of Assertion.
C. Assertion is true but Reason is false
D. Assertion is false but Reason is true

Q.4 Read the following statements carefully: **(1)**

Statement I: Marketing management refers to planning, organising, directing and control of the activities which facilitate the exchange of goods and services between producers and consumers or users of products and services.

Statement II: The focus of marketing management is on achieving desired exchange outcomes with the target markets.

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

A. Statement II is correct and Statement I is not correct.
B. Statement I is correct, and Statement II is not correct.
C. Both Statements I and II are correct.
D. Both Statements I and II are not correct.

Q.5 Identify the correct sequence of steps involved in the planning process. **(1)**

A. Evaluating alternative courses, identifying alternative course of actions, setting objectives, and developing premises.
B. Setting objectives, identifying alternative course of action, evaluating alternative courses, and developing premises
C. Setting objectives, developing premises, identifying alternative course of actions, evaluating alternative courses
D. Setting objectives, developing premises, evaluating alternative courses, identifying alternative course of actions.

Q.6 Star Ltd. is a garment manufacturing company. The co. regularly scans the business environment and constantly adapts itself to changes in the environment. With all these efforts, it has also become difficult for the company to foresee future trends, and competition in the market affects the financial plan of the company. Identify limitation of planning. **(1)**

A. Leads to rigidity
B. May not work in a dynamic environment
C. Reduces creativity
D. Huge cost

Q.7 An ideal capital market is one: **(1)**

i. Where finance is available at a higher cost.
ii. Must provide insufficient information to investors.
iii. Where market operations are inconsistent.
iv. Which facilitates economic growth.

A. i and ii
B. only iv
C. ii and iii
D. iii and iv

Q.8 Kumar wanted to purchase a fuel-efficient car having the latest standards regarding minimisation of pollution. He saw an advertisement offering such a car and visited the showroom of the company, wherein he came to know from the Marketing manager that the company is providing credit facilities, maintenance services and many other effective services which are helping in bringing repeat sales and developing brand loyalty. **(1)**

Identify the marketing function that the Marketing manager was discussing with Kumar.

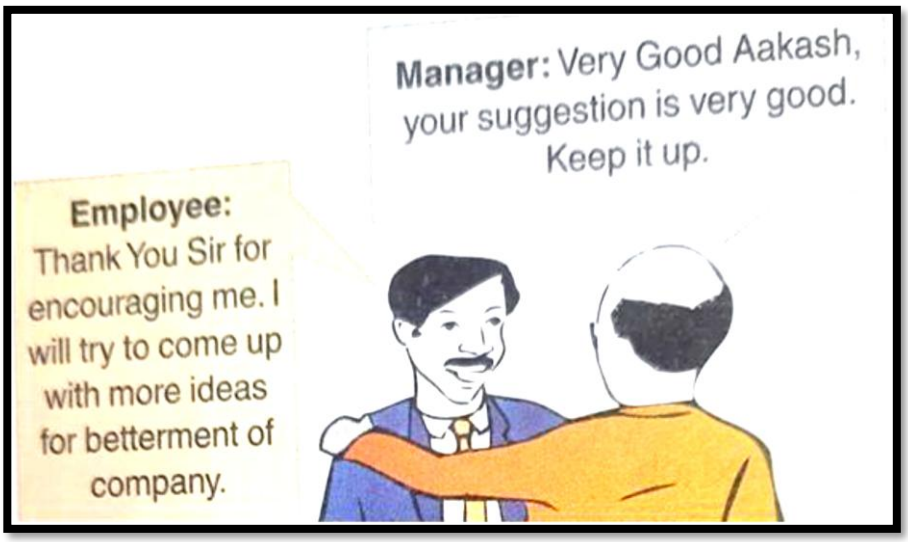
A. Customer support services
B. Promotion
C. Pricing
D. Branding

Q.9. Match column I with column II based on business environment and choose the correct option **(1)**

	Column I		**Column II**
(i)	Reduction in bank rate	(a)	Social environment
(ii)	An increasing number of working women	(b)	Legal environment
(iii)	Prohibition of alcohol advertisements	(c)	Economic environment
(iv)	On-line flight booking	(d)	Technological environment

A. (i) – (b), (ii) – (d), (iii) – (a), (iv) – (c)
B. (i) – (a), (ii) – (b), (iii) – (c), (iv) – (d)
C. (i) – (b), (ii) – (c), (iii) – (d), (iv) – (a)
D. (i) – (c), (ii) – (a), (iii) – (b), (iv) – (d)

Q.10 Which principle of Fayol is being followed by the manager as shown below? **(1)**



A. Equity
B. Initiative
C. Discipline
D. Order

Q.11 Which of the following is not a demerit of functional structure? **(1)**

A. It places more emphasis on the objectives pursued by a functional head than on overall enterprise objectives.
B. It may lead to conflicts of interest among departments due to varied interests.
C. It leads to occupational specialisation.
D. It may lead to difficulty in coordination among functionally differentiated departments.

