



**SAMPLE PAPER 3 2024-25**

**Class 12 - Business Studies**

**Time Allowed: 3 hours**

**Maximum Marks: 80**

**General Instructions:**

1. This question paper contains 34 questions.
  2. Marks are indicated against each question.
  3. Answers should be brief and to the point.
  4. Answers to the questions carrying 3 marks may be from 50 to 75 words.
  5. Answers to the questions carrying 4 marks may be about 150 words.
  6. Answers to the questions carrying 6 marks may be about 200 words.
  7. Attempt all parts of the questions together.
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1. Identify the dimension of the characteristic of management- **it is multidimensional**, which specifies that the task of management is to make the strengths of human resources effective and their weaknesses irrelevant towards achieving the organisations objectives. [1]
    - a) Management of people
    - b) Management of goals
    - c) Management of work
    - d) Management of operations
  2. A Treasury Bill is basically: [1]
    - a) An instrument to borrow short-term funds
    - b) An instrument of capital market
    - c) An instrument to borrow long-term funds
    - d) An instrument to borrow medium-term funds
  3. Which one of the following is a limitation of planning? [1]
    - a) Planning helps in decision making
    - b) Planning leads to rigidity
    - c) Planning provides directions
    - d) Planning reduces risk of uncertainty
  4. When the stock market is bullish, a company must go for which of the following? [1]
    - a) Equal mix of debt and equity
    - b) More debt
    - c) More equity
    - d) Less equity
  5. If actual performance is less than the standard performance it is called \_\_\_\_\_. [1]
    - a) Positive Deviation
    - b) Negative Deviation
    - c) Better Deviation
    - d) Improved Deviation
  6. Identify the principle of general management depicted in this pictorial representation. [1]



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a) Esprit De corps

b) Orders

c) Unity of direction

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d) Unity of command

7. \_\_\_\_\_ is not a participant in money market.

[1]

a) RBI

b) SEBI

c) NBFCs

d) Mutual Funds

8. Elpis Ltd. a cellular network company, approached Quick Consultants Pvt. Ltd. for recruitment of top level executive placements. Quick Consultants Pvt. Ltd. advertised the jobs on www.naukri.com on behalf of Elpis Ltd. The recruitment method followed by Elpis Ltd is:

[1]

a) Management consultants

b) Placement agencies

c) Web-publishing

d) Advertisement

9. Which of the following statements is false regarding financial management?

[1]

i. Money required for carrying out business activities is called business finance.

ii. For optimal procurement, different available sources of finance are identified and compared in terms of their costs and associated risks.

iii. The objective of financial management is to minimise the current price of equity shares.

iv. All of the above.

a) Option (i)

b) Option (iv)

c) Option (iii)

d) Option (ii)

10. **Assertion (A):** Delegation is considered essential for effective organising.

[1]

**Reason (R):** Delegation helps a manager to extend his area of operations as without it, his activities would be restricted to only what he himself can do.

a) Both A and R are true and R is the correct explanation of A.

b) Both A and R are true but R is not the correct explanation of A.

c) A is true but R is false.

d) A is false but R is true.

11. Maturity period to call money is:

[1]

a) 1 to 30 days

b) 1 to 15 days

c) 15 to 1 years

d) 15 to 90 days

12. Rani and Vanshika who are young fashion designers left their job with a famous fashion designer chain to set-up a company **Fashion India Pvt. Ltd.** They decided to run a boutique during the day and coaching classes for entrance examination of National Institute of Fashion Designing in the evening. For the coaching centre they hired the first floor of a nearby building. Their major expense was money spent on photocopying of notes for their students. They thought of buying a photocopier knowing fully that their scale of operations was not sufficient to make full use of the photocopier. In the basement of the building of **Fashion India Pvt. Ltd** Punit and Ram were carrying on a printing and stationery business in the name of **Growth Prints Pvt. Ltd.** Rani

[1]

approached Punit with the proposal to buy a photocopier jointly which could be used by both of them without making separate investment, Punit agreed to this. Identify the factor affecting fixed capital requirements of **Fashion India Pvt. Ltd.**

- a) Level of collaboration
- b) Technology upgradation
- c) Financing alternatives
- d) Growth prospects

13. **Statement I:** Nongovernmental organisations are non-profit organisations which aim at promoting the welfare of people; they have a constitution of their own and are free from government interference. [1]

**Statement II:** Every order of a district commission, the state commission or the national commission is deemed final if no appeal for such order is made by any of the parties involved in dispute.

