



PRINCE ACADEMY

OF HIGHER EDUCATION

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SAMPLE PAPER SET - 03 (2024-25)

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.

Section-A

1. Fashion House, a company with several branches all over the country, needs a team of designers. Similarly, another company Heavy Tools Ltd, requires mechanical engineers with knowledge of the latest technology to develop heavy machinery tools.

Identify the function of management that is needed to satisfy the need of the above companies.

- (a) Organising (b) Directing (c) Staffing (d) Controlling

2. Match the concepts of marketing in Column I with their respective definitions in Column II-

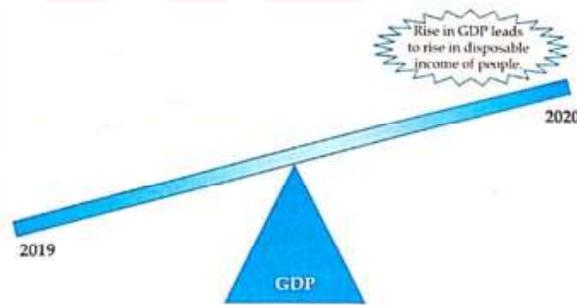
Column-I	Column-II
1. Product Concept	(i) relates to maintaining high quality of the product
2. Selling Concept	(ii) relates to satisfying customer's needs
3. Marketing Concept	(iii) relates to persuading buyer aggressively to purchase the product.

- (a) 1-i, 2-ii, 3-iii (b) 1-ii, 2-1, 3-iii (c) 1-iii, 2-ii, 3-i (d) 1-i, 2-iii, 3-ii

3. Mr. Mahesh who lives in London, bought a motorbike worth 56 lakh from Delhi and gifted it to his friend Mr. Ramesh, who also lives in Delhi. Later on, Mr Ramesh observed certain defects in the bike and requested the seller to either remove the defects or to replace the bike with a new one, however the manufacturer denied. Comment who among the following can file a complaint against the seller?

- (a) Mr. Mahesh (b) Mr. Ramesh
(c) Mr. Ramesh via consumer association (d) All of the above

4. Read the following statements-Assertion (A) and Reason (R).
 Assertion (A): Management is considered as a tangible force.
 Reason (R): Management cannot be seen and touched but its presence can be felt.
 Choose one of the correct alternatives given below.
- (a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
 (b) Both Assertion (A) and Reason (R) are true but Reason (R) is not the 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.
5. If a firm wants to diversify its business into different products and expand to different territories, which organisation structure would be suited for this firm?
- (a) Divisional structure (b) Functional structure
 (c) Informal structure (d) Network structure
6. Identify the dimension highlighted in the given picture.



- (a) Social Environment (b) Legal Environment
 (c) Economic Environment (d) Political Environment
7. Rahul wants to buy shares of 'Rexter Ltd.' which are being traded at the National Stock Exchange. He feels that the share prices will go up in the future. Which market should he approach for this purpose?
- (a) Money market (b) Primary market (c) Secondary market (d) Both (b) and (c)
8. A large number of investors invest in stock market every year. In fact it is important that the brokers who act as mediators between the financial markets and the investors should be properly trained. This will help them provide better services to the investors. Several steps are being taken by SEBI to ensure improvement in the conduct of various operations which take place in the capital market. In the above lines, which function of SEBI is being highlighted?
- (a) Regulatory function (b) Development function
 (c) Protective function (d) None of these

9. _____ is known as an interim administrative body.
- (a) Government (b) Investors
(c) SEBI (d) Finance House of India
10. 'Capital Market instruments are riskier both with respect to returns and principal repayment as compared to Money Market instruments.'
- This highlights the following point of difference between 'Capital Market' and 'Money Market':
- (a) Instruments (b) Duration (c) Safety (d) Liquidity
11. Debt financing is better than equity if-
- (a) company has strong cash flow. (b) company has weak cash flow.
(c) cash-flow position does not matter. (d) none of the above.
12. In order to get feedback about its recently launched immunity boosting ayurvedic medicine, Atulya Limited conducted an on-line survey using a questionnaire, to gather customer views and opinions. Identify the marketing function being undertaken by Atulya Limited-
- (a) Standardisation (b) Product designing
(c) Customer support service (d) Gathering and analysing market information.
13. Read the following statements-
- Statement 1: The Consumer Protection Act, 2019 has replaced the Consumer Protection Act, 1986 and seeks to widen its scope in addressing consumer concerns.
- Statement 2: The Consumer Protection Act, 2019 provides for setting up of Consumer Mediation Cell to ensure faster dispute settlements by respective commissions.
- Choose the correct option from the options given below-
- (a) Statement 1 is correct and statement 2 is not correct
(b) Statement 2 is correct and statement 1 is not correct
(c) Both the statements 1 and 2 are correct
(d) Both the statements 1 and 2 are not correct
14. Pure Comfort Enterprises is engaged in the manufacturing and marketing of home furnishing items. The demand for the company's products is growing every month. The General Manager asks the Human Resource Manager to recruit more employees. Identify the concept that will help HRM to know the type of required personnel to accomplish the organisational objectives.
- (a) Workload Analysis (b) Workforce Analysis (c) Staffing (d) Both (b) and (c)
15. Kanan, the Production Manager in a company using highly sophisticated machines and equipment intends that every employee in the organisation should be fully trained before working with the machines and equipment Which of the following methods of training should be used by the organisation?
- (a) Induction (b) Vestibule (c) Apprenticeship (d) Job rotation.

