Roll No. ☐☐☐☐☐☐☐☐

Q.P. Code 66/1/1

BUSINESS STUDIES

CBSE Class XII Board Examination 2023

Time allowed: 3 hours **Maximum Marks: 80**

General Instructions:

1. The paper has 34 questions and every question must be answered.
2. Marks for each question are shown beside it.
3. Keep answers short and to the point.
4. 3-mark answers: about 50–75 words; 4-mark answers: about 150 words; 6-mark answers: about 200 words.
5. Answer all parts of a question together.

Questions 1–20

Q1–20 are Multiple Choice Questions carrying 1 mark each (20 × 1 = 20).

1. "Coordination brings together the efforts of different departments and of different levels of the organisation." Which characteristic of coordination does this statement point to? **1**

(A) Coordination ensures unity of action

(B) Coordination is an all pervasive function

(C) Coordination is a deliberate function

(D) Coordination is the responsibility of all managers

---

2. Pick the examples of the legal environment of business: **1**

(i) A ban on advertising alcoholic drinks

(ii) A cut in the interest rate on loans

(iii) Rising demand for organic food

(iv) Digilockers for keeping documents

(v) The 1993 Supreme Court order to shut iron foundries near the Taj Mahal at Agra

(A) (i) and (iv) **(B)** (i) and (ii)

(C) (ii) and (iii) **(D)** (i) and (v)

---

3. When the higher levels of management keep the authority to take decisions with themselves, it is called _____. **1**

(A) Decentralisation **(B)** Departmentalisation

(C) Span of Control **(D)** Centralisation

---

4. Umang, Production Manager at LG Papers Ltd, was asked by the General Manager to produce 5,000 new eco-friendly paper straws a day. Even with overtime the target was not met. An enquiry showed that workers had not been trained to make these straws, so they were sent for special training. Which function of management helped Umang find out that the target was not being met? **1**

(A) Planning **(B)** Organising

(C) Directing **(D)** Controlling

---

5. Statement I: Management is multi-dimensional. **1**

Statement II: The activities involved in managing an enterprise are common to all organisations – economic, social or political.

Choose the correct option.

(A) Statement I is true and II is false **(B)** Statement II is true and I is false

(C) Both the statements are false **(D)** Both the statements are true

---

6. Which one of these is NOT a step in the controlling process? **1**

(A) Setting performance standards

(B) Assignment of duties

(C) Taking corrective action

(D) Comparing actual performance with standards

---

7. As an element of the marketing mix, _____ covers the activities that make the firm's products available to the target customers. **1**

(A) Promotion **(B)** Place

(C) Product **(D)** Price

---

8. Identifying and grouping the activities of an enterprise and setting up authority relationships among them is called: **1**

(A) Directing **(B)** Staffing

(C) Management **(D)** Organising

---

9. At Smile Dental Clinic, Sangeeta noticed that the receptionist sat at her fixed desk, instruments were kept neatly in trays and used ones in the sterilisation area – everything had a fixed place and was in that place. The dentist could work without hindrance at full efficiency. Which principle of management was followed? **1**

(A) Equity **(B)** Discipline

(C) Order **(D)** Initiative

---

10. Match the features of business environment (Column I) with their meaning (Column II): **1**

A. Dynamic nature

B. Complexity

C. Relativity

(i) Easy to understand in parts but hard to grasp as a whole

(ii) It differs from country to country and even region to region

(iii) It keeps changing – technology improves, consumer tastes shift

(A) A (iii), B (ii), C (i) **(B)** A (ii), B (iii), C (i)

(C) A (iii), B (i), C (ii) **(D)** A (i), B (ii), C (iii)

---

11. Management has its own set of terms and concepts, and managers use this common vocabulary to talk to each other and understand their work better. Which feature of management as a science does this show? **1**

(A) Principles based on experimentation **(B)** Systematised body of knowledge

(C) Universal validity **(D)** Personalised application

---

12. Alfanzo Ltd is meeting its objectives effectively and efficiently and earns enough to cover costs and business risks. It now wants to raise its sales volume, capital investment, number of employees and number of products. Which objective of management is it trying to achieve? **1**

(A) Survival
(B) Profit
(C) Personal
(D) Growth

13. Restaurants saw demand collapse in the Covid-19 slowdown. From April 2022 the economy recovered and the industry boomed, so more working capital was needed for higher production and sales. Which factor affecting working capital is described? **1**

(A) Seasonal factor
(B) Production cycle
(C) Operating efficiency
(D) Business cycle

14. Fast-Service, a grocery app promising 10-minute delivery, made big profits in its first year. To expand, it decided to raise money by issuing its securities directly to investors. Which market will it use? **1**

(A) Money market
(B) Primary market
(C) Secondary market
(D) Both Primary and Secondary markets

15. "Compared with money market instruments, capital market instruments carry more risk, both in returns and in getting the principal back." Which basis of difference between the two markets is this? **1**

(A) Instruments
(B) Duration
(C) Safety
(D) Liquidity

16. Which statement does NOT show the importance of financial planning? **1**

(A) Detailed plans made under financial planning increase waste, duplication of efforts and gaps in planning
(B) It helps forecast what may happen under different business situations
(C) It links investment and financing decisions on a continuous basis
(D) It helps avoid business shocks and surprises and prepares the company for the future

