Roll No. ☐☐☐☐☐☐☐☐

Q.P. Code 66/1/1

BUSINESS STUDIES

CBSE Class XII Board Examination 2024

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

General Instructions:

1. The paper has 34 questions; all of them must be answered.
2. The marks for each question are shown against it.
3. Keep answers short and relevant.
4. 3-mark answers: about 50–75 words; 4-mark answers: about 150 words; 6-mark answers: about 200 words.
5. Answer all the parts of a question in one place.

Questions 1–20

Q1–20 are multiple choice questions of 1 mark each.

1. Ravi Kumar became Managing Director of the loss-making 'Vova Watch Company' in January 2020. He found that staff were never consulted and simply carried out orders, so morale was low. He began open discussions, invited employees to take an active part in decisions and jointly prepared action plans to fix outdated designs and inefficient production. The company turned profitable. Which leadership style did Ravi Kumar follow? **1**

(A) Autocratic leadership style
(B) Democratic leadership style
(C) Free-rein leadership style
(D) Both (A) and (B)

---

2. Which one of these is an element of the 'Social Environment' of business? **1**

(A) Rates of saving and investment
(B) Expectations from the workforce
(C) The nature of relationship of our country with foreign countries
(D) Planned outlay in public and private sectors

---

3. Statement I: Delegation means entrusting responsibility and authority to someone else and creating accountability for performance. **1**
Statement II: However much authority is delegated, the manager remains accountable to the same extent as before delegating.
Pick the correct option.

(A) Statement I is true and Statement II is false.
(B) Statement II is true and Statement I is false.
(C) Both the Statements are true.
(D) Both the Statements are false.

---

4. Fill in the blank: _____ means performing a task correctly at the lowest possible cost. **1**

(A) Effectiveness
(B) Coordination
(C) Process
(D) Efficiency

---

5. 'Dovex', a well-known healthcare company making life-saving medicines and devices, is trusted by investors for its ethical record. Because of this it can raise money from the market easily whenever it expands or starts new projects, and so it is able to pay high dividends. Which factor affecting dividend decision is described? **1**

(A) Cash flow position
(B) Stock market reaction
(C) Legal constraints
(D) Access to capital market

---

6. Identify the process: a career-oriented process meant to help employees grow towards maturity and realise their potential capabilities. **1**

(A) Staffing **(B)** Selection

(C) Development **(D)** Training

7. 'SK Builders' became market leader in designer houses because it was the first to see the need for using Artificial Intelligence in house design as technology changed. Which point of importance of business environment does this show? **1**

(A) It helps to identify threats and early warning signals.

(B) It enables the firm to identify opportunities and getting the first mover advantage.

(C) It helps in tapping useful resources.

(D) It helps in improving performance.

8. In which market are the prices of securities fixed by the management of the issuing company? **1**

(A) Primary **(B)** Secondary

(C) Money **(D)** Stock

9. Estimating how much money a business needs and deciding where it will come from is known as: **1**

(A) Capital structure **(B)** Financial planning

(C) Financial management **(D)** Capital budgeting

10. Statement I: A financial market helps transfer savings from savers to investors. **1**
Statement II: It offers savers a choice of investments and helps direct surplus funds to their most productive use.
Choose the correct option.

(A) Statement I is true and Statement II is false.

(B) Statement II is true and Statement I is false.

(C) Both the Statements are true.

(D) Both the Statements are false.

11. Which of the following is an INCORRECT statement about the functions of a Stock Exchange? **1**

(A) Provides liquidity and marketability to new securities

(B) Ensures safety of transactions

(C) Contributes to economic growth

(D) Provides scope for speculation

12. Online retailer 'Bizen' has become the world's largest e-commerce provider. Its MD Mohit takes strategic decisions and controls the whole organisation. Jobs of a similar nature are grouped into HR, Marketing, Purchase and R&D departments, which are further split into sections; all departmental heads report to Mohit, the coordinating head. This improves use of manpower and avoids duplication of effort. Identify Bizen's organisation structure. **1**

(A) Informal organisational structure
(B) Divisional organisational structure
(C) Functional organisational structure
(D) Both (B) and (C)

---

13. Match Column I with Column II. **1**

Column I: 1. Placement 2. Recruitment 3. Orientation 4. Performance Appraisal

Column II: (i) Introducing a newly selected employee to colleagues and to the organisation's rules and policies; (ii) The employee taking up the post for which he/she was selected; (iii) Judging an employee's present/past performance against set standards; (iv) Searching for prospective employees and encouraging them to apply.

(A) 1-(i), 2-(ii), 3-(iii), 4-(iv)
(B) 1-(ii), 2-(iii), 3-(i), 4-(iv)
(C) 1-(ii), 2-(iv), 3-(i), 4-(iii)
(D) 1-(ii), 2-(i), 3-(iv), 4-(iii)

---

14. Plans are made for a fixed period – a month, a quarter or a year. When that period ends, a fresh plan must be prepared based on new needs and future conditions. Which feature of planning is described? **1**

(A) Planning is futuristic
(B) Planning is continuous
(C) Planning is pervasive
(D) Planning is a mental exercise

---

15. Which marketing management philosophy tries to achieve its objectives by making products available and affordable? **1**

(A) Marketing concept
(B) Selling concept
(C) Product concept
(D) Production concept

---

16. A picture shows a placard of 'Mehta Sons Garments' reading 'HURRY UP – 50% OFF – ONLY FOR 2 days'. Which tool of promotion is the firm using to push its sales? **1**

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

---

17. Assertion (A): Many enlightened business firms have created their own consumer service and grievance cells. **1**

Reason (R): A consumer has the right to complain and to be heard when dissatisfied with a good or service.

