

## **CBSE Class 12 Business Studies Pre-Board Sample Paper 2025**

SAMPLE QUESTION PAPER 1

BUSINESS STUDIES (054)

CLASS XII Max Marks – 80

Time allowed: 3 Hours

### **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.

1. Taylor proposed eight specialists from whom each worker will have to take orders as part of the technique of Functional Foremanship specified by him. Those with technical, mastery, intelligence and grit may be given\_\_\_\_\_ work. Those with energy and good health may be assigned\_\_\_\_\_ work.

- (a) Planning, Execution
- (b) Execution, Planning
- (c) Production, Planning
- (d) Implementation, Production

2. Kanishk is the CEO of ‘ Keravillayil Enterprises; one of the world’s most successful startups. He put his full effort into maintaining his

workforce highly motivated and enthusiastic, especially managers. He allows his group members to work on their own tasks resolving issues themselves. He intervenes, but only to support them and supply them with the required information to complete the task assigned. At the same time, the subordinate assumes responsibility for the work to be performed.

Identify the leadership style adopted by Kanishk.

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

3. Reema is working as a 'Production Manager' in a company manufacturing different types of products of milk. Now she is planning to launch packaged Kheer in packs of 250 grams for which she requires to reduce a few lines of products which are not profitable. She knows that it will result in savings on the cost of labour and machines. Identify the technique of management applied by Reema in the above situation:

- (a) Motion study
- (b) Time study
- (c) Method study
- (d) Standardisation and simplification of work

4. Sushand and his friend, Sanjay booked the movie tickets online and chose the seats as per their preference at the click of a button at the desired movie hall. Now going to the theatre to book tickets is no longer required. The dimension of the business environment reflected in the above para is:

- (A) Political environment
- (B) Social environment

- (C) Legal environment
- (D) Technological environment

5. Increased life expectancy of people and increased awareness of health care have increased the demand for many health products and services like soft drinks, fat-free cooking oil, and health resorts. New health products and services have, in turn, changed people's Lifestyles. Identify the characteristic of the business environment which is highlighted above

- (a) Inter-relatedness
- (b) Dynamic nature
- (c) Uncertainty
- (d) Relativity

6. \_\_\_\_\_ refers to doing the task correctly and with minimum cost.

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

7. In an attempt to cope with Reliance Jio's onslaught in 2018, market leader Bharti Airtel has refreshed its ₹ 149 prepaid plan to offer 2 GB of 3G/4G data per day, twice the amount it offered earlier. Identify the type of plan highlighted in the given example.

- (a) Policy
- (b) Programme
- (c) Strategy
- (d) Procedure

8. The process of estimating the fund requirements of a business and specifying the sources of funds is called :

- (A) Financial planning (B) Financial Intermediation

(C) Allocative function (D) Capital budgeting

9. In the paint industry, various raw materials are mixed in different proportions with petroleum for manufacturing different kinds of paints. One specific raw material is not readily and regularly available to the paint manufacturing companies. Bolner Paints Company is also facing this problem and because of this, there is a time lag between placing the order and the actual receipt of the material. But, once it receives the raw materials, it takes less time to convert it into finished goods. Identify the factors affecting the working capital requirements of this industry.

- (a) Availability of raw materials
- (b) Nature of business
- (c) Production Cycle
- (d) All of the above

10. Your mother purchased a washing machine for 10,000 from an authorised dealer of the manufacturer with an oral guarantee that the machine will be replaced with a new one if any of its parts become defective within 3 months from the date of purchase. The motor of the machine was burnt within 15 days of its purchase. On complaining, the seller refused to replace the machine. Name the redressal agency under the Consumer Protection Act where your mother can file the complaint

- (a) District Commission
- (b) State commission
- (c) National Commission
- (d) None of these

11. For the following statements, choose the correct option:

Statement I: The National Commission has jurisdiction to entertain complaints where the value of goods or services paid as consideration exceeds ten crores of rupees.

Statement II: If any of the parties are not satisfied by the order of the National Commission can appeal against such order to the Supreme Court of India within a period of thirty days of such order.

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

12. Which of the following markets deals in securities with a maturity of less than one year?

- (A) Primary Market (B) Secondary Market
- (C) Money Market (D) Capital Market

13. Abhisree runs a fashion house wherein she designs dresses. The business has been doing well and she intends to expand by diversifying into leather bags as well as western formal wear, and shoes thereby making her company a complete provider of corporate wear. This will enable her to market her business unit as the one shop for working women. Which type of structure would you recommend for the expanded organization?

- (A) Functional structure (B) Divisional structure
- (C) Capital Structure (D) Formal structure

14. Financial leverage is called favourable if :

- (A) Return on investment is lower than cost
- (B) ROI is higher than the cost of debt
- (C) Debt is nearly available
- (D) If the degree of existing financial leverage is low

15. Planning requires the application of the mind involving foresight, intelligent imagination and sound judgement. The feature of planning reflected in the above lines is :

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

16. Ms. Anuradha, working as a sales executive at STAR Ltd. Possesses good marketing techniques. Her techniques involved oral presentation of messages in the form of conversations with prospective customers for the purpose of making sales. The promotional tool used by Anuradha to induce the customer is :

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

17. Which of the following is not a factor that affects the determination of the price of the product?

- (A) Inventory control
- (B) Government and legal regulation
- (C) Extent of competition in the market
- (D) Production Cost

18. The selection tests which are used to measure an individual's potential for learning new skills are called :

- (A) Aptitude Tests (B) Intelligence Tests
- (C) Personality Tests (D) Interest Tests

19. Statement I: SEBI was established to promote orderly and healthy growth of the securities market.

Statement II: Price Rigging refers to a practice, in which the insider uses sensitive information about a company to make personal profits.