Q.12 Which of the following types of cases are filed in state Commission? **(1)**

A. When the value of goods or services in question, along with the compensation claimed exceed ₹ 20 lacs but does not exceed ₹1 crore.
B. When the value of the goods or services in question, along with the compensation claimed, exceed ₹20 lacs but not does not exceed ₹2 crore
C. When the value of goods or services in question, along with the compensation claim, exceeds ₹40 lacs but does not exceed ₹1 crore
D. None of the above.

Q.13 India's population is expected to grow under 0.5 percent during 2031-41 due to a decline in fertility rate and an 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 an increase in retirement age. The related feature of the business environment is described in the above lines is_____. **(1)**

A. Totality of external forces
B. Dynamic nature
C. Interrelatedness
D. Relativity

Q.14 Read the following statements: Assertion (A) and Reason (R). Choose the correct alternative from those given below: **(1)**

Assertion (A)- Communication lubricates the entire organization at work with efficiency.

Reason -(R) -Because communication involves, issues instructions coveys goals and targets and also allocates job and responsibilities.

A. (A) and (R) both are correct and (R) is the correct explanation to(A)
B. (A) and (R) both are correct and (R) is not the correct explanation to (A)
C. (A) is correct but (R) is wrong
D. (A) is wrong and (R) is correct

Q.15 What does the symbol given below denote? **(1)**



A. Brand name
B. Brand mark
C. Trademark
D. Generic name

Q.16 To get feedback about its new product launch, Taggi Limited conducted an online survey through a short questionnaire. Identify the marketing function being mentioned in the given line. **(1)**

A. Gathering and analysing market information
B. Marketing planning
C. Product designing and development
D. Packaging and labelling

Q.17 Because it is difficult to find one single person with all the needed qualities, Taylor suggested the appointment of a specialist through this technique of scientific management. Identify the technique. **(1)**

A. Standardisation and simplification of work
B. Method study
C. Functional foremanship
D. Motion study

Q.18 Under this method of recruitment, an organisation maintains a database of unsolicited applicants in their offices. Which is the method? **(1)**

A. Direct recruitment
B. Casual callers
C. Labour contractors
D. Advertising on television

Q.19 One of the common irregularities noted by the Securities and Exchange Board of India during the inspection of a stock exchange was that it was dealing with unregistered sub-brokers. Identify the related function of the Securities and Exchange Board of India . **(1)**

A. Regulatory function
B. Protective function
C. Developmental function
D. None of the above

Q.20 A company must adhere to the provisions of the Companies Act while taking the dividend decision. Identify the related factor of the dividend decision being mentioned in the above line. **(1)**

A. Contractual constraints
B. Legal constraints
C. Access to capital market
D. Preferences of shareholders

Q.21 A. Explain any three factors affecting capital budgeting decisions. **(3)**

OR

B. "Without effective management, the resources will remain as resources cannot be converted into productive utilities." Do you agree? Give reason.

Q.22 My Car Ltd. decided to set-up its new car manufacturing factory in the backward area of Jharkhand where very less job opportunities were available. People of that area welcomed this effort of My Car Ltd. The company also decided to provide facilities like a school, hospital, market, etc. in the factory premises so that the people are attracted to join the factory as workers. My Car Ltd. started earning huge profits. Another competing company asked its production manager Aru to investigate the reasons of earning huge profits by My Car Ltd. Aru found that in both the companies, there was systematic coordination among the various activities to achieve the organisational goals. Every employee knew who was responsible and accountable to whom. The only difference was that in his organisation, communication took place only through the scalar chain whereas My Car Ltd. was allowing the flow of communication in all the directions as per the requirement which led to faster spread of information as well as quick feedback.

i. Identify the type of organisation which permits the flow of communication in all the directions in My Car Ltd.
ii. Also state an advantage of the type of organisation identified in part (i) above. **(3)**

Q.23 A. These days, the development of a country is also judged by its system of transferring finance from the sector where it is in surplus, to the sector where it is needed the most. To give strength to the economy, SEBI is undertaking measures to develop the capital market. In addition to this there is another market in which unsecured and short-term debt instruments are actively traded every day. These markets together help the savers and investors in directing the available funds into their most productive investment opportunity. **(3)**

i. Name the function being performed by the market in the above case.
ii. Also, explain briefly three other functions performed by this market.

OR

B. ABC Ltd. issued prospectus for the subscription of its shares for Rs. 500 crores in 2008. The issue was oversubscribed by 20 times. The company issued shares to all the applicants on pro-rata basis. Later SEBI inspected the prospectus and found some misleading statement about the management of the company in it. SEBI imposed a penalty of Rs. 5 crores and banned its three executive directors for dealing in securities market for three years. Identify the function and its type performed by SEBI in the above case. Also explain other two functions of SEBI.

