Roll No. ☐☐☐☐☐☐☐☐

Q.P. Code 66/1/1

BUSINESS STUDIES

CBSE Class XII Board Examination 2026

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 brief 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 1–34

Q1–20 carry 1 mark each (MCQ / Assertion-Reason); Q21–24 carry 3 marks each; Q25–30 carry 4 marks each; Q31–34 carry 6 marks each. Internal choice in Q23, 24, 26, 27, 32 and 34.

1. Ritika wants a new washing machine. At the store 'Elec Duniya' she sees several brands (KM, Neo, Unipool, INH); the salesperson explains differences in quality, brand reputation and price and lets her compare fully automatic, semi-automatic, top-load and front-load models at her own pace. She also visits a nearby shop to compare, and finally buys a 'Neo' front-load machine that gives the best features within her budget. Which consumer right did Ritika exercise? **1**

(A) Right to be heard
(B) Right to be assured
(C) Right to consumer education
(D) Right to seek redressal

---

2. Workers at Alpha Manufacturing made metal parts by guesswork and personal experience, and productivity fell. A scientific-management consultant studied the old methods through work-study, combined the best practices into one standard method for everyone, and productivity tripled in six months. Which principle of scientific management helped? **1**

(A) Science, not Rule of Thumb
(B) Harmony, Not Discord
(C) Cooperation, Not Individualism
(D) Development of Each and Every Person to His or Her Greatest Efficiency and Prosperity

---

3. Consider: **1**
Statement I: Consumers should unite and form consumer associations to protect and promote their interests.
Statement II: The Consumer Protection Act sets up a two-tier machinery for redressal of consumer grievances.
Choose the correct option.

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

---

4. A picture shows a man shouting at another person through a megaphone; the listener is covering his ears, a thought-bubble above him is full of jumbled symbols (!, *, %, x), and zig-zag disturbance lines surround them. Which element of the communication process does the picture show? **1**

(A) Feedback
(B) Media
(C) Noise
(D) Decoding

---

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

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

(A) Both Assertion (A) and Reason (R) are false.

(B) Assertion (A) is false and Reason (R) is true.

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

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

---

6. Sudha bought 'NATURO' hair colour. After reading the shade, ingredients, instructions and expiry date printed on the box, she took out the colour tube and developer bottle and threw the box away. The box was which level of packaging? **1**

(A) Primary packaging

(B) Transportation packaging

(C) Secondary packaging

(D) General packaging

---

7. Assertion (A): Money market instruments are more liquid than capital market securities. **1**

Reason (R): Money market instruments are traded on stock exchanges.

(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 and Reason (R) is false.

(D) Assertion (A) is false and Reason (R) is true.

---

8. Ravi bought hallmarked gold jewellery from a reputed store. To avoid paying GST, he asked the salesperson to just write the gold weight and making charges on a plain slip of paper. Which consumer responsibility did Ravi fail to fulfil? **1**

(A) Be aware of the various goods and services in the market so that a wise choice can be made.

(B) Ask for a cash memo on purchase of goods and services.

(C) Buy only standardised goods as they assure quality.

(D) Assert yourself to ensure a fair deal.

---

9. 'CARO Tech Solutions' had to develop a software system in six months with a budget of ₹12,00,000. The team finished on time, but only by outsourcing part of the work, which cost an extra ₹2,00,000. The team is: **1**

(A) Efficient and Effective
(B) Efficient but not effective
(C) Effective but not efficient
(D) Neither efficient nor effective

10. 'Green India Electronics' had to launch an eco-friendly heater quickly because winter lasts only 2-3 months. The CEO wanted close coordination among all managers: top managers coordinated with their subordinates on policies, the production manager coordinated with operational managers, and operational managers coordinated the workers. The heaters were launched on time. Which feature of coordination is seen? **1**

(A) Co-ordination is a deliberate function.
(B) Co-ordination is the responsibility of all managers.
(C) Co-ordination is a continuous process.
(D) Co-ordination ensures unity of action.

11. 'The business environment keeps changing - through technological improvements, shifts in consumer preferences or the entry of new competitors.' Which feature of business environment does this show? **1**

(A) Totality of external forces
(B) Complexity
(C) Dynamic nature
(D) Relativity

12. The situation in which a company cannot meet its fixed financial charges such as interest, preference dividend and repayment obligations is called _____. **1**

(A) Trading on equity
(B) Financial risk
(C) Business risk
(D) Operating risk

13. Which statement about the importance of planning is INCORRECT? **1**

(A) Planning provides directions by stating in advance how work is to be done.
(B) Planning eliminates uncertainty by looking ahead and anticipating changes.
(C) Planning facilitates decision making by choosing among alternative courses of action.
(D) Planning promotes innovative ideas as new ideas can take the shape of concrete plans.

14. Organising initiates the implementation of plans by clarifying jobs and working relationships and deploying resources. Choose the correct order of steps in the process of organising. **1**

(A) Identification and division of work, Assignment of duties, Departmentalisation, Establishing authority and reporting relationships

(B) Identification and division of work, Assignment of duties, Establishing authority and reporting relationships, Departmentalisation

(C) Departmentalisation, Identification and division of work, Establishing authority and reporting relationships, Assignment of duties

(D) Identification and division of work, Departmentalisation, Assignment of duties, Establishing authority and reporting relationships

---

15. Which feature of planning says that planning aims to meet future events effectively, to the best advantage of the organisation? **1**

(A) Planning involves decision making

(B) Planning is futuristic

(C) Planning is a mental exercise

(D) Planning focuses on achieving objectives

---

16. Match Fayol's principles (Column I) with their meanings (Column II). **1**

Column I: (a) Discipline, (b) Unity of direction, (c) Order, (d) Unity of command

Column II: (i) Only one boss for every employee. (ii) A place for everything/everyone, and everything/everyone in its place. (iii) Obedience to organisational rules and the employment agreement. (iv) Each group of activities with the same objective must have one head and one plan.