- a) Statement II is correct and Statement I is not correct.
- b) Statement I is correct and Statement II is not correct.
- c) Both the Statements I and II are not correct.
- d) Both the Statements I and II are correct.

14. **Leena Cars** was founded by engineers who wanted to prove that people don't need to compromise to drive electric vehicles. They took it as a challenge and new ideas took the shape of concrete plans. In July, 2021 they launched their first set of all electric cars, proving to the world that electric vehicles can be better, quicker and more fun to drive than gasoline cars. The point of importance of planning discussed in the above case is: [1]

- a. Planning reduces the risk of uncertainty.
- b. Planning reduces overlapping and wasteful activities.
- c. Planning promotes innovative ideas.
- d. Planning establishes standards for controlling.

- a) option (a)
- b) option (d)
- c) option (b)
- d) option (c)

15. Which of the following is not included in current assets? [1]

- a) Cash
- b) Long-term investment
- c) Debtor
- d) Bills receivable

16. **Statement I: Merchandising, selling** and distribution are all parts of a large number of activities undertaken by a firm, which are collectively called marketing. [1]

**Statement II:** Marketing is a social process by which individual groups obtain what they need and want through creating offerings and freely exchanging products and services of value with others.

- a) Both the Statements I and II are correct.
- b) Both the Statements I and II are not correct.
- c) Statement II is correct and Statement I is not correct.
- d) Statement I is correct and Statement II is not correct.

17. Rahim wanted to start with a stationery app to help students of schools and colleges to provide stationery to them. He felt that students were not able to get the needed stationer at easy and hence wanted to provide the stationery directly to students in the school. He lists out the various ways of setting up this business and finally selected the best way to set up this business is by developing an app. Suggest what should be the next step of him: [1]

- i. Developing premises
- ii. Identifying the alternative course of action

iii. Implementation of plan

iv. Follow up action

a) iv and i

b) only iii

c) i and ii

d) only ii

18. Match the objective of management in Column I with their respective definition in Column II:

[1]

(a) Survival	(i) Increase in the number of employees, the number of products or the increase in capital investment, etc.
(b) Profit	(ii) A vital incentive for the continued successful operation of the enterprise.
(c) Growth	(iii) An organisation must earn enough revenues to cover costs.

a) (a) - (i), (b) - (ii), (c) - (iii)

b) (a) - (iii), (b) - (ii), (c) - (i)

c) (a) - (ii), (b) - (i), (c) - (iii)

d) (a) - (i), (b) - (iii), (c) - (ii)

19. A decision is taken in financial management to put capital of the company in different assets. This decision is called \_\_\_\_\_.

[1]

a) Financing decision

b) Dividend decision

c) Investment decision

d) Working capital decision

20. Which one of the following is not the step in the process of controlling?

[1]

i. Measurement of actual performance.

ii. Establishing a reporting relationship.

iii. Setting performance standards.

iv. Taking corrective action.

a) only i

b) iv and i

c) iii and iv

d) only ii

21. There are about 150 people working in the **Bhargav Agencies**. All these people belong to different castes, creeds, backgrounds and have different interests. In this company, there is a tradition of organising competitions in different subjects. One of the subjects of competition was: **Your expectations from the company**. The main excerpts of the views expressed by one of the competitors were the following:

[3]

Firstly, I want the salary given to me should be at least as much as it is given to the other people doing similar work. Besides, I expect the other perks also.

Secondly, I want that the environment prevailing in the company should be such as gives all of us peer recognition.

