Business Studies (Subject Code 054)

CLASS XII (2026-27)

SAMPLE QUESTION PAPER

TIME ALLOWED: 3 hours **M.M: 80**

<u>General instructions</u>:

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

Q.NO		MARKS
1.	Ms Pratima Bhanot is working as Quality Control Supervisor in a company. Identify the function that she will not be performing at the level at which she is working: (A) Ensuring the quality of output of workers.	1

Note: There is no change in the Question Paper Design and Assessment Pattern for Academic Session 2026-27.

	(B) Confirming that safety standards are maintained in the organisation. (C) Analysing the business environment and its implications for the survival of the firm. (D) Minimising the wastage of materials.	
2.	Name the technique of Scientific Management that relates the compensation system to the efficiency of workers. A) Motion Study B) Differential Piece Wage System C) Standardisation and Simplification of work D)Fatigue Study	1
3.	Raja is the Managing Director of Shraddha Ltd.,a firm manufacturing Environment Friendly products. As the firm grows in size he has decided to pay attention to the organisation structure. Which of the following organization structures should he choose in order to make managerial development easier, by providing autonomy and the chance to perform multiple functions? A) Functional Structure B) Span of management C) Divisional Structure D) Informal organisation	1
4.	Read the following statements very carefully: Statement I: Trade tests evaluate the potential of a candidate for acquiring new skills. Statement II: Training prepares employees to take charge of higher positions in case of an emergency. Choose the correct option from the following: (A) Statement I is true and Statement II is false.	1

	(B) Statement II is true and Statement I is false. (C) Both the statements are true. (D) Both the Statements are false.	
5.	Dash n Dip’ was established in 2022 as one of the first fast-food chains in India introducing the concept of family-style restaurants. However, within two years, the business started losing customers to multinational food chains and eventually had to shut down its operations. The owner of the restaurant, Ms Kamya Kulkarni realized that she had been unable to identify, understand, evaluate and respond to the external environmental trends like changes in customer’s preferences and increasing competition. This had resulted in hindering the firm’s performance. Identify the importance of understanding the business environment highlighted in the above case. (A) It helps in tapping useful resources. (B) It helps the firm to identify threats and early warning signals. (C) It helps in assisting in planning and policy formulation (D) It enables the firm to identify opportunities and get the first mover advantage.	1
6.	Choose the correct statement about controlling function of management: (A)Controlling completes one cycle of management process and improves planning in the next cycle. (B) Controlling is the function of management that initiates action by people in the organisation. C) Controlling involves only looking back and not looking ahead. (D) Standards in the Controlling process must be set in quantitative terms only.	1

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Match the terms given in column 1 with their meaning given in column2:
<table>
<tr><td>Column1</td><td>Column2</td></tr>
<tr><td>1. Financial Intermediation</td><td>(i)Facilities and institutional arrangements through which long term funds both equity and debt are raised and invested</td></tr>
<tr><td>2. Primary market</td><td>(ii) the process by which allocation of funds is done</td></tr>
<tr><td>3. Capital market</td><td>(iii) market for creation and exchange of financial assets</td></tr>
<tr><td>4. Financial market</td><td>(iv) Securities are sold by the company to the investor directly (or through an intermediary).</td></tr>
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Choose the correct option from the following
(A) 1 (i) ,2 (ii) ,3 (iii) , 4 (iv)
(B) 1 (ii) ,2 (iv) ,3 (i) , 4 (iii)
(C) 1 (ii) ,2 (iii) ,3 (i) , 4 (iv)
(D) 1 (iv) ,2 (ii) ,3 (i) , 4 (iii)
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Who is a consumer under the Consumer Protection Act, 2019?
(A). It includes any user of such goods or beneficiary of services if such use is made with the disapproval of the buyer.
(B). It applies to online transactions only which are made through electronic means or by teleshopping or direct selling or multilevel marketing.
(C). Any person who obtains goods or avails services for resale or commercial purpose.
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	(D). A person who buys any goods or avails services for a consideration, which has been paid or promised, or partly paid and partly promised, or under any scheme of deferred payment.	
9.	 Choose the incorrect statement about the principle of management illustrated by the above picture: (A) Absence of this principle will result in loss of coordination. (B) The principle should be promoted in all organisations otherwise objectives would be difficult to realise. (C) The principle helps avoid dual subordination. (D) The principle promotes a spirit of unity and harmony among employees.	1
10.	**Assertion (A):** Capital budgeting decisions have a long-term impact on the profitability and growth of a business. **Reason (R):** Capital budgeting decisions deal only with short-term revenue expenditures. Choose the correct options: (A) Both A and R are true and R is the correct explanation of A.	1