Codes in the order a, b, c, d:

(A) (iii) (iv) (i) (ii)

(B) (iv) (iii) (ii) (i)

(C) (iv) (iii) (i) (ii)

(D) (iii) (iv) (ii) (i)

---

17. Which step of the controlling process brings out the deviation between actual performance and the desired results? **1**

(A) Setting performance standards

(B) Analysing deviations

(C) Taking corrective action

(D) Comparing actual performance with the standards

---

18. 'Some provisions of the Companies Act restrict how much can be paid out as dividend, and these must be followed while declaring dividend.' Which factor affecting the dividend decision is this? **1**

(A) Access to capital market
(B) Contractual constraints
(C) Legal constraints
(D) Stock market reaction

19. Statement I: Control should focus on key result areas that are critical to the organisation's success. **1**
Statement II: Only significant deviations that go beyond the permissible limit should be reported to management.
Choose the correct option.

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

20. Which of these is NOT an organisational barrier to communication? **1**

(A) Status
(B) Organisational facilities
(C) Lack of proper incentives
(D) Rules and regulations

21. 'Riya Mart' makes disposable crockery but was earning poor profits for five years. CEO Verma got an internal audit done, which found inventory pilferage, late-coming and below-standard performance. He introduced surprise stock checks and an automated inventory system, a biometric attendance system, and told employees in advance what was expected of them and their performance standards. Pilferage fell, punctuality and performance improved. **3**
(i) Identify and state the function of management performed by Verma.
(ii) State any two points of importance of this function not discussed in the case.

22. 'Soal Footwear Ltd.', known for athletic shoes and sneakers, faces stiff competition and changing tastes, so it decides to diversify into clothing, bags and accessories under the same brand to grow market share and customer loyalty. **3**
(i) Suggest, with reason, the suitable organisational structure.
(ii) State any two advantages of that structure.

23. State any three measures to improve communication effectiveness. **3**

OR

State any three features of leadership.

24. State any three functions of middle level management. **3**

OR

State any three features of 'Demonetisation'.

---

25. 'Sheetal Cosmetics Ltd.' is growing fast with many new launches, ad campaigns, social-media promotions and influencer tie-ups. Marketing manager Arjun works long hours but minor operational issues leave him no time for strategic planning. The CEO advises him that he cannot handle everything alone and should let subordinates take up routine tasks - saving his time, satisfying subordinates' need for recognition and letting them develop initiative. **4**

(i) Identify the concept suggested by the CEO.

(ii) State any three points of importance of this concept.

---

26. State any four merits of internal sources of recruitment. **4**

OR

State any four benefits of training to employees.

---

27. Explain the following points of importance of planning: **4**

(i) Planning establishes standards for controlling

(ii) Planning reduces overlapping and wasteful activities

OR

Explain the following types of plans:

(i) Objective

(ii) Method

---

28. Rajiv is a director of 'Tako Solutions' (software) and 'Sabka Mart Retail' (supermarket chain) and wants to apply management principles in both. He knows the principles apply to both companies, though to a different extent because their work, scale and activities differ. He also knows the principles give no ready-made solutions because real situations are complex and dynamic, yet even small guidelines help solve many problems. Identify and explain the two features of the nature of principles of management in the case. **4**

---

29. 'GW Industries' (paper products) launched a sustainable packaging line 'EcoPac'. Its CEO turned the work into clear goals and assigned means to achieve them, treated human resources as the greatest asset and got work done through them, and set up a proper production process to convert input materials with technology into quality packaging. Identify and explain the characteristic of management shown. **4**

---

30. Start-up 'Eco Care' plans a reusable water bottle for eco-conscious millennials and Gen Z. It did market research to find customer needs, designed an attractive double-wall insulated stainless-steel bottle that keeps drinks cold for 24 hours (a competitive edge), named it 'Eco-Sip' to build a sustainability-focused identity and differentiate it, and packed it in 100% recyclable cardboard printed with features, price and other details. State the four functions of marketing carried out. **4**

---

31. 'Koka Manufacturing Ltd.' is a large electronics manufacturer. In its industry assets become obsolete quickly as technology changes, so it must keep upgrading machinery to stay competitive, improve quality and cut costs. Instead of buying machines it leases them, so it can upgrade at the end of each lease. Identify and explain four factors affecting its fixed capital requirements. **6**

---

32. Explain the following steps in the staffing process: **6**

(i) Estimating manpower requirements

(ii) Selection

(iii) Placement and orientation

OR

Explain the following non-financial incentives:

(i) Status

(ii) Organisational climate

(iii) Job security

---

33. Ria, who runs an online bakery, wondered whether to keep her savings in a bank or invest in shares. Her friend Aabha (NSE-certified) told her: she can sell and reinvest whenever she wants, giving good liquidity; stock-exchange membership is well regulated and all trading is within a legal framework, so investors get a fair and safe deal; speculation exists but only in a restricted, controlled way; and the exchange promotes wider share ownership by educating the public, which is why young people have started investing. Ria then invested part of her savings. Quoting the relevant lines, identify and explain four functions of a stock exchange shown. **6**

---

34. Explain the following elements of the marketing mix: **6**

(i) Product

(ii) Price

(iii) Promotion

OR

Explain the following components of physical distribution:

(i) Order processing

(ii) Warehousing

(iii) Inventory control

— END —

Questions restated from the CBSE Class XII Board Examination 2026 (set 66/1/1) for practice. Reading passages and map items are described, not reproduced.