Finally, I want that the company should make opportunities for personal development available.

Similarly, the other participants also expressed their personal views on this subject.

Identify the objective of management described in the above paragraph and explain it.

22. Alfa Ltd. was dealing with renewable energy services. To get the business, the team leader and his team used to travel to different states to give presentations to the clients. As per the policy of the company, the team leader used to travel by air whereas his team travelled by road /train. It was not only time-consuming but also forced the female team members to travel alone at times.

[3]

As a result, the subordinates were not acting in a desired manner to achieve the organisational goals. The CEO

of the company came to know about it. He called the team leader, discussed the matter with him and decided to change the travel policy of the company. It was decided that in future, all the members including the leader would travel together and usefully utilise the travelling time in discussion about the presentation to be given to the clients. This made a positive impact and every member of the team started acting in a manner as desired by the team leader.

State the features of the element of the function of management used by the CEO.

OR

Why is motivation taken as a complex process?

23. After pursuing a course in event management, Kajal and her brother Kamal promoted an event management company under the name Khushi Entertainment Private Limited. They strive together as dedicated and dynamic professionals managing different kinds of formal and informal events across all major cities in India and abroad. They design the event idea and coordinate the different aspects of the event to make it a grand success. As a policy, they take fifty percent of the payment as advance from the client before the start of an event and receive the balance charges after the successful completion of the event. [3]

In the context of the above case:

- a. Comment upon the working capital needs of the company keeping in mind the nature of the business.
- b. Identify the other factor mentioned in the paragraph which is likely to affect the working capital requirement of their business.

24. What are the responsibilities of a consumer? [3]

OR

A ready-to-eat food manufacturing company uses lead in excess of the prescribed limits in its products. The usage of an excess quantity of lead in the products could cause severe health issues to the consumers.

- a. Identify and explain the consumer right violated by the company.
- b. Identify any two values overlooked by the company.

25. Why are the planning premises required in the planning? [4]

OR

How does planning provide direction?

26. How does controlling help in **efficient use of resources** and how does it **facilitate decision-making**? Explain. [4]

OR

Explain the following points of importance of **controlling**:

- i. Improving employee motivation;
- ii. Ensuring order and discipline; and
- iii. Facilitating co-ordination in action.

27. Ms. Ritu and Mr. Mohit are Data Entry Operators in a company having the same educational qualifications. Ritu is getting Rs. 5,000 per month and Mohit Rs. 6,000 per month as salary for the same working hours. Which principle of management is violated in the case? Name and explain the principle? [4]

28. Name the barrier mentioned through the following cases: [4]

1. These are concerned with problems and obstructions in the process of encoding and decoding of message into words or impressions.
2. A worried person cannot communicate properly and an angry receiver cannot understand the real meaning of message.
3. Personal factors of both sender and receiver may exert influence on effective communication.

4. Factors relating to organisation structure, authority relationships, rules and regulations may act as barriers.
29. These days, the development of a country is also judged by its system of transferring finance from the sector where it is in surplus to the sector where it is needed most. To give strength to the economy, SEBI is undertaking measures to develop the capital market. In addition to this there is another market in which unsecured and short-term debt instruments are actively traded everyday. These markets together help the savers and investors in directing the available funds into their most productive investment opportunity. [4]
- Name the function being performed by the market in the above case.
  - Also, explain briefly three other functions performed by this market.
30. Kartik is engaged in trading of Smart Televisions. He purchases these televisions from **Vivek Electronics**, the manufacturer. All the televisions are certified by **Bureau of Indian Standards**. During Deepawali season, **Vivek Electronics** supplied some defective television sets to Kartik. Kartik is getting complaints about the televisions from almost all the customers. [4]
- Who amongst the following can exercise his/her **Right** and against whom?
    - Kartik
    - Vivek Electronics
    - Consumers
  - Define **Consumer** as per the provisions of the Consumer Protection Act, 2019.
  - State the **Right** which can be exercised to get relief.
31. Nishant, the director of a garment company, is planning to manufacture bags for the utilization of waste material from one of his garments unit. He has decided that his manufacturing unit will set-up in a rural area of Odisha where people have very few job opportunities and labour is available at very low rates. He also thought of giving equal opportunities to men and women. For this, he wanted four different heads for sales, accounts, purchase, and production. He gave an advertisement and shortlisted ten candidates per post after conducting different selection tests. [6]
- Identify and state the next three steps for choosing the best candidate out of the shortlisted candidates.
  - Also, identify two values that Nishant wants to communicate to society by setting up this manufacturing unit.

