

KENDRIYA VIDYALAYA SANGATHAN SILCHAR REGION
PRE- BOARD EXAMINATION (2025-26)
SUBJECT: BUSINESS STUDIES (054)
CLASS XII

Time: 3 Hours

Maximum Marks: 80

GENERAL INSTRUCTIONS:

1. Question 1 to 20 carries 1 mark each.
2. Questions 21 to 24 carries 3 marks each.
3. Questions from 25 to 30 carries 4 marks each
4. Questions from 31 to 34 carries 6 marks each
5. There is no overall choice. However, an internal choice has been provided in 2 questions of three marks, 1 question of four marks and 2 questions of six marks.

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1	<p>Vimal Rai is working in 'Funny Bunny limited' the company manufacturers games and toys of children. The basic task of Bimal Roy is to integrate diverse elements of co-ordinate the activities of different department. He also analyze the business environment and its implication for the survival of the firm. The level of the management at which Vimal Roy is working is:</p> <p>(a) Top Level (b) Middle Level (c) Operational Level (d) Both Middle and Operational Level</p>	1
2	<p>Which of the following is not an assumption of Maslow's Need Hierarchy Theory?</p> <p>(a) People's behaviour is based on their needs (b) People's needs are in hierarchical order (c) People are motivated by unfulfilled needs (d) A person moves to next higher level need even if lower need is not satisfied</p>	1
3	<p>With the presence of women in the workforce, there has been a shift towards formal wear, increased demand of electronic gadgets and increase in demand of cosmetics.</p> <p>The related dimension of business environment referred in the above lines is:</p> <p>a) Technological environment. b) Social environment c) Political environment. d) Economic environment</p>	1
4	<p>Scalar Chain refers to:</p> <p>(a) Chain of authority and communication that runs from top to bottom (b) Formal lines of authority from highest rank to the lowest rank (c) Both (a) and (b)</p>	1

	(d) None of the above	
5	<p>Taylor believed that there was only one best method to maximize efficiency. This method can be developed through study and analysis. Identify the principle of scientific management being discussed above:</p> <p>(a) Harmony not discord (b) Science not rule of thumb (c) Development of each and every person to his or her greatest efficiency and prosperity (d) Cooperation not individualism</p>	1
6	 <p>The symbol which appear on all the ‘Elegant’ Cars and which is not utterable is known as its :</p> <p>(a) Brand (b) Brand name (c) Brand mark (d) Trade mark</p>	1
7	<p>Through the process of disinvestment and reinvestment, savings get channelized into their most productive investment avenues.’ The function of the stock exchange highlighted above is:</p> <p>(a) Spreading of equity cult (b) Providing liquidity and marketability to existing securities (c) Contributing to economic growth (d) Providing scope for speculation</p>	1
8	<p>Read the following statements carefully:</p> <p><i>Statement I:</i> Staffing is the most fundamental and critical drive of organizational performance and this function has assumed greater importance because of rapid advancement of technology.</p> <p><i>Statement II:</i> Understanding manpower requirements is, only to know the number of persons needed in the organization.</p> <p>In the light of the statements given, choose the correct alternative from the following:</p> <p>(A) Statement I is true and Statement II is false. (B) Statement I is false and Statement II is true. (C) Both Statement I and Statement II are true. (D) Both Statement I and Statement II are false.</p>	1
9	<p>Read the following statements: Assertion (A) and Reason(R). Choose the correct alternative from those given below:</p> <p>Assertion(A): Personal selling reaches limited people. Reason(R): Personal Selling is highly flexible as message can be adjusted. Alternatives:</p>	1