16. Rishabh, a manager, very often speaks to people at all levels, passing on instructions regarding his department and also the other departments. Which principle of management is being overlooked?
- (a) Principle of scalar chain (b) Gang plank
(c) Order (d) Authority and Responsibility
17. Coordination is _____.
- (a) a function of management (b) essence of management
(c) an objective of management (d) None of the above
18. In one of the principles of scientific management, Taylor emphasises that there should be equal division of work and responsibility between workers and management and management should work almost side by side with workers helping and smoothing the way for them. Identify the principle.
- (a) Division of work (b) Cooperation, not individualism
(c) Mental Revolution (d) Harmony, not discord
19. 'Bawa Cycles' was in the business of manufacturing racing-cycles and had a monopoly in the market. The business was doing very well and the company was consistently meeting its objective of 10% increase in sales every year. Encouraged by the good track record, the Managing Director of the company kept an ambitious target of 15% increase in sales for the next year. The same year two competitors also entered the market and because of this, the company was not able to meet its target. Identify the limitation of one of the functions of management because of which the company was not able to achieve the target.
- (a) Planning may not work in a dynamic environment
(b) Planning leads to rigidity
(c) Planning involves huge cost
(d) Planning reduces creativity
20. Public relations protect company's _____ in the eyes of public.
- (a) Image (b) Product (c) Brand (d) Quality

Section-B

21. State three functions of top level management 3
- OR
- Explain the three organisational objectives of management.
22. How do the following elements/ factors affect the dividend decision? 3
- (a) Shareholders' preference
(b) Taxation policy
(c) Stock market reaction

23. "Non-Financial Incentives are more suitable for employees whose needs are not satisfied by money alone". Explain any three such incentives. 3
24. Anant Oberoi had misplaced his share certificates of ABB Ltd. and ACC Ltd. while shifting his house from Delhi to Mumbai due to company transfer policy. After a long time, he was able to trace his misplaced shares certificates. Now, he was facing problem in selling these shares. He shared his problem with his uncle Mr. Naresh Oberoi, Manager of ANZ Bank Ltd. who told him that he would now have to get his shares converted into electronic form and put it in an account for the purpose of converting them into cash. On the basis of above discussion about Mr. Anant Oberoi, answer the following questions- 3
- (a) Name the account which is required to be opened to deal in share & Define.
- (b) With whom will he have to open this account? Name the agencies
- (c) State the advantages of screen based trading.

OR

State the objective of SEBI.

Section-C

25. Bal Bharati Public School had a vacancy of a Math teacher. They were looking for a well qualified, smart and creative teacher having a drive for excellence. An advertisement was given in 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 maths experts. 4
- (a) Explain the steps that have been performed by Bal Bharati Public School in the process of identifying and choosing the best candidate as in discussed in the above para.
- (b) Give the name and also the meaning of the test which was conducted by the school.

OR

Lakshay runs a KPO (Knowledge Process Outsourcing) in Gurugram. The services provided by his firm include all kinds of research and information gathering in fields like financial market, medicine, animation and design, etc. Lakshay believes that the success of a company can be achieved mainly through the people it chooses to employ. Therefore, he aims to attract the best people and provides them lots of opportunities to enhance their knowledge and skill relevant to their positions.

Identify and state the aspects of staffing being taken into consideration by Lakshay by quoting the lines also.

26. Explain the features of marketing. 4

OR

Give the meaning of Public Relation as an element of promotion mix. Explain the role of it.