	(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.	The Consumers Affairs Minister met with the representatives from various E-Commerce firms on the subject of “dark patterns”, warning them that app designs that are intended to deceive and nudge users to spend more or compromise their privacy are considered unfair trade practices. Which authority under the Consumer Protection Act, 2019 would regulate matters relating to violation of rights of consumers, unfair trade practices and take necessary action? A). Central Consumer Protection Authority B). Non-Governmental Organisations C). Supreme Court D). Consumer affairs Ministry	1
12.	Select the statement that does not correctly describe working capital. (A) It consists of funds invested in current assets of the business. (B) It helps in carrying out regular business activities smoothly. (C) It is calculated as the difference between current assets and current liabilities. (D) It is usually less liquid but contributes more to the profits than fixed assets.	1
13.	A ₹2 lakh fine has been imposed on an online pharmacy Medisimple for automatically renewing a three-month membership subscription of the customers for ₹99 without obtaining explicit user consent. The order passed by the Concerned Authority stated that the promotion design used by the pharmacy amounted to an unfair trade practice called “basket sneaking”, and directed the company to refund consumers who had not consented to the renewal. Where can the appeal be filed in case any of the parties is not satisfied with the order, on the grounds of facts or rules of Consumer Protection Act,2021?	1

	A). District Commission B). State Commission C). National Commission D). Supreme Court	
14.	Arijit and Ananya started a small business selling Eco-Friendly home decoration items made from recycled materials under the name ‘EcoComfort’. Ananya carefully analysed market conditions and predicted that there will be an increasing awareness about sustainability among urban consumers and the competition from conventional home decor brands will be moderate. They decided to achieve ₹2 lakh monthly sales by the end of first year. Arijit explored the following innovative courses of action to achieve the target: 1.Selling through online platforms like E-Commerce market places and social media stores. 2. Including local retail outlets to reach the local target market. 3.Partnering with cafes, gyms, wellness stores for product placements. Identify the steps which have not been performed by Arijit and Ananya in carrying out the planning function of management. (i) Setting objectives (ii) Follow up action (iii) Implementing the plan (iv) Developing premises (v) Identifying alternative courses of action (vi)Selecting an alternative (vii) Evaluating alternative courses Choose the correct option: (A) (i),(iv),(v) (B) (ii),(iii),(iv),(vi) (C) (i),(iv),(v),(vii) (D) (vii),(vi),(iii),(ii)	1

15.	Astrio Ltd. is a fast-growing company engaged in manufacturing consumer goods. The management noticed that despite good demand for its products, the company often faced delays in certain activities, while at other times money remained unused for long periods. To address this issue, the finance department decided to prepare a comprehensive plan before undertaking future activities. The company carefully assessed its upcoming business requirements and tried to determine how much money would be needed for different activities and at what stage these requirements would arise. At the same time, the management examined various ways through which funds could be arranged so that financial requirements could be met without disruption. Identify the concept discussed in the above lines. (A) Capital structure (B) Financial control (C) Investment (D) Financial planning	1
16.	Raahat has started a diagnostic centre in Gurgaon and decided to offer a salary of ₹10,000 plus a commission of ₹ 200 for each sample collected, to the employees appointed for the purpose. Name the cost being discussed above. A). Fixed cost B). Variable cost C). Semi Variable cost D). Total cost	1
17.	Delicious Beverages Ltd. is a company manufacturing packaged fruit juices. Initially, the company enjoyed a monopoly in the local market, and customers readily bought its products. However, in recent years, several new beverage companies have entered the market. To retain customers, Delicious Beverages Ltd.	1