15	<p>“It is a career-oriented process designed to help the employees in the progress towards maturity and actualization of their potential capabilities.” Identify the process:</p> <p>(A) Staffing (B) Selection (C) Development (D) Training</p>	1
16	<p>The process of estimating fund requirements of a business and specifying the sources of funds is called:</p> <p>(A) Capital structure (B) Financial planning (C) Financial management (D) Capital budgeting</p>	1
17	<p>For taking the company out of losses, Ravi Kumar took over as the Managing Director of the struggling ‘Vova Watch Company’ in January 2020. As soon as he joined, he tried to find out the reason for the company not doing well. He found that the employees were not involved in decision-making and they had to just follow orders, resulting in low morale of employees. Recognising the need for change, Ravi Kumar started on a journey to bring back the enthusiasm and motivation of the employees. He initiated open dialogues and encouraged them to actively participate in decision-making. Together, they developed action plans to address the company’s challenges regarding outdated designs and inefficient production processes etc.</p> <p>As time passed, ‘Vova Watch Company’ transformed from a struggling enterprise to a profit making enterprise. Identify the leadership style of Ravi Kumar :</p> <p>1) Autocratic leadership style 2) Free-rein leadership style 3) Democratic leadership style 4) Both (1) and (2)</p>	1
18	<p>Statement I : A financial market facilitates the transfer of savings from savers to investors. Statement II : It gives savers the choice of different investments and helps to channelize surplus funds into the most productive use.</p> <p>Choose the correct option from the following:</p> <p>(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.</p>	1
19	<p>During the Covid-19 pandemic, the restaurant industry faced many challenges. The slowdown led to huge decrease in demand. From April 2022, the effect of Covid started reducing. The economy started picking up and a boom was noticed in the restaurant industry. As a result, larger amount of working capital was required with increased production and sales. the factor affecting the working capital requirement discussed above is:</p> <p>(a) Production cycle (b) Operating efficiency (c) Business cycle (d) Seasonal factor</p>	1
20	<p>Which of the following statements does not highlight the importance of financial planning?</p> <p>(a) Detailed plans of action prepared under financial planning increase waste, duplication of efforts and gaps in planning. (b) It helps in forecasting what may happen in future under different business situations. (c) It provides a link between investment and financing decisions on a continuous basis. (d) It helps in avoiding business shocks and surprises and helps the company in preparing for the future.</p>	1
21	<p>What important information is generally placed on the package of a food product? Design a label for one of the food products of your choice.</p>	3

22	<p>(a) Distinguish between ‘Formal and Informal organization’ on the basis of: (a) Origin (b) Authority (c) Flow of Communication</p> <p style="text-align: center;">OR</p> <p>(b) Distinguish between ‘Functional and Divisional Structure’ on the basis of: (a) Coordination (b) Managerial development (c) Cost</p>	3
23	<p>Some persons who had done their MBA established ‘Alpha Limited’ with the aim of earning justifiable profit and doing service to the society. In order to run their business successfully, they took the help of several people. The people working in the company were doing different activities. Their activities were different, but their aim was the same. Here the need was to continue putting in such efforts as may not let the people to lose their aim. Therefore, the arrangement made in the company was such that the efforts of all the people may lead them towards the same path.</p> <p>(a) Identify the feature of management described in the paragraph given above. (b) Also explain two more features of management.</p>	3
24	<p>State any three Protective functions of Securities and Exchange Board of India.</p> <p style="text-align: center;">OR</p> <p>(i) Name the process of holding securities in an electronic form. (ii) Name any two participants of Money Market. (iii) Name the depositories that hold securities in electronic form.</p>	3
25	<p>(a) Explain the following as points of importance of ‘Controlling’ function of management: (i) Judging accuracy of standards (ii) Making efficient use of resources</p> <p style="text-align: center;">OR</p> <p>(b) Explain the relationship between ‘Planning’ and ‘Controlling’ with the help of any four points.</p>	4
26	<p>(a) Explain the following features of Marketing: (i) Needs and wants (ii) Creating a market offering</p> <p style="text-align: center;">OR</p> <p>(b) Explain the following elements of Promotion Mix: (i) Sales Promotion (ii) Personal Selling</p>	4
27	<p>Identify and give the meaning of the concepts highlighted in the following statements:</p> <ol style="list-style-type: none"> 1) The process of finding possible candidates for a job. 2) An assessment of the number and types of human resources necessary for the performance of various jobs. 3) Introducing the selected employees to other employees and familiarizing them with the rules and policies of the organization. 4) It ensures that the organization gets the best employees amongst the employees available. 	4
28	<p>Explain any two techniques of Scientific Management from the following: a) Method study b) Motion study c) Time study</p> <p style="text-align: center;">OR</p> <p>Explain any two principles of Fayol from the following: a) Discipline b) Order c) Initiative</p>	4
29	<p>Saurabh decided to start a chocolates manufacturing business. He set the target of earning 10% profit on sales in the first year. As a good businessman, he was concerned about the future of the</p>	4

