O. P. JINDAL SCHOOL, SAVITRI NAGAR

प्रीबोर्ड- परीक्षा:2025-26

PRE-BOARD EXAMINATION 1: 2025-26

SET- A

SUBJECT	**: Business Studies (054)**	**TIME**	**: 3 HOURS**
CLASS	**: XII**	**MM**	**: 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.

Q1 'GEO Builders' were to complete a housing project by December 2024 and hand over the flats to the buyers. Due to excessive heat in the month of May and June 2024, the work slowed down and the project was getting delayed. The firm, in order to complete the project on time, hired more workers through a contractor and asked all the workers to work overtime. Due to the above measures taken by the management, the project was completed on time but the cost of building the flats increased by 10%. Identify the correct option. 'GEO Builders' were: 1

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

Q2 The principles of management can be modified by the managers when the situation so demands. This highlight which of the following feature of principles of management: 1

(A) General guidelines
(B) Flexible
(C) Contingent
(D) Mainly behavioural

Q3 Given below are two statements, Assertion (A) and Reason (R): 1

Assertion (A): Directing facilitates introduction of needed changes in the organization.

Reason (R): Directing increases resistance to changes in the organization.

Choose the correct alternative from the alternatives given below:

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

Q4 Taylor called for complete mental revolution on the part of both management and workers. It meant that management and workers should transform their thinking. Management should share the gains of the company, if any, with the workers. At the same time, workers should work hard and be willing to embrace change for the good of the company. The principle of management highlighted above is: 1

(A) Science, not the Rule of Thumb

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

Q5 Manu Priya is working as the Human Resource Manager of EDT Limited at an annual salary of ₹ 8 lakh per annum and is also offered shares of the company at a set price which is lower than the market price. The method being used to calculate the compensation provided to her is ________ 1

(A) Time based direct financial payment
(B) Indirect financial payment
(C) Time based Pay Plus incentives
(D) Performance based direct financial payment

Q6 Out of the following, which is/are the component(s) of the **technological environment**? 1

1. The government launches a new digital India initiative to promote online payments.
2. A company adopts Artificial Intelligence to improve customer service.
3. Consumer awareness regarding eco-friendly products increases rapidly.
4. New data protection software helps firms secure customer information.
5. A rise in literacy levels helps people better understand digital products.

Choose the correct option:

(A) Only 2 (B) 1, 2, and 4
(C) 2, 3, and 5 (D) 1, 3, and 5

Q7 When a consumer looks for FPO mark while purchasing a bottle of jam or hallmark when purchasing jewellery, which consumer responsibility has he kept in mind: 1

(A) Assert yourself to ensure that you get a fair deal
(B) Getting a proper receipt
(C) Buy only standardised products
(D) Be honest in your dealings

Q8 'Monitoring plans is important to ensure that objectives are achieved' is one of the steps in the process of planning. 1
Identify the step from the following:

(A) Setting objectives
(B) Developing premises
(C) Implementing the plan
(D) Follow-up action

Q9 Identify the external source of recruitment displayed in the picture given below: 1

(A) Advertisement (B) Direct recruitment
(C) Web publishing (D) Labour contractors

Q10 Arrange the following elements of communication process in the correct sequence: 1
i) Media
ii) Message
iii)Sender
iv) Decoding
v) Receiver
vi) Feedback
vii) Encoding
Choose the correct option:
(A) iii,i,vii,ii,v,iv,vi
(B) iii,ii,vii,i,iv,v,vi
(C) ii,iii,vii,vi,iv,v,i
(D) ii,i,vii,iii,v,iv,vi

Q11 Which of the following is not a protective function of Securities and Exchange Board of India? 1
(A) Controlling insider trading and imposing penalties for such practices
(B) Training of intermediaries of securities market
(C) Prohibition of fraudulent and unfair trade practices like making misleading statements, manipulation, etc.
(D) Promotion of fair practices and code of conduct in securities market

Q12 The process of classification of products into different groups, on the basis of some of the important characteristics such as quality, size, etc. is known as: 1
(A) Branding (B) Standardisation
(C) Grading (D) Marketing planning

Q13 Match the concepts of management given in column I with their meaning given in column II 1

COLUMN I	COLUMN II
A Management Hierarchy	i Involves defining and grouping of activities, resource allocation and establishment of authority relationships.
B Coordination	ii Involves establishing performance standards measuring actual performance and taking corrective action
C Organising.	iii It shows orderly arrangement of individual and group efforts to ensure unity of action in realisation of common objectives
D Controlling	iv Refers to different levels in the organisation created as a result of authority responsibility relationships binding individuals as superiors and subordinates.