Choose the correct option from the following :

- (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

20. Higher dividend per share is associated with:

- (a) high earnings, high cash flows, unstable earnings and higher growth opportunities
- (b) high earnings, high cash flows, stable earnings and high growth opportunities
- (c) high earnings, high cash flows, stable earnings and lower growth opportunities
- (d) high earnings, low cash flows, stable earnings and lower growth opportunities

21. Merely allocating work is not enough. Each individual should also know who he has to take orders from and to whom he is accountable. The establishment of such clear relationships helps to create a hierarchal structure and helps in coordination amongst various departments. Name and explain the logical steps involved in the process of one of the functions of management which are followed by a manager before performing the step highlighted above.

OR

(b) Explain any three points of importance of the function of management by which the manager brings order out of chaos, removes conflict among people overwork or responsibility sharing and creates an environment suitable for teamwork.

22. A study of the business environment is important for the success of the organisation. Explain any three importance of Business Environment.

23. State any three regulatory functions of the Securities and Exchange Board of India.

OR

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

24. Identify the function of management that helps in verifying whether the standards set are accurate and objective or not. Explain briefly any two points highlighting the importance of this function of management.

25. (a) State any four importance of management.

OR

(b) State any four functions performed by Middle Level Management.

26. (a) Explain how the 'District Commission' helps the consumers in redressing their grievances.

OR

(b) Give the meaning of a 'Consumer' as per the Consumer Protection Act, 2019. Also, discuss when the 'State Commission' and 'National Commission' are helpful in redressing the grievances of consumers.

27. Nidhi had gone to a grocery store to make routine purchases. On reaching home, as she took out Binx's tomato chips packet from the bag to give it to her son, she felt that it was underweight. She checked its weight on the kitchen weighing scale and found that it weighed 60 grams whereas the label on the chips packet mentioned the weight of the packet as 100 grams. She approached the manufacturer and complained about it. The manufacturer offered her a gift hamper and requested her not to disclose this to anyone. Nidhi refused to accept the gift hamper and took the issue to a redressal agency.



(a) State two responsibilities discharged by Nidhi, as a consumer, in the above case.

(b) State any two reliefs which can be granted to Nidhi, if the consumer court is satisfied with the genuineness of the complaint.

28. Differentiate between 'Delegation' and 'Decentralisation' on any four bases.

29. (a) Explain how the following factors affect the working capital requirement of a business :

(i) Business Cycle

(ii) Seasonal Factors

OR

Explain how the following factors affect the choice of capital structure of a company :

(i) Risk Consideration.

(ii) Stock Market Conditions

30. Vanitha Public School had a vacancy for a maths teacher. They were looking for a smart and creative teacher having a drive for excellence. An advertisement was given with all leading dailies. Since the response was huge, the school examined all the application forms and rejected the candidates who did not have the necessary qualifications. Thereafter, a test was conducted to measure the existing skills of the candidates. After that, it was followed by a formal in-depth conversation with the Principal of the school and a panel of math experts.

(a) Explain the steps that have been performed by Vanitha Public Schools are in the process of Identifying and choosing the best candidate.

(b) Give the name of the test which was conducted by the school

31. Rahul and Ankit are good friends. They decide to set up a digital printing press together as both of them are computer wizards. They plan to offer various types of printed products including labels, manuals, marketing material, memo pads, business order forms, T-shirts, mugs etc. They set standards for every aspect of their work to create an efficient working environment. As per the standards, an average person types between 38 and 40 words per minute. Keeping this in mind, they engage two typists Britto and Raju and assign them to work accordingly. Within two days, they realised the output in terms of typing work done by Raju was too less as compared to the desired output. On inspecting, Ankit finds out that Raju's typing speed is between 18 and 20 words per minute only. But Raju exhibits great skills in designing work and is a good human being. Hence, Rahul and Ankit decide to retain him for doing creative work and appoint a new typist. In the context of the above case:

(a) Identify and explain the function of management being discussed here.

(b) Quoting lines from the above paragraph explain the steps involved in the function of management as identified in part (a).

32. (a) Give the meaning of 'Training'. Explain the following methods of training :

(i) Vestibule Training

(ii) Internship Training

OR

(b) Explain any four points of importance of the 'Directing' function of Management.

33. (a) Explain the following principles of Scientific Management :

(i) Science, Not Rule of Thumb

(ii) Harmony, Not Discord

(iii) Development of Each and Every Person to His or Her Greatest Efficiency and Prosperity

OR

(b) Explain the following points of significance of principles of management :

(i) Providing managers with useful insights into reality

(ii) Scientific decisions

(iii) Fulfilling social responsibility

34. Sahil is the Finance Manager of 'Knitwear Ltd'. The company is engaged in the manufacturing of woollen clothes. The demand of the company's products is seasonal whereas the production continues throughout the year. Due to the quality of its products, the company's business is spreading across the country. The company is operating at a large scale having its regional offices in Northern, Southern, Eastern and Western India. The performance of its each division is of very high level. For uninterrupted availability of raw materials, the company requires high stock levels. Not only this, to face the competition and to meet the urgent orders of the customers, the company also needs enough stock of finished goods. Considering the above discussion, explain any four factors affecting working capital requirements of 'Knitwear Ltd'?

