

केन्द्रीय विद्यालय संगठन, बेंगलुरु संभाग
KENDRIYA VIDYALAYA SANGATHAN BENGALURU REGION
प्रथम प्री-बोर्ड परीक्षा, 2025-26
FIRST PRE-BOARD EXAMINATION- 2025-2026

CLASS: XII

MAX. MARKS:80

SUBJECT: BUSINESS STUDIES (054)

TIME: 3 HOURS

- This question paper contains 34 questions.
- Marks are Indicated against each question.
- Answers should be brief and to the point.
- Answers to the questions carrying 3 marks may be from 50 to 75 words.
- Answers to the questions carrying 4 marks may be about 150 words.
- Answers to the questions carrying 6 marks may be about 200 words

SN	QUESTIONS	MARKS				
1	<p>“In order to be successful, an organization must change its goals according to the needs of the environment.” Which characteristic of management is highlighted in the given statement? (a) Management is a dynamic function (b) Management is all pervasive (c) Management is a goal oriented process (d) Management is a group activity</p>	1				
2	<p>“A manager applies the acquired knowledge in a personalized and skillful manner in the light of the realities of a given situation.” The given statement indicates that the management is (a) A Science (b) An Art (c) A Profession (d)None of these</p>	1				
3	<p>Climax Ltd. gave an assurance to all their employees that in spite of low demand of products of their company no employee will be removed from the job. Which type of incentive is being offered to the employees (a) Organizational Climate (b) Job Security (c) Co Partnership (d) Job Enrichment</p>	1				
4	<p>Match the types of tests in Column I with their meanings in Column II.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Column I</th> <th style="text-align: center;">Column II</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">A. Intelligent Test</td> <td style="text-align: center;">(i) Measures an individual’s potential for learning new skills.</td> </tr> </tbody> </table>	Column I	Column II	A. Intelligent Test	(i) Measures an individual’s potential for learning new skills.	1
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	<p>B. Aptitude Test</p> <p>C. Trade Test</p>	<p>(ii) Measures the existing skills of an individual</p> <p>(iii) Measures the level of intelligence of an individual</p>	
	<p>(a) A-(i), B-(ii), C-(iii)</p> <p>(c) A-(ii), B-(iii), C-(i)</p>	<p>(b) A-(iii), B-(i), C-(ii)</p> <p>(d) A-(iii), B-(ii), C-(i)</p>	
5	<p>Read the following statements carefully</p> <p>Statement I: Flotation cost is the chance that a firm would fail to meet its payment obligations</p> <p>Statement II: Higher use of debt decrease the fixed financial charge of a business</p> <p>Choose the correct option from the options given below.</p> <p>(a) Statement I is true and II is false</p> <p>(b) Statement II is true and I is false</p> <p>(c) Both the statements are true</p> <p>(d) Both the statements are false</p>		1
6	<p>Rearrange Maslow's Hierarchy of need logically</p> <p>(i) These need include growth, self fulfillment and achievement of goals</p> <p>(ii) These needs refers to affection, sense of belongingness, acceptance and friendship</p> <p>(iii) These needs include hunger, thrust and shelter</p> <p>(iv) These needs include factors such as self respect, autonomy status, recognition and attention</p> <p>(a) (ii), (iv), (iii), (i)</p> <p>(b) (iii), (ii), (iv), (i)</p> <p>(c) (iii), (i), (ii), (iv)</p> <p>(d) (ii), (iii), (iv), (i)</p>		1
7	<p>Read the following Statements Assertion (A) and reason (R) and choose one of the alternative given below:</p> <p>Assertion (A) By exercising control a manager seeks to reduce wastage and spoilage of resources</p> <p>Reason (R) Control is often resisted by employees because they see it as a restriction on their freedom.</p> <p>Alternatives:</p> <p>(a) Both assertion (A) and reason (R) are true and reason (R) is the correct explanation of assertion. (A)</p> <p>(b) Both Assertion (A) and reason (R) are true but reason(R) is not the correct explanation of Assertion (A)</p> <p>(c) Assertion (A) is true but reason (R) is the false.</p> <p>(d) Assertion (A) is false but reason (R) is the true.</p>		1
8	<p>A popular brand of Hair Conditioners comes in different categories for different hair, say for normal hair and for other categories. Which function of Marketing is highlighted here:</p> <p>(a) Specifies its content</p> <p>(b) Helps in promotion</p> <p>(c) Product branding</p> <p>(d) Grading of product</p>		1
9	<p>"It is essentially the preparation of a financial blueprint of an organization's future operations"</p> <p>Identify the related concept indicated here.</p> <p>(a) Financial management</p>		1