OR

Explain the steps in the selection process of staffing function of management after **Reference and Background checks**.

32. 'Kolkata Rice Foods Limited' is a well known rice producing company. The sales have been falling down right from the beginning of the year. The Managing Director Mr Dhru Bhai Aggarwal is worried about this situation. With a view to find out the solution of this problem, he made a team of four persons. In this team one Manager, one Deputy Manager, one Supervisor and one Senior Worker were included. After the survey, he told the following four reasons for the falling down of the company's sales. [6]
- On account of increase in Export Duty made by the Government, the foreign demand has gone down.
  - On account of the availability of several eatable substitutes the attention of people has been diverted from rice.
  - Some other rice producing companies have set up Imported Machines with which they are producing better quality.
  - The export has been affected on account of bitterness created in the relations with one of the chief rice importing countries.

When this report reached the Managing Director, he arrived at the conclusion that all these changes had taken place so fast that they had not been able to guess or to cope with them in time.

- a. Identify the Dimensions of Business Environment discussed in the above case by quoting the relevant lines.
- b. Which point of importance of Business Environment has the Managing Director admitted his inability to make a guess of?

OR

Identify and state the importance of business environment from the following:

- i. Maruti Udyog became the leader in the small car market because it was the first to recognise the need for small cars in an environment of rising petroleum prices and a large middle-class population in India.
- ii. An Indian firm finds that a foreign multinational is entering the Indian market with new substitutes. On the basis of this information, the Indian firm can prepare itself to meet the threat by adopting such measures as improving the quality of the product, reducing cost of the production, engaging in aggressive advertising, and so on.
- iii. To engage in any type of activity, a business enterprise assembles various inputs like finance, machines, raw materials, power and water, labour, etc., from its environment including financiers, government and suppliers. In return, the business enterprise supplies the environment with its outputs such as goods and services for customers, payment of taxes to government, return on financial investment to investors and so on.
- iv. Today's business environment is getting increasingly dynamic where changes are taking place at a fast pace. Information technology and intense global competition are just a few of the images used to describe today's business environment. All sizes and all types of enterprises are facing increasingly dynamic environment. Therefore, managers must understand and examine the environment and develop suitable courses of action.
- v. Entry of new players in the market, which means more competition may make an enterprise think afresh about how to deal with the situation.
- vi. Many studies reveal that the future of an enterprise is closely bound up with what is happening in the environment. It really makes a difference in the performance of an enterprise.

33. Differentiate between formal and informal organisations on the basis of

[6]

1. Communication,
2. Tenure,
3. Durability,
4. Leadership,
5. Interdependence and
6. Flow of authority,

34. Radhika was a student of Business Studies of class XII. Her father was a farmer who grew different varieties of rice and was well-versed about various aspects of rice cultivation. He was also selected by the government for a pilot-project on rice cultivation.

[6]

As a project-work in Business Studies, she decided to study the feasibility of marketing good quality rice at a reasonable price. Her father suggested her to use the internet to gather customers' views and opinions. She found that there was a huge demand for packaged organic rice.

She knew that there were no pre-determined specifications in case of rice because of which it would be difficult to achieve uniformity in the output. To differentiate the product from its competitors, she gave it the name of 'Malabari Organic Rice' and classified it into three different varieties namely—popular, classic and supreme,

based on the quality. She felt that these names would help her in product differentiation.

Explain the three functions of marketing, with reference to the above paragraph.

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