



# PRINCE ACADEMY

## OF HIGHER EDUCATION

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### BOARD SAMPLE PAPER- III (2025-26)

### SUBJECT : BUSINESS STUDIES (054)

Time : 03:00 Hours

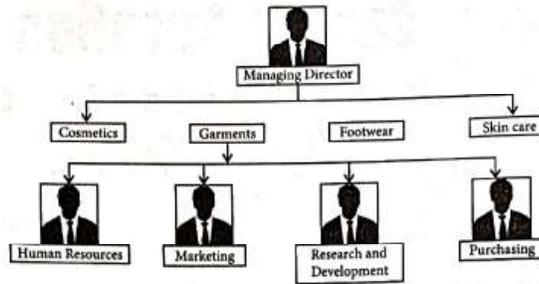
### CLASS - XII COMMERCE

M.M. : 80

#### General Instructions :-

- (i) The question paper contains 34 questions.
- (ii) Marks are indicated against each question.
- (iii) Answer should be brief and to the point
- (iv) Attempt all parts of the questions together.
- (v) Q. No. 1 to 20 are multiple choice questions, carrying 1 mark each.

1. The importance of Trading on Equity lays in the fact that if the company is earning more profit, it can use borrowed capital and preference share capital, and by doing so, it can increase the income of ?
  - (a) Lenders
  - (b) Equity shareholders
  - (c) Government
  - (d) Preference shareholders
2. The function of marketing which involves taking decisions regarding channels of distribution or marketing intermediaries is called
  - (a) Physical distribution
  - (b) Promotion
  - (c) Warehousing
  - (d) Marketing planning
3. With a revolution taking place in the manufacturing of mobile phones with super class cameras, the business of cameras in the consumer market has taken a hit. Studies show that mobile phone photography has devastated the camera industry.  
The dimension of business environment highlighted in the above case is:
  - (a) Economic Environment
  - (b) Technological Environment
  - (c) Social Environment
  - (d) Political Environment
4. A major decision area under one of the functions of marketing is the decision regarding marketing intermediaries to be used. Name the function.
  - (a) Physical distribution
  - (b) Gathering and analysing market information
  - (c) Promotion
  - (d) Transportation
5. Which market directly contributes to capital formation?
  - (a) Primary market
  - (b) Secondary market
  - (c) Money market
  - (d) Capital market



6.

Identify the type of organization structure depicted in the above diagram:

- (a) Divisional structure (b) Functional structure  
 (c) Informal Structure (d) Both Informal and Functional Structure

7. Financial markets are the other financial intermediary that helps in the process of the savings of the households into the most productive use:

- (a) Financing (b) Channelizing (c) Simplifying (d) Securitising

8. In case of 'Obsolete machinery, the corrective action will be:

- (a) Repair or replace the existing machinery  
 (b) Undertake technological up gradation of machinery  
 (c) Both (a) and (b)  
 (d) None of the above

9. The basic purpose of SEBI is to create an environment to facilitate efficient mobilisation and allocation of resources through the securities markets. Who are the constituents of this market for whom SEBI aims at creating a conducive environment;

- (a) Market intermediaries (b) Issuers of securities  
 (c) Investors (d) All the above

10. Read the following statements: Assertion (A) and Reason (R): Choose the correct alternative from those given below:

Assertion (A): A businessman must closely monitor the technological changes taking place in the industry.

Reason (R): Technological environment provides new and advanced ways / techniques of production and monitoring it helps in facing competition and improving the quality of the product.

- (a) Both Assertion (A) and Reason (R) are true and Reason (R) is correct explanation of Assertion (A).  
 (b) Both Assertion (A) and Reason (R) are true, but Reason (R) is not correct explanation of Assertion (A)  
 (c) Assertion (A) is true, but Reason (R) is false.  
 (d) Assertion (A) is false, but Reason (R) is true.

11. "The management gives a common direction to the individual effort in a achieving the overall goal of the organisation."

Which point of importance of management is highlighted in this statement?