	(b) Financial planning (c) Capital budgeting decision. (d) Dividend decision	
10	‘ A new packaging machine is to be installed in a factory’ . Which type of decision is taken while deciding about its installation? (a) Capital budgeting decision (b) Financing decision (c) Working capital decision (d) All of these	1
11	Read the following statements carefully Statement I: Working capital requirements of a company is affected by inflation. Statement II: Choice of techniques affects the requirement of fixed capital of a company. Choose the correct option from the options given below. (a) Statement I is true and II is false (b) Statement II is true and I is false (c) Both the statements are true (d) Both the statements are false	1
12	Which of the following is not a role of public relation: - (a) Lobbying (b) Counselling (c) Corporate Communication (d) None of these	1
13	 <p>The process shown in the picture is part of staffing function. Identify it: a) Estimating man power requirement b) Selection c) Training d) Development</p>	1
14	Which of the following statements correctly describe the meaning of Principle of Subordination of Individual Interest to General Interest? (i) The interests of an organization should take priority over the Interests of any Individual employee. (ii) A chain of Authority and Communication that runs from top to bottom should be followed by the Managers and the Subordinates.	1

	<p>regulating new issues, better trading practice and taking effective steps in educating the public about investments.</p> <p>Identify and state any three functions performed by the Stock Exchange discussed in the above para.</p> <p style="text-align: center;">OR</p> <p>Recent years have seen a high rise in the number of fraudulent fund raising operations by different companies. They are making their way into the poor and middle class people by luring them with offers of high interest rates and returns. People are falling prey to such a companies and their schemes. They face such risks, from loss of personal savings to loss of their jewelleries and homes. Such frauds also have a considerable impact on economics and markets by reducing the consumer's trust and confidence in legitimate business. Such company are witty and quick to alter their modus operandi to reduce the risks of law enforcement detection and investigation.</p> <p>(a) Which organization has been set up to regulate such companies and their offers? (b) State any 2 objectives of such organisation.?</p>	
25	<p>You are a management guru. You have been asked by a business firm to make its managers understand the importance of controlling. Give any 4 arguments.</p>	4
26	<p>"Pricing of a product is an important and effective competitive weapon in marketing, which depend upon various factors." Explain any 4 such factors</p> <p style="text-align: center;">OR</p> <p>What is mean by packaging. Give any three points explaining why packaging is importan</p>	4
27	<p>India craft heritages is surviving because of its customs and traditions. Craft products made by Craftsmen of Rajasthan, Gujarat, Assam etc. are not only used in the country but are also exported to USA, Germany, UK, France and other countries of the world. The volume of exports of these products gives India an advantage in balance of payments and the much needed foreign exchange. The Prime minister desires that the handicraft industries should be expanded by linking it with technology. Focus should be on changing the manufacturing process, ensuring durability and adopting innovations.</p> <p>(a) By quoting the lines from the above paragraph, explain any four dimensions of business environment.</p>	4
28	<p>(a) Explain the advantages of external sources of recruitment (Any two) (b) Distinguish between on-the-job and off-the-job training methods on any 2 basis.</p>	4
29	<p>Ramit decided to start a dessert cooler manufacturing business. He sets the target of earning 20% profit on sales in the first year. He was very much concerned about the future prospectus of the business, which were uncertain. For this, he gathered information from the potential market and analysed that the demand for wall mounted coolers is increasing day by day. He used this information as the base for future planning. On the basis of gathered information, he called a meeting in the following week to find new methods of achieve the objective.</p> <p>In context of the above case:</p> <p>(a) Identify the function of management involved in the above case. (b) List the first three steps, which have been followed by Ramit that are related to the process of one of the functions of management identified in part (a).</p> <p style="text-align: center;">OR</p> <p>SRV Business' is a balloon manufacturing firm. With the arrival of foreign firms it is feeling the pressure of improving its business strategy. Because of the firm's advance planning it could not</p>	4