(A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).

(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).

(C) Assertion (A) is true, but Reason (R) is false.

(D) Assertion (A) is false, but Reason (R) is true.

---

18. Which of the following is NOT a component of 'Physical Distribution'? **1**

(A) Inventory control

(B) Standardisation and grading

(C) Order processing

(D) Transportation

---

19. Beenu's bookstore 'Book-mark' in Sabad was losing sales to e-books and online sellers. Her daughter, an MBA in marketing, ran a campaign on the joy of reading physical books, held story-writing and other contests every weekend, informed parents and children about them through TV, radio and children's magazines, and gave attractive prizes to winners. Footfall rose and the store became popular. Which communication tool did she use? **1**

(A) Advertising

(B) Personal selling

(C) Sales promotion

(D) Public relations

---

20. Nikhil, CEO of 'Best Electronics', wanted the company to lead the electronics market. His team researched trends, customer preferences and competitors, and on that basis a plan was drawn up that set the company's direction and scope for the long run and gave broad contours of its business. Within two years the company became market leader. Which type of plan helped? **1**

(A) Policy

(B) Rule

(C) Strategy

(D) Procedure

Questions 21–24

Q21–24 carry 3 marks each.

21. State any three features of business environment. **3**

OR

State any three features of 'Demonetization'.

---

22. Kanav set up a solar power plant needing heavy investment in machinery (latest panels, inverters, battery storage) and little manual labour. As demand for clean energy was rising, he also chose to build higher capacity in advance to meet the expected demand quickly, which needed more investment in fixed assets. Identify and explain the two factors affecting fixed capital requirements in this case. **3**

---

23. 'BB Motors', maker of high-performance cars, wanted its employees to have the right skills. It turned a part of its factory into a 'Learning Floor' – a separate space set up like the actual work environment, fitted with car parts, tools and equipment identical to those on the factory floor – where employees were trained. Identify and explain the training method. **3**

---

24. State any three protective functions of the Securities and Exchange Board of India (SEBI). **3**

OR

Differentiate between 'Money Market' and 'Capital Market' on any three bases.

Questions 25–30

Q25–30 carry 4 marks each.

25. Garment maker 'Verfab' needed new staff. It first went through all applications and rejected unsuitable applicants, shortlisting 21. These 21 took tests measuring traits from manual dexterity to intelligence and personality (sewing skill, attention to detail, process knowledge). The 15 who did well had a detailed formal conversation with senior design staff, after which 10 were found suitable. Their details were then confirmed by contacting previous employers, and finally 8 were chosen. Explain the steps of this process up to the verification stage. **4**

26. State any four characteristics of management. **4**

OR

State any four functions performed by Top Level Management.

27. Differentiate between 'Delegation' and 'Decentralisation' on any four bases. **4**

28. Explain how each factor affects the working capital requirement of a business: **4**
(i) Operating efficiency
(ii) Credit availed

OR

Explain how each factor affects the choice of capital structure of a company:
(i) Flexibility
(ii) Cost of equity

29. Piyush, Production Manager at shoe company 'Comforty', has 1000 workers. He took an order for 300 pairs of gents' shoes at an estimated cost of ₹500 per pair plus 20% profit, to be finished in 10 days. Afterwards he found the actual cost per pair was ₹700 but could not trace why. The CEO appointed Abhay, a cost accountant and HR manager, who found the target could have been met by just 800 workers – there was overmanning, causing high labour cost. **4**
(i) Identify the function of management discussed.
(ii) State any three points of importance of that function.

30. Anuj paid 'SS Developers' an advance of ₹2 crore to build a house, to be delivered in 18 months. After 18 months the developer ignored his repeated requests, could not hand over the property and refused to refund the money with interest. Anuj complained to the consumer court. **4**
(i) Which grievance redressal agency did Anuj approach?
(ii) State any three reliefs Anuj may get if the court is satisfied with his complaint.

Questions 31–34

Q31–34 carry 6 marks each.

31. Explain these techniques of Scientific Management: **6**

(i) Time study

(ii) Differential piece wage system

(iii) Motion study

OR

Explain these features of principles of management:

(i) General guidelines

(ii) Mainly behavioural

(iii) Formed by practice and experimentation

---

32. Atul Sharma, CEO of 'Stepone Footwear', planned carefully: company goals were clearly stated so that they guided what action to take and in which direction. Before each season the firm studied market trends, customer preferences and production schedules, which let it look ahead, anticipate change and prepare managerial responses. One season demand suddenly shifted to eco-friendly shoes, but production for the year had already been fixed with specific goals and time frames and managers had no flexibility to change it. A rival, 'Eco Step', adapted quickly and became market leader, while Stepone was left with surplus stock. Quoting lines from the case, identify and explain two benefits and two limitations of planning. **6**

---

33. Ayush and Rhea started selling organic produce from their farm. To stand out, they named the business 'Earthy Store' (a name suggesting the products' benefits and their values of health and sustainability) and chose a nature-themed logo in earthy colours. They developed eco-friendly biodegradable bags and reusable containers to send products, and stickers on them giving organic certification, nutritional benefits, manufacture and expiry dates, etc. They also built a user-friendly website and a strong media presence to inform customers and persuade them to buy. Quoting lines, identify and explain the three marketing functions in the case. **6**

---

34. Give the meaning of 'Training'. Explain these methods of training: (i) Apprenticeship Training, (ii) Internship Training. **6**

OR

Explain any four points of importance of the 'Directing' function of management.

— END —

Questions restated from the CBSE Class XII Board Examination 2024 (set 66/1/1) for practice. Reading passages and map items are described, not reproduced.