	<p>business, which was uncertain. He gathered information that the demand for chocolates is increasing day-by-day. He used this information as the base for future planning and shared it with his team. On the basis of the gathered information, he scheduled a meeting in the following week to find innovative ways to achieve the objectives.</p> <p>List the first two steps, which have been followed by Saurabh that are related to the process of one of the functions of management.</p>	
30	<p>The Government of India has recently come up with an amendment to Section 6 of the Payment of Wages Act 1936, to allow employers of certain industries to make payment through various electronics modes of payments. The amendment will be applicable to all the public sector undertakings for wages disbursement using e-payment options. This is another milestone in the direction to further push to cashless economy.</p> <p>Identify and explain any two dimensions of business environment which relate to the above-mentioned case.</p>	4
31	<p>Anuj, after a lot of research, paid ‘SS Developers’ an advance of Rs. 2 crore to build a lavish house for him. They promised to deliver the property within 18 months. At the end of 18 months, Anuj asked for the delivery of the property many times but the developer did not respond. Anuj realized that ‘SS Developers’ was not in a position to hand over the property to him. Anuj asked for a refund of the money with interest, which ‘SS Developers’ refused. Anuj approached the consumer court with his complaint.</p> <ol style="list-style-type: none"> 1) Which grievance redressal agency had Anuj approached? 2) Which consumer rights has been used by Anuj? Explain it. 3) Which responsibilities Anuj has fulfilled while conducting research. 4) State any two reliefs Anuj is likely to get, if the consumer court is satisfied with the complaint. <p style="text-align: center;">Or</p> <p>Anchal purchased a food processing machine for Rs.3,000 from ‘Kajal Machinery Pvt. Ltd.’ She found that the machine was not working properly. Despite many complaints, the defect was not rectified by Kajal Machinery Pvt. Ltd.</p> <ol style="list-style-type: none"> 1. Identify and explain the consumer right has been violated by Kajal Machinery pvt. Ltd. 2. Suggest the appropriate commission where Anchal can file her complaint. 3. Can she appeal to the Supreme court if she is not satisfied with the order of appropriate commission. 4. State two responsibilities to be fulfilled by Anchal. 	6
32	<p>A company, ‘SK Energy Ltd.’ is providing solar energy solutions in some states of the country. Now it wants to expand its operations in some other states also. It needs ₹ 30,00,000 for its expansion. The Chief Financial Officer suggested two options for this.</p> <p>Option I : To raise the entire funds through issue of shares of ₹ 10 each.</p> <p>Option II : To raise ₹ 10,00,000 through issue of shares of ₹ 10 each and ₹ 20,00,000 by raising debt @ 10% p.a.</p> <p>The return on investment of the firm is 12% and tax rate is 30%.</p> <p>(i) Which of the two options will maximize shareholders’ wealth? Give reason in support of your answer.</p> <p>(ii) Will the earning per share improve if return on investment of the company is 8%? Give reason in support of your answer. Show your working clearly.</p> <p style="text-align: center;">OR</p> <p>Explain the following factors affecting the Fixed capital requirement decision of the company:</p> <ol style="list-style-type: none"> a) Scale of operations b) Choice of techniques c) Growth prospects 	6

33	<p>Sandhya is a successful manager at Manisons Enterprises. She has a team of twelve people working under her. She encourages them to set their own objectives and take decisions. She respects their opinions and supports them, so that they can perform their duties and accomplish organizational objectives. To manage and exercise effective control, she uses forces within the group. As an intelligent manager, at times, she also makes use of positive aspects of informal communication. This way, she is able to unify diverse interests and ensure that targets are met.</p> <p>(a) There are many theories and styles of influencing people's behaviour. Identify the style used by Sandhya which is based on the use of authority.</p> <p>(b) State two positive aspects of the communication discussed above, which Sandhya is using as an intelligent manager.</p>	6
34	<p>DLF developers, a website design company in Bangalore is a startup initiative of Mr. Maniraj which aims at achieving a profit margin of 10% in its first year. Mr. Maniraj appointed Mr. Advait as the Digital marketing Head, Mr. Kiyansh as the head of Backend department and Mr. Nirved headed the Graphics Designing Department. Since each head was specialised in specific skills, it resulted in increased efficiency and better coordination.</p> <p>However, problems arose when Mr. Advait started considering group objectives superior to organizational objectives and stopped exchanging information with Mr. Kiyansh and Mr. Nirved. The company had to bear the brunt of lack of coordination and was unable to achieve its objectives.</p> <p>a) Identify and state the organizational structure adopted by the company.</p> <p>b) State two benefits and two limitations of the identified structure highlighted in the above case.</p>	6