	<p>suddenly bring changes in its plans as the whole organisation had started implementing the decided plan. But this year the organisation wants to ensure success. However, the firm knows that the external environment is changeable and continues to vary in a fast manner. The organisation wants to prepare in advance for a better future. It has decided to allocate a portion of its budget specifically for proper planning as it knows there are going to be expenses like Expert's fee, survey charges, etc.</p> <p>With reference to the above case explain any 4 limitations of planning.</p>	
30	<p>(a) Zee Limited was not performing well. After detailed analysis, it was discovered that workers of the productions department were not satisfied with the behavior of Mr Ajay, the production manager as workers were forced to work for long hours without any rest. keeping this in view, the management decided to replace Mr Ajay with Mr Ajit who had recently completed his MBA from IIM Ahmedabad. Mr Ajit did a detailed analysis of the work which involved heavy manual labour. He allowed small pauses to the workers so that they could recharge their energy for optimum contribution.</p> <p>Identify and explain the technique of scientific management adopted by Mr Ajit.</p> <p>(b) Tanya Sharma and Hemant Chauhan, having same educational qualifications, are working as a manager in Giant Ltd. Hemant Chauhan belongs to rural area where employment opportunities are very less whereas Tanya Sharma belongs to an urban area. Ignoring many other differences between the two, management of Giant Ltd appointed them as assistant managers on the same salary package of RS 45,000 per month.</p> <p>Name and explain the principle of management being followed in the above case.</p>	4
31	<p>"The customer is king." In the light of this statement, discuss consumer rights mentioned under consumer protection act 2019.</p> <p style="text-align: center;">OR</p> <p>"A right is not what someone gives you; it's what no one can take from you."</p> <p>Based on this quote and your understanding of consumer protection, explain consumer responsibilities which are essential for safeguarding consumer rights. (any 6)</p>	6
32	<p>"Just as the authority is the key to a manager's job, delegation of authority is the key to an organization." Explain the concept of 'Delegation of Authority' along with its elements.</p>	6
33	<p>A reputed company had called for the Annual General Meeting of its shareholders. In the meeting, the Board of Directors laid before the shareholders the Financial Statements disclosing the fact that the profit of the company have increased by 5% in the current financial year and they have maintained stable growth rate of 2.3 % in earnings since the last six years. It was also brought to the notice of the investors that the Cash Flow Statement has shown an improvement in the Cash Flow position with major inflow from their operating activities. Their Stock is doing well in the Capital Market as is visible from the increase in its price over the past few years, so raising additional funds, if required, from the capital market will not be a problem at all. since, the company has to redeem some debentures in the next accounting year, so they have to transfer the required amount to Debenture Redemption Reserve. The Board also laid before the shareholders the proposal to set up a new production capacity in Madhya Pradesh as they intend to increase their scale of operations.</p> <p>Identify by quoting the lines, any 4 factors which the Finance Manager needs to consider from the meeting while deciding the amount of profit to be distributed as dividend.</p>	6

34	<p>A popular magazine published an article on job cuts across the globe. It stated that due to reasons like cost cutting, market conditions and technological advancement, almost 2,00,000 people in the IT sector have lost their jobs during the last year. This was read and discussed by employees of Tech Wire Limited, a software development company in India. It created a lot of unrest among them and their moral came down. The productivity of the employees started declining. The Chief Executive Officer of the company observe that insecurity among the staff about their jobs. Understanding his role as the leader, he wrote an email to all the employees assuring them about the stability of their future income and job. This communication gave the employ psychological and emotional satisfaction and show positive result in the terms of their performance. The Chief Executive Officer was able to make the subordinates act in a desired manner to achieve the organisational goals, without giving them any monetary incentives.</p> <p>(a) Identify and briefly explain the incentive used by the Chief Executive Officer to improve the performance of the employees.</p> <p>(b) Explain any three incentives of the same category identified in part a above.</p> <p>(c) State the need of the employees as per Maslow’s Hierarchy of needs theory which was satisfied in the above case.</p>	6
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