- (a) Helps in achieving personal objectives (b) Helps achieving group goals  
 (c) Helps to increase efficiency (d) Helps to create a dynamic organisation

12. Sagar is trying to reduce wastage of resources in his company. He is trying to do it in the best possible manner. He has set standards for performance of different type of activities and is doing his level best to perform according to the standards to minimize wastage of resources. Things are not going to be in favour for him as he will have to look into other aspects too. He has set up a good monitoring system which helps him know how the employees are performing according to set standards as when they will be giving incentives. He is hoping to pull out a good performance from his team this year. Identify the function of management discussed here.
- (a) Controlling                      (b) Planning                      (c) Staffing                      (d) Directing
13. Statement I: Management requires effective performance.  
Statement II: As it helps in achieving predetermined goals.  
Choose the correct option from the following:
- (a) Statement I is true and II is false                      (b) Statement II is true and I is false  
(c) Both the statement are true                      (d) Both the statements are false
14. 'Cartoony Planet' is a well-known indoor playground for organising parties for children in Noida. It has many play-stations and it organises various activities for the kids to enjoy. Looking at the increasing number of children visiting 'Cartoony Planet', a new indoor playground in the name of 'Tiny-Tots house' came up with advanced swings, play stations and entertainment activities near 'Cartoony Planet'  
To compete with the newly opened indoor playground, 'Cartoony Planet' also added some advanced swings and entertainment activities to attract more children.  
The above information highlights one of the features of business environment. Identify the feature from the following.
- (a) uncertainty                      (b) Dynamic Nature                      (c) Relativity                      (d) Interrelatedness
15. Resident Welfare Association (RWA) of Noida, Sector 15 decided to organise Diwali mela on the eve of Diwali. They listed all the activities to be done, grouped them as per their nature and assigned the activities/duties to different people of their association. After completion of the mela, they found that it was not a success. While analysing the reasons the President of RWA found that mere allocation of work was not enough in the organisation. He found that an important step in the organising process was missing. Identify the step from the following:
- (a) Assignment of duties  
(b) Establishing authority and reporting relationships  
(c) Identification and division of work  
(d) Departmentalisation
16. Statement I: Primary market promotes capital formation directly.  
Statement II: Only buying of securities takes place in the primary market.  
Choose the correct option from the following:
- (a) Statement I is true and II is false                      (b) Statement II is true and I is false  
(c) Both the statement are true                      (d) Both the statements are false

17. Statutory warning on the pack of cigarette 'Smoking is injurious to health 'is an example of:  
 (a) Social environment (b) Legal environment  
 (c) Political environment (d) Economic environment
18. Match the following tools of promotion with their explanation and choose the correct option

Column I		Column II	
A	Advertising	1	Oral presentation of message in the form of conversation with one or more prospective customers
B	Personal selling	2	It refers to the practice of managing communication between an organisation and its public in order to create positive image.
C	Public Relation	3	Short term incentive which are designed to encourage the buyer to make immediate purchase of product services.
D	Sales promotion	4	It is the most commonly used tool of promotion.

- (a) A (2), B (3), C (1), D (4) (b) A (1), B (2), C (4), D (3)  
 (c) A (3), B (1), C (2), D(4) (d) A (4), B (3), C (1), D (2)
19. Dominos keeps on introducing new variety of Pizzas in its menu. Which characteristic of management is highlighted here?  
 (a) Management is multi-dimensional (b) Management is dynamic  
 (c) Management is all pervasive (d) Management is goal-oriented
20. Also a mobility platform is in the process of laying off 400-500 employees in a move aimed at driving cost efficiency. Which objective of management will the firm not be able to achieve by carrying out this process,  
 (a) Efficiency (b) Social (c) Profit (d) Survival
21. State any three functions of Middle Level Management. State any three functions of Lower Level Management 3
22. Give the meaning of controlling and explain any two points of importance of it. 3

OR

Explain CPC& MBE in the controlling process.

23. 'Moga Industries Ltd. approached a well established university in the city of Madurai to recruit qualified personnel for various technical and professional jobs. They selected Tanya, Ritu, Garima and Chetan for various vacancies in the organisation. After the selection and placement, 'Moga Industries Ltd? felt the need to increase the skills and abilities, and the development of positive attitude of the employees to perform their specific jobs better. The company also realised that learning new skills would improve the job performance of the employees. Hence, the company decided to take action for the same. 3
- (i) Name the step of the staffing process regarding which the company decided to take action.  
 (ii) State the benefits of the action to 'Moga Industries Ltd.
24. State any three developmental functions of Securities and Exchange Board of India. 3

OR

Explain any three functions of Secondary Market

25. Explain the following features of directing: 4  
(a) Directing take place at every level of management  
(b) Directing flows from top to bottom

OR

Explain the following importance of Directing:

- (a) Achieving objective  
(b) Integration of efforts
26. Explain why staffing is considered as the most important part of Human Resource Management? 4

OR

State the steps in the selection procedure, after the employment interview and before the job offer.