	started offering attractive credit terms, discounts, and promotional schemes. The company also increased its inventory to ensure uninterrupted supply. Identify the factor affecting the working capital requirement of Delicious Beverages Ltd. being discussed above: A). Growth prospects B). Level of competition C). Production Cycle D) Scale of operations	
18.	Rama purchased a breakfast cereal "Healthme", which her friend Sapna had recommended. Sapna told her that consuming the cereal for breakfast had helped her in losing 5 kgs in 6 months. Rama had also seen the advertisement for the cereal which suggested weight loss and fitness. Rama did not lose any weight even after one year. She approached the helpline of the company to file a complaint. The employee on the helpline asked her to read the general instructions on the package, which said that the "results may vary". Rama realised that she had not read the information written on the tag attached to the product before buying it. Which consumer right did Rama exercise and which consumer responsibility had she ignored? A). Right to be heard, Read labels carefully so as to have information about prices, net weight, manufacturing and expiry dates, etc. B). Right to be assured, Be aware about various goods and services available in the market so that an intelligent and wise choice can be made. C). Right to be assured, Buy only standardised goods as they provide quality assurance D). Right to be heard, File a complaint in an appropriate consumer forum in case of a shortcoming in the quality of goods purchased or services availed.	1

19.	A company has an existing equity share capital of ₹20,00,000. It proposes to raise an additional ₹10,00,000 either by issuing equity shares or by issuing 10% debentures. If the Earnings Before Interest and Tax (EBIT) of the company is ₹4,50,000 and the corporate tax rate is 30%, which of the following financing options will result in a higher Earnings Per Share (EPS)? (A) Issue of equity shares (B) Issue of debentures (C) Both financing options will result in the same EPS (D) EPS cannot be determined with the given information	1
20.	The management of Pure Foods Pvt.Ltd. noticed that in spite of timely salaries and satisfactory working conditions, employees seemed disengaged and less committed to their work. The management conducted regular performance reviews and introduced a system where supervisors monitored work progress closely. Thus, the employees knew well in advance the standards of performance on the basis of which they will be appraised. Feedback was provided regularly, and employees who performed well were appreciated publicly during monthly meetings. Underperforming employees were given guidance and training instead of punishment. After a few months, employee confidence improved, and performance levels increased significantly. Identify the point of importance of controlling function discussed in the above case. A) Judging accuracy of standards B) Improving employee motivation C) Ensuring order and discipline D) Both A and B	1

21.	(A) State the first three steps involved in selecting the most suitable candidate for a job. OR (B) State any three benefits of training and development to the organisation.	3
22.	After completing a diploma in sales and marketing, Supreet joined as a tele sales representative in a French Insurance Company in Paris. Although he was fluent in English language and a friendly, knowledgeable person, he was unable to meet the sales target. Mr. Pierre, his supervisor, called a meeting to discuss the reason for his under performance. Mr. Pierre came to know that Supreet had only done a basic course in French language and therefore, due to lack of proficiency in the French language he made mistakes while communicating with French clients. a) Name the barrier of communication due to which Supreet was unable to meet the target. b) Apart from the barrier identified in part a) briefly explain any two barriers of communication from the same group.	3
23.	(A) Explain the following factors affecting financing decision of a company : (a) Control considerations (b) State of capital market OR (B) Explain the following factors affecting the fixed capital requirements of a company: (a) Choice of technique (b) Growth prospects	3
24.	Mr Bhavik Bhavnani was recently appointed as the Human Resource Manager of 'Sorbit informations'. Till now, the company had been advertising all its vacancies	3

	in a local newspaper publication called’ Climb Heights’. However, many times, it would bring a flood of responses from unsuitable candidates. The General Manager, Mr Raman Kalia, called Mr Bhavnani for a meeting to take his suggestions about alternative ways of searching for prospective employees. Mr. Bhavnani suggested that the company should maintain a close liaison with leading management institutes of the country. He also advised hiring private agencies and professional bodies who would recommend suitable candidates to the company. Also, as a database of unsolicited applicants was kept in the organisation, it was discussed that a list of such job-seekers could be prepared and screened to fill the vacancies. State the various sources suggested by Mr Bhavnani in the above case study, by which potential candidates may be located and stimulated to apply for jobs in the organisation.	
25.	(A)Explain the following points of nature of Principles of Management: a) Cause and effect relationship b) Universal applicability OR (B) Explain the following Principles of Management: a) Harmony not discord b) Science not rule of thumb	4
26.	“Important decision areas in this respect include selection of dealers or intermediaries to reach the customers, providing support to the intermediaries (by way of discounts, promotional campaigns, etc.).” Explain any two components of the element of marketing mix discussed above.	4
27.	HK Metals Limited has set clear standards for production output, defect rate and operating costs. During a monthly review, Mr Himank, the Chairman, received a report from the Accounts Manager, Mr Akhil. He reported that most expenses were	4