Choose the correct option from the following:
(A) A iv, B iii, C ii, D i
(B) A ii, B iii, C iv, D ii
(C) A iv, B iii, C i ,D ii
(D) A iii, B iv, C i, D ii

Q14 A statement of expected results expressed in numerical terms is a type of plan called as__________________ . 1
(A) Method (B) Budget
(C) Programme (D) Procedure

Q15 Evaluating an employee's current and/or past performance as against certain pre-determined standards, is known as: 1

(A) Selection decision
(B) Performance appraisal
(C) Compensation
(D) Preliminary screening

Q16 An institution constituted for the purpose of assisting, regulating or controlling the business of buying and selling or dealing in existing securities' is known as: 1
(A) Securities and Exchange Board of India (SEBI)
(B) Stock Exchange
(C) Capital Market
(D) Money Market

Q17 Which of the following factors affect the fixed capital requirements of a company? 1

1. Financing alternatives
2. Level of collaboration
3. Production cycle
4. Choice of technique
5. Seasonal factors
6. Level of competition

Choose the correct alternatives from the following:

(A) 2, 3 and 6
(B) 3, 4 and 5
(C) 3, 4 and 6
(D) 1, 2 and 4

Q18 Identify the incorrect statement with respect to financial leverage. 1
(A) The proportion of debt in the overall capital is called financial leverage.
(B) With the increase in financial leverage, the financial risk increases.
(C) The proportion of equity in the overall capital is called financial leverage.
(D) As the financial leverage increases, the cost of funds declines.

Q19 Which of the following factors affect the capital budgeting decision of a company? 1
(A) Investment criteria involved
(B) Floatation costs
(C) Tax Rate
(D) State of Capital Market

Q20 Read the following statements carefully: 1
Statement I: The cost of debt is lower than the cost of equity for a firm.
Statement II: Lender's risk is lower than the shareholder's risk. Additionally, interest paid on debt is a deductible expense for computation of tax liability, whereas dividends are paid out of after-tax profit.
In the light of the above statements, choose the correct alternative from the options given below:
(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 false.
(D) Both Statement I and Statement II are true.

Q21 'Chaman Pharmaceuticals Ltd.' is a company providing medicines all over the country. After establishing itself and making a name in the field of medicines, it decided to enter into the field of medical devices, baby care products and nutritional supplements. Each product category had a different head accountable for profits, revenues and costs. In case of poor performance of their product, the heads were held responsible. But as the heads of different product categories were different, conflict could arise among different heads with reference to allocation of funds. Also providing a separate set of similar 3

functional heads for each product category increased expenditure.
(i) Identify and explain the type of organisation structure 'Chaman Pharmaceuticals Ltd.' had followed after entering into the field of medical devices, baby care products and nutritional supplements.
(ii) Also state any one advantage and any one disadvantage of the organizational structure discussed in the above para by quoting lines.

Q22 Vani, after completing her course in 'Nutrition and Fitness', wanted to launch millet-based healthy snacks. She researched a lot and started manufacturing a range of healthy, crunchy millet namkeens and named them 'Pure Millets'. The name reflected natural ingredients, appealing to health-conscious consumers. The millet snacks were packaged in eco-friendly, bio-degradable packets with a reasonable feature, ensuring freshness and convenience. The stickers on the packets displayed the name with the tagline Power Your Health' and nutritional information and certifications like 'Organic Certified' to establish the product's health benefits. 'Pure Millets' got off to a good start. In addition to features and quality, various other product related important decisions are discussed in the above case. 3
Identify and give the meaning of any three such decisions.

Q23 From the following information regarding Aditya Ltd. which is in the business of manufacturing green tea, calculate the Return on Investment and Interest Coverage Ratio of the company: (Show working) 3

Earning before interest and tax	₹ 15,00,000
10% debentures	₹ 12,00,000
Equity Share Capital (₹ 10 each)	₹ 18,00,000
Tax Rate	40%

OR

(b) Differentiate between 'Capital Market' and 'Money Market' on the following basis:
(i) Duration
(ii) Liquidity
(iii) Safety

Q24 (a) Explain the following features of Coordination: 3
(i) Coordination is a continuous process
(ii) Coordination is an all-pervasive function.

OR

(b) Explain the following characteristics of Management:
(i) Management is a dynamic function.
(ii) Management is a group activity.

