



ST. JOSEPH PUBLIC SCHOOL

Kota Barrage Road, Kota-6 (Raj.)

C.B.S.E. New Delhi, **BUSINESS STUDIES**

GUESS PAPER

Class: **XII**

2025-26

Time: **3 HRS**


MM: 80

General Instructions:

Read the following instructions very carefully and strictly follow them:

- (i) This question paper contains 34 questions. All questions are compulsory.
- (ii) Marks are indicated against each question.
- (iii) Answers should be brief and to the point.
- (iv) Answers to questions carrying 3 marks may be from 50 to 75 words.
- (v) Answers to questions carrying 4 marks may be in about 150 words.
- (vi) Answers to questions carrying 6 marks may be in about 200 words.
- (vii) Attempt all parts of a question together.

Q1	Nikita and Rini are working in 'Kaushal Industries', a company dealing in readymade garments for women. Each of them was assigned the responsibility of producing 10 dresses each within 5 days at a cost of ₹ 1,000 per dress. Nikita was able to produce 10 dresses at a cost of ₹ 1,100 per dress within 5 days, whereas Rini was able to produce 10 dresses at a cost of ₹ 900 per dress in 5 days. Which of the following statements is correct with respect to the above? (A) Nikita is efficient but Rini is effective. (B) Nikita is effective but Rini is efficient. (C) Both Nikita and Rini are effective. (D) Both Nikita and Rini are efficient.	[1]
Q2	Which of the following options denotes the correct sequence of steps in the process of 'Organizing' function of management? (A) Departmentalisation → Identification and division of work → Establishing authority and reporting relationships → Assignment of duties (B) Departmentalisation → Identification and division of work → Assignment of duties → Establishing authority and reporting relationships (C) Identification and division of work → Establishing authority and reporting relationships → Assignment of duties → Departmentalisation (D) Identification and division of work → Departmentalisation → Assignment of duties → Establishing authority and reporting relationships	[1]
Q3	Most of the senior positions of industry as well as commerce are filled by this method of recruitment: (A) Employment exchange (B) Advertisement (C) Campus recruitment (D) Promotions	[1]
Q4	Statement I: A financial market facilitates the transfer of savings from savers to investors. Statement II: It gives savers the choice of different investments and helps to channelise surplus funds into the most productive use. 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.	[1]

	(C) Both the Statements are true (D). Both the Statements are false.											
Q5	According to the Consumer Protection Act, 2019, which of the following is true about the "Right to be informed"? (A) Consumers have the right to know about the product's ingredients, origin, and manufacturer. (B) Consumers can demand product discounts. (C) Consumers can claim compensation for any service delays. (D) Consumers have the right to manipulate product pricing.	[1]										
Q6	In this picture an element of Marketing Mix has been depicted with various examples. Name this element.  (A) Advertisement (B) Personal Selling (C) Sales Promotion (D) Public Relation	[1]										
Q7	_____ is the step in the controlling process where standards may have to be revised in case the deviation cannot be corrected through managerial action. (A) Setting Performance Standards (B) Measurement of Actual performance (C) Comparing Actual Performance with standards and analysing deviations (D) Taking corrective action	[1]										
Q8	Match the statements given in column A with the examples/explanation of business environment given in column B <table border="1"><thead><tr><th>Column A (Types of Environments)</th><th>Column B (Examples/Explanations)</th></tr></thead><tbody><tr><td>a Social Environment</td><td>i Increase in GDP and per capita income</td></tr><tr><td>b Economic Environment</td><td>i Increasing health consciousness among people</td></tr><tr><td>c Technological Environment</td><td>i Change in ruling political party</td></tr><tr><td>d Political Environment</td><td>i Use of artificial intelligence in industries</td></tr></tbody></table> Choose the correct option from the following: A. (a)-(iii), (b)-(ii), (c)-(i), (d)-(iv) B. (a)-(ii), (b)-(i), (c)-(iv), (d)-(iii) C. (a)-(iv), (b)-(ii), (c)-(i), (d)-(iii) D. (a)-(iii), (b)-(i), (c)-(ii), (d)-(iv)	Column A (Types of Environments)	Column B (Examples/Explanations)	a Social Environment	i Increase in GDP and per capita income	b Economic Environment	i Increasing health consciousness among people	c Technological Environment	i Change in ruling political party	d Political Environment	i Use of artificial intelligence in industries	[1]
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Q9	‘Vinayak Constructions’ of Lucknow became the market leader in the designer house segment as it was the first to recognize the need of using Artificial Intelligence in designing houses in the changing environment of technological advancement. This highlights the following point of importance of	[1]										