Q.24 A. X Ltd. has total capital employed of ₹20,00,000. The company earns an EBIT of ₹3,00,000. It has ₹10,00,000 as debt at an interest rate of 10% p.a. The tax rate is 30%. **(3)**

Calculate:

i. Earnings Before Tax (EBT)
ii. Earnings After Tax (EAT)
iii. Return on Investment (RoI)

OR

B. Explain any three reasons why consumer protection is important from the consumers' point of view.

Q.25 A) Explain the following features of Marketing: **(4)**

i. Customer Value
ii. Exchange Mechanism

OR

B) Explain the following consumer rights:

i. Right to be assured
ii. Right to be heard

Q.26 In an electrical goods manufacturing Company, there are four main activities – production, marketing, finance and personnel. The general Manager is planning to structure the organisation. Which type of organisational structure should he adopt and why? Give two reasons. **(4)**

Q.27 Amit Transport Corporation has hired 1000 trucks for different routes, for the passengers of metropolitan city. In order to fill the vacancies, it was advertised in the newspaper and number of applicants applied for the same. The company has now undertaken the process of selection to identify and select the best. Explain the last four steps involved in the process. **(4)**

Q.28 A. 'Management seeks to achieve certain objectives which must be derived from basic purpose of the business'. In the light of the above statement, explain organisational and social objectives of management. **(4)**

OR

B. Describe any four characteristics of coordination in management.

Q.29 Mr. Rathore, a production manager at a reputed corporate, held the responsibility for ordering raw material for the firm. While deciding on the supplier for the financial year 2017-18, he gave the order to his cousin at a higher price per unit instead of the firm's usual supplier, who was willing to lower the rates for the order. **(4)**

(a) Which of Fayol's principles of management was violated by Mr. Rathore?
(b) State two positive impacts of following the identified principle in an organisation.

Q.30 Puja got Rs.10,00,000 after selling her parental property which she had got as a gift from her grandmother. Her friend advised her to invest in securities in the stock market. Puja was unaware of the procedure for the same. Her friend introduced her to a stock broker, who was registered with the National Stock Exchange. Puja approached the broker. The Broker guided her to open a DEMAT account with the Depository, as well as a Bank account. Puja opened a bank account & DEMAT account with standard chartered bank. **(4)**

(a) Identify the steps in the trading procedure for buying and selling securities which have been discussed above.
(b) State the next two steps of the trading procedure.

Q.31 MOTO Ltd. launched 'Buddyline', an exercise book and comprehensive stationery brand name comprising, of ball pens, gel pens and geometry boxes after identifying the target market and understanding the needs and wants of the consumers of that market. All their products were of good quality and eco-friendly but expensive. They wanted to distinguish their products from that of their competitors. They spent lot of efforts, time and money in creating the brand name, as they knew that without a brand name, they can only create awareness for the generic products and can never be sure of the sale of their products. The effort paid off and the demand for the products started growing. The customers liked the brand and became habitual to it. They did not mind paying a higher price. Over a period of time, it became a status symbol to buy 'Buddyline' brand because of its quality. The consumers felt pride in using them. **(6)**

a) Identify and explain the marketing management philosophy followed by MOTO Ltd.
b) Explain any two advantages of branding to the marketers highlighted in the above.
c) Identify and explain any two features of a good brand name that helped MOTO Ltd. in creating brand loyalty for 'Buddyline'.

Q.32 Dinesh Publications Ltd., an expanding publishing company with employees from different parts of the North India, recently experienced a drop in productivity and delays in completing projects. Upon investigation, it was discovered that many team members were unclear about their project roles and tasks. Some employees said they did not get clear instructions from their supervisors, while others felt afraid to ask questions because they worried about being judged. Additionally, employees from non-English speaking backgrounds struggled to understand technical emails written in complicated English. The management recognized that communication problems were seriously affecting the company's performance. **(6)**

a) Identify and explain any three types of communication barriers reflected in the above case.
b) Suggest any three suitable measures that the management of Dinesh Publications Ltd. can take to overcome these barriers.

Q.33 Param Foods, a leading snacks company in Madhya Pardesh, quickly introduced a range of millet-based roasted and baked healthy snacks after the Prime Minister promoted the idea of "Shree Anna" (millets) and 'Fit India' and encouraged their consumption for better health and sustainable agriculture. **(1+2+1+2)**

a) Which dimension of the business environment is influencing Param Foods' decision?
b) How is the company responding to the changes in the external environment?
c) State the features of the business environment shown in this case.
d) Explain the importance of understanding the business environment for such decisions.

Q.34 A. "Effective controlling ensures that organisational activities are carried out as per the planned standards." Explain the steps involved in the controlling process by relating them to practical managerial situations. **(6)**

OR

B. Briefly explain the following types of planning:

i. Budget
ii. Policy
iii. Rule