27. Describe in Brief any two of the following techniques of scientific management 4
(i) Time Study (ii) Motion Study (iii) Method Study

OR

Explain the following principles of management :

- (i) Contralisation & Decentralisation (ii) Authority & Responsibility

28. 'Environment provides both constraints and opportunities for a business'. Comment 4

OR

Discuss any four Personal Barriers to Communication.

29. Gurpreet Limited is a reputed carpet selling company. It sells carpet of 75 lac to a corporate customer. The company gives a period of two months to the client to pay for the carpet. The company sends an invoice to the customer and the inventory account gets reduced by 75 lac. The account receivable is increased by 75 lac. When its corporate client pays within the period of two months, the cash is increased by 75 lac and the account receivable is reduced by 75 lac. 4

(a) In the above case, which concept of Financial Management has been highlighted?

(b) Name the other term which is used for long-term investment decisions.

(c) Name the concept which is related to the selection of the best sources of finance & State any two factors affecting it.

30. Suryansh booked a flat through a private builder in Greater Noida, Uttar Pradesh at the cost of 2 crore. As per the terms of the contract, the builder promised to provide him with all the basic and modern amenities such as continuous electric supply, CCTV camera, club facility, good quality of water, good security, etc. Although he was given the possession of the flat in time, the builder did not provide all the basic and common facilities which also included 3 tier security, having CCTV camera coverage for each floor. Suryansh kept complaining to the builder after possession of the flat for non-installation of CCTV camera and other common and basic amenities as promised at the time of agreement, but the builder kept assuring him that he would do the needful and he need not worry. After a month, Suryansh had to travel abroad, so he left his home with his flat duly locked. But on his return, he found that his flat had been robbed and theft of 10,000 in cash and jewellery worth 10 lac had taken place. He complained to the builder that had CCTV cameras been installed, it would have been a deterrent and the theft would not have been taken place. Also, CCTV would have ensured that no unwanted person would have entered the building. When Suryansh discussed this incident with his friend Sooraj, who runs a consumer association, he advised him to file a case against the builder. 4

In context of the above case-

(a) Identify the right of consumer that Sooraj has advised Suryansh to exercise in above case.

(b) State any three functions highlighting the role of a consumer association.

Section-D

31. Coming down hard on fraudulent investment advisors, regulator SEBI proposed to ban trading tips via, bulk SMS and e-mails, and also to clamp down on games, competitions and leagues relating to the securities market. SEBI also plans to curb unsolicited investment advice and promotion of investment products through electronic and broadcasting media platforms.

Besides, SEBI will have a re-look on the exemption from registration as an investment advisor, provided to mutual fund distributors and other registered market intermediaries, as part of an overhaul of rules governing investment advisors.

These proposals, approved by the SEBI board at its meeting in Mumbai, are aimed at having "uniform standards" as well as address the gaps or overlaps in legal or regulatory standards governing all the intermediaries engaged in providing market related services.

On the basis of above discussion about steps taken by SEBI, answer the following questions- 6

(a) Identify the functions performed by SEBI by quoting the lines from the above case.

(b) Explain the other important functions of SEBI beside one highlighted in the above question.

OR

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 the 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 market together help the savers and investors in directing the available funds into their most productive investment opportunities.

(a) Name the function being performed by the market in the above case.

(b) Name the market segment other than capital market segment in which unsecured and short-term debt instruments are traded. Also give any three points of difference between the two.

32. Differentiate between 'Formal Organisation' & 'Informal Organisation' on any six bases. 6

OR

Differentiate between Functional structure & Divisional Structure on any six bases.

33. Rajeev and Sanjeev are managers in the same organisation working for different units. While discussing about the function of management, Rajeev says "Planning is looking ahead, whereas controlling is looking back". But Sanjeev says, "Planning is looking back whereas controlling is looking ahead". Both are giving reasons in favour of their statements.

Explain the possible reasons given by both of them and justify who is correct. 6

34. An auto company, C Ltd. is facing a problem of declining market share due to increased competition from other new and existing players in the market. Its competitors are introducing lower priced

models for mass consumers who are price-sensitive. C Ltd. realises that it needs to take steps immediately to improve its market standing in the future. For quality conscious consumer, C Ltd. plans to introduce new models with added features and new technological advancements. The company has formed a team with representatives from all levels of management. This team will brainstorm and will determine the steps that will be adopted by the organisation for implementing the above strategy. Explain the features of planning highlighted in the given situation. 6

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