	within the approved budget. However, the maintenance expenses had exceeded the permissible limit set by management. Mr Himank did not interfere in routine matters but instructed Mr Akhil to investigate the cause of increase in maintenance expenses. A) Name and explain the principle of managerial control applied by Mr Himank in the above case. B) Identify and state the subsequent step in the controlling process that must be undertaken by Mr Akhil to ensure that standards are accomplished.	
28.	(A) 'Leaders play a key role in the success and excellence of any organisation'. a) Elucidate the term 'leadership'. b) Explain any two styles of leadership based on the use of authority. OR (B) 'Maslow's Need Hierarchy Theory of Motivation is based on human needs. He felt that within every human being, there exists a hierarchy of needs' a) Define the term motivation. b) Explain any two needs of human beings that according to Maslow formed part of the hierarchy.	4
29.	Lisha Fabric Private Limited is a company manufacturing cotton garments. The Marketing Manager of the company notices a shift in Generation Z' expectations as they are becoming aware of ethical fashion. The company decides to collaborate with Hridyansh, a Tech Enthusiast who has invented an innovative machine that recycles plastic bottles to manufacture sustainable fabrics. Identify and explain the dimensions of the business environment highlighted in the above case.	4
30.	Guruji Garments Ltd., a leading apparel manufacturing company in Ludhiana, produces winter wear for domestic and international markets. During the peak season, the Production Department increased output to meet rising	4

	demand. However, the Sales Department had not secured enough confirmed orders, leading to excess stock. At the same time, the Finance Department delayed releasing funds for raw materials, causing interruptions in production. As a result, confusion and conflict arose among different departments. The General Manager noticed that the departmental heads were not sharing the information regularly thus leading to lack of synchronisation of activities of different departments. 1.The problem faced by Guruji Garments Ltd. mainly indicates absence of an important concept of management. Name the concept. 2.State any three characteristics of the above identified concept.	
31.	(A) Describe Product cost, Utility and demand and Marketing Methods used as factors determining the price of a product. OR (B) Describe the concepts of branding, packaging and labelling as elements of product mix.	6
32.	Astrick Ltd., a fast-growing FMCG company, decided to expand its operations by setting up a new manufacturing unit. To raise funds, the company issued shares to the public. After the issue, the company participated in a market which provided a platform for buying and selling of existing securities. Soon, Astrick Ltd. noticed that the market price of its shares was constantly changing based on the company's performance reports, economic conditions, and demand and supply. Investors felt confident because its dealings were well defined according to the existing legal framework. It also ensured that they could easily convert their investment into cash whenever needed and the savings of the investors could get channelised into the most productive investment opportunities.	6

	(a) Name and give a suitable definition of the institution which as a market provides the platform referred to in the above case. (b) Explain the functions of the institution identified in part a) discussed in the case.	
33.	India’s IT services companies saw a sharp decline in the share prices on February 12, 2026 over persistent fears that the artificial intelligence (AI)-led disruption will affect their profits in the coming years. Awino, one of India’s top IT solutions providers, in order to face the challenge, has decided to separate itself into several subsidiaries by product line: telecommunications, engineering, financial services, etc. Each subsidiary brings in about $300 million in annual earnings and is self-sufficient with their own accounting books, personnel and administrative functions. The decision making authority is shared with lower levels and is consequently placed nearest to the points of action. Explain briefly any four benefits Awino will get from this selective dispersal of authority.	6
34.	(A) Explain a) Procedure b) Strategy c) Rule as types of plans OR (B) Explain the following benefits of planning: a) Planning facilitates decision making b) Planning reduces the risk of uncertainty c) Planning establishes standards of controlling	6

Note: There is no change in the Question Paper Design and Assessment Pattern for Academic Session 2026-27.