17. Roma Ltd studied customers' needs before marketing its products. This helped it analyse the opportunities, threats, weaknesses and strengths of the organisation and decide which opportunities to pursue. Which marketing function is this? **1**

(A) Standardisation and grading
(B) Product designing and development
(C) Marketing planning
(D) Gathering and analysing market information

18. The symbol that appears on every 'Elegant' car and which cannot be spoken (uttered) is called its: **1**

(A) Brand
(B) Brand name
(C) Brand mark
(D) Trade mark

19. "A good physical distribution system must process orders accurately and quickly; otherwise goods reach customers late or in the wrong quantity." Which component of physical distribution is this? **1**

(A) Warehousing
(B) Order Processing
(C) Transportation
(D) Inventory Control

20. _____ includes different programmes meant to promote or protect the image of a company and of its individual products in the eyes of the public. **1**

(A) Personal selling
(B) Public relations
(C) Sales promotion
(D) Advertising

Questions 21–34

Q21–24 carry 3 marks each, Q25–30 carry 4 marks each and Q31–34 carry 6 marks each.

21. Hitesh, CEO of Kids Garments Ltd, got an extra festive-season order for 10,000 garments to be supplied within two days. Not wanting to lose the order and his goodwill, he ran double shifts and delivered on time, but the production cost was higher than the normal cost. Identify the two concepts of management discussed and give their meaning. **3**

22. A particular process increases the attitudes, skills and abilities of employees for doing specific jobs, and this process benefits the organisation in many ways. State any three benefits of this process to the organisation. **3**

23. (i) What is the process of holding securities in electronic form called? **3**
(ii) Name any two participants of the money market.
(iii) Name the depositories that hold securities in electronic form.

OR

State any three factors that affect the dividend decision.

24. Explain the following as points of importance of the controlling function: **3**
(i) Judging accuracy of standards
(ii) Making efficient use of resources

OR

Explain the relationship between planning and controlling with the help of any three points.

25. Nitya, a Class XII student, believes her teacher always finds fault with her work. One day, while checking projects, the teacher started to praise Nitya for her hard work and good performance, but Nitya walked out of the room before the teacher could finish. **4**
(a) Identify the communication barrier and the type/category of barrier it belongs to.
(b) Explain two other barriers of the same category.

26. X Ltd raised funds by issuing 14% Debentures of ₹4,00,000 and 10,000 equity shares of ₹60 each. The investment earned a profit of ₹2,00,000 before interest and tax. Tax rate is 50%. **4**
(a) Calculate the Return on Investment (ROI) and Earning per Share (EPS).
(b) Is this favourable or unfavourable financial leverage? Give reason.

27. Zeto Ltd offers its employees shares of the company at a price lower than the market price. **4**
(a) Identify the incentive and state its type.
(b) State two other incentives of the same type.

28. Identify the concepts described and give their meaning: **4**

(a) The process of finding possible candidates for a job.

(b) Assessing the number and kinds of human resources needed to perform various jobs.

(c) Introducing newly selected employees to other employees and to the organisation's rules and policies.

(d) It ensures that the organisation gets the best people out of the candidates available.

---

29. "A stock exchange does more than give liquidity and marketability to existing securities." Explain any two of its other functions. **4**

OR

Distinguish between the primary market and the secondary market on any four bases.

---

30. State the role of consumer organisations and NGOs in protecting and promoting consumers' interests (any four points). **4**

OR

If the consumer court is satisfied that a complaint is genuine, what reliefs can it give? State any four.

---

31. Explain the following principles of management: **6**

(i) Discipline

(ii) Unity of Command

(iii) Unity of Direction

OR

Explain the following techniques of Scientific Management:

(i) Fatigue study

(ii) Motion study

(iii) Time study

---

32. "Setting objectives is the first step in the process of an important function of management." **6**

(a) Name the function.

(b) State the next five steps of its process.

---

33. 'Sweets and More', a popular Indian sweets and snacks brand, sells sweets, namkeens, cookies and frozen foods. It has a separate business unit for each of these categories, each headed by a manager who has authority over the unit and is responsible for its performance. Each unit performs its own production, marketing, finance etc. This raises cost due to duplication of activities, but revenues and costs of each unit can be identified easily, giving a proper basis for measuring performance. **6**

(a) Identify the organisational structure.

(b) State three advantages and two disadvantages of this structure that are not mentioned in the case.

---

34. X Ltd, a car maker, found through a market survey that customers wanted a car running on eco-friendly fuel instead of petrol or diesel. Keeping customer needs as well as the social, ethical and ecological aspects of marketing in mind, it launched a bio-diesel car. The launch was widely covered by top news channels and newspapers to spread information about the car and build goodwill. The company believes it must manage public opinion and its relations with the public regularly. **6**

(a) Identify and explain the marketing philosophy.

(b) Identify and explain the communication tool used.

(c) Explain any two other promotional tools X Ltd can use.

— END —

Questions restated from the CBSE Class XII Board Examination 2023 (set 66/1/1) for practice. Reading passages and map items are described, not reproduced.