	<p>business environment:</p> <p>(A) It helps to identify threats and early warning signals.</p> <p>(B) It enables the firm to identify opportunities and getting the first mover advantage.</p> <p>(C) It helps in tapping useful resources.</p> <p>(D) It helps in improving performance.</p>	
Q 10	<p>Read the following statements: Assertion (A) and Reason (R). Choose the correct alternative from the options given below:</p> <p>Assertion (A): Amount of Earnings is a major determinant of the decision about dividend.</p> <p>Reason (R): Dividends are paid out of current and past earnings.</p> <p>(A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).</p> <p>(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).</p> <p>(C) Assertion (A) is true, but Reason (R) is false.</p> <p>(D) Assertion (A) is false, but Reason (R) is true.</p>	[1]
Q 11	<p>The next step in the process of selection after job offer is</p> <p>(A) Medical Examination (B) Selection Decision</p> <p>(B) Employment Interview (D) Contract of Employment</p>	[1]
Q 12	<p>Statement I: The objective of financial management is to maximize shareholders' wealth.</p> <p>Statement II: The shareholders gain if the value of shares in the market increases. Choose the correct option from the following:</p> <p>(A) Statement I is true and Statement II is false.</p> <p>(B) Statement II is true and Statement I is false.</p> <p>(C) Both the Statements are true.</p> <p>(D) Both the Statements are false.</p>	[1]
Q 13	<p>Which of the following is NOT a factor affecting 'financing decision'?</p> <p>(A) Fixed operating costs (B) Cashflow position</p> <p>(C) Control considerations (D) Diversification</p>	[1]
Q 14	<p>A complaint before the appropriate consumer forum can be filled by</p> <p>(A) Any registered consumers association</p> <p>(B) A legal heir or representative of a deceased consumer</p> <p>(C) The Central Government or any State Government</p> <p>(D) All of these</p>	[1]
Q 15	<p>_____ is concerned with designing jobs that include greater variety of work content, require higher level of knowledge and skill, and give workers more autonomy and providing them opportunity for personal growth and a meaningful work experience.</p> <p>(A) Job security (B) Perquisites</p> <p>(C) Employee recognition programme (D) Job enrichment</p>	[1]
Q 16	<p>Which certification mark ensures the quality of electrical goods?</p> <p>(A) Hallmark (B) ISI Mark</p> <p>(C) Agmark (D) FSSAI</p>	[1]
Q 17	<p>Pooja went to the grocery store to buy monthly grocery goods. She purchased items as per her requirements. She insisted the seller to give her a discount of 15% as every seller offers the same. Which consumer responsibility is fulfilled by her ?</p> <p>(A) Buy only standardised goods</p> <p>(B) Read labels carefully</p> <p>(C) Assert yourself to ensure that you get a fair deal</p> <p>(D) Be honest in your dealings</p>	[1]

Q 18	The process of estimating fund requirements of a business and specifying the sources of funds is called: (A) Capital structure (C) Financial management (B) Financial planning (D) Capital budgeting	[1]
Q 19	The risk related to inability to meet fixed financial charges like interest payment and other repayment obligations is known as (A) Operating risk (B) Financial risk (C) Bussiness risk (D) None of the above	[1]
Q 20	In an artificial plant manufacturing unit, the