27. Under one of the legislations enacted in the year 2019, by the Parliament assuring the consumers of their rights to get protection against goods and services, which are hazardous to life and health. Radhe Ltd. manufactures and sells safety valves. These valves did not conform to the safety norms and a mark assuring quality specification was also missing. Cases were noticed, where these sub-standard appliances has caused serious injuries to many customers. 4

(i) Identify the legislation referred above & give the meaning of consumer protection.

(ii) Which consumer right has been highlighted in the above case?

(iii) Who is a consumer, according to coinsumer protection Act 2019 ?

OR

State any eight reliefs available to a consumer.

28. Explain the following factors determining the choice of capital structure : (any two) 4

(i) Interest Coverage Ratio

(ii) DSCR

(iii) Return on Investment

29. Nikita runs a small dhabba on the Jaipur highway. She is very rigid and follows a strict policy of punishment like cutting the salary, stopping increments or giving job termination threats to his workers for any kind of discrepancies in their work. She does not seek advice or opinions from her workers, as she does not have confidence in the competence of her workers. Also, the workers are not willing to offer useful suggestions as they do not expect any motivation or incentive for taking such initiatives. As a result, the labour turnover is high and her business has been adversely affected. 4

In the above context:

(i) Name and explain the style of leadership adopted by Nikita.

(ii) Identify the various human needs of workers that are being overlooked by Nikita as per the Maslow's Need Hierarchy Theory of motivation.

30. Discuss the Personal Barriers to communication. 4

OR

State any six points to overcome to communication barriers.

31. (i) Explain any two importance of scientific management 3  
 (a) Providing manager with useful insight into reality  
 (b) Optimum utilisation of resources and effective administration  
 (c) Scientific Decision
- (ii) Explain the following principles of Scientific Management 3  
 (a) Science, Not Rule of thumb.  
 (b) Harmony Not Discord.
32. "If the project is important then more alternatives should be generated and thoroughly discussed amongst the members of the organisation." Identify and explain the step in the process of planning being discussed. Also explain the remaining steps which will have to be carried out to complete the process. 6

OR

Explain the following:

- (a) Strategy  
 (b) Policy  
 (c) Procedure
33. Choco Ltd. offers a wide variety of chocolate products. It has an action program of not selling its products by their generic name but under different names like Choco-silk bar, Choco-Munchy and Choco-Crunchy, etc. for different customer segments. All these names have great popularity and acceptability in the markets. 6  
 As per the company policy the products were offered at reasonable and affordable prices for targeting a mass customer base.  
 During the festive season the company launched a massive promotional campaign to increase its revenue and achieve its communication objectives. The company introduced free gifts for the customers.  
 Their on-ground sales team delivers the product not only to the department stores but also to small shops, so that all segments of customers can easily get the products. They also provide information and support services to customers to ensure repeat sales.  
 From the viewpoint of the management function, briefly explain any four activities of marketing which the firm will be involved in, apart from the above-mentioned ones it's already performing.
34. Amman Chadha started 'Bulls Eye' a company for providing cyber security solutions to businesses. Its objective is to prevent, detect and respond to cyber attacks and protect critical data. He was a hardworking software engineer and an expert in cyber security. His reputation grew by leaps and bounds as he was not only a person of integrity but also did his work with utmost honesty and sincerity. The business started growing day by day. He was delighted when he was big project by the Ministry of Defence. While working on the project, he found that the volume of work made it impractical for him to handle all the work by himself. He decided to expand the team. The company maintained a close liaison with a local engineering college. During a campus placement, IShan and

Vrinda were appointed to work for the new project. He found the new employees capable, enthusiastic and trustworthy. Amman Chadha was thus, able to focus on objectives and with the help of Ishan and Vrinda, the project was completed on time. Not only was this Amman Chadha also able to extend his area of operations. On the other hand Ishan and Vrinda also got opportunities to develop and exercise initiative. 6

(i) Identify and briefly explain the concept used by Amman Chadha in the above case which helped him in focusing on objectives.

(ii) Also, state any four points of importance of the concept identified in (i) above.

OR

Differentiate between Formal & Informal organisaion on any six basis points.

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## ROUGH WORK

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