Q25 A) Explain the following functions of Marketing: 4
a. Customer support services
b. Packaging and labelling

OR

B) Give any four points of difference between advertising and personal selling.

Q26 (A)State the meaning of single use plans and standing plans 4

OR

(B)State how planning
(I) reduces creativity
(II) leads to rigidity.

Q27 'Burgers and Fudge' was among the first fast food chains in India which pioneered the concept of family-style restaurants. However, over the years it started losing business to multinational food chains like McDonalds and Pizza Hut, etc. and soon had to shut down. 4

The reason to shut down was the inability of managers to identify, understand, evaluate and to react to the forces external to their firm. In the light of the above situation, explain how understanding of business environment is important for managers.

Q28 'Pestle', is the country's largest biscuit manufacturing company, that makes high quality with focus on customer satisfaction. The company strives to understand what people want and provides tasty and healthy biscuits. To ensure the quality, a robust control system has been installed by the company. This helps the organisation to measure progress towards its goals and brings to light the deviations, if any. It also enables the management to verify whether the standards set are accurate and objective or not. 4

The above para highlights the importance of the Controlling function of management.

Identify and explain any two points of importance of the Controlling function discussed above.

Q29 The students of Class XII of 'NK Senior Secondary School' visited the factory of 'Jaipur Exports Private Limited', a company manufacturing readymade garments. They observed that different workers were allocated different tasks like cutting the fabric as per specification, stitching dresses, putting buttons, ironing the finished dresses, packing them and putting labels. The Chief Executive Officer told the students that this results in efficient and effective output. They also observed orderliness in the factory as there was a fixed place for everything and it was present there. 4

The students later discussed with their Business Studies teacher and understood that principles of management given by Fayol were being followed in the factory.

Identify and explain the two principles of management that have been discussed in the above case.

Q30 Human resources are the most important asset of an organisation. The ability of an organisation to achieve its goal depends upon the quality of its human resources. The General Manager of 'Allied and Sons' appointed an IIM graduate, Pawan Rai, specialised in finance as Marketing Manager. On monthly evaluation, it was found that Pawan Rai's performance was not up to expectations and he was not able to meet the monthly targets of the organisation. The Chief Executive Officer (CEO) of the company asked for investigation into the matter. The CEO was told that Pawan Rai has specialisation in finance but was appointed as a Marketing Manager. The CEO discussed this matter with the General Manager and explained to him the importance of putting the right person at the right job. He further explained that it would not only lead to higher performance but would also provide many other benefits. Besides the benefits of putting the right man at the right job, state other benefits which the CEO might have explained to the General Manager that are not given in the above para. 4

Q31 Explain the following factors affecting working capital requirements of a business : 6

(i) Nature of business

(ii) Credit availed
(iii) Operating efficiency
(iv) Seasonal factors

Q32 Identify and explain the communication barrier discussed in each of the following cases and name the broad category of each communication barrier to which they relate: 6

(i) 'MNB Ltd.' launches a new software programme using Artificial Intelligence. Ajit, the Project Manager, explains the new software system to employees in the organisation, using terms like 'cloud computing', 'machine learning', etc. Since the employees are not specialists in this field, they cannot understand the actual meaning of many words used by the Project Manager.

(ii) Rajesh, working as Production Manager in 'KLM Ltd.', approaches the General Manager, Kumar to discuss the problems he is having at work. Rajesh tells him about the increasing workload and the need for additional support. However, Kumar who is working on an important file, keeps glancing at it while nodding occasionally. He does not make eye contact with Rajesh or stop reading the file He responds saying "Okay Rajesh, just try to manage". Rajesh leaves the office feeling disappointed.

(iii) Suresh is a senior technician at a company manufacturing spare parts of a car. He suggests a new method for reducing the idle time on machines to increase efficiency. He presents his idea during a team meeting and is appreciated by everyone. But the manager Pankaj, does not offer any appreciation award for his brilliant idea.

Q33 Amiras Ltd. is one of the leading information technology service provider companies in Delhi. To enable smooth functioning of the enterprise, job description and rules and procedures related to work processes are laid down. The company specifies clearly the boundaries of authority and responsibility and there is systematic co-ordination among the various activities to achieve organisational goals. 6

(a) Identify and explain the 'Type of organisation' discussed above.

(b) State any two advantages and two limitations of the 'Type of organisation' identified in (a) above.

Q34 Explain the redressal mechanism available to consumers under the Consumer Protection Act, 2019 6

OR

Explain the role of consumer organisations and NGOs in protecting and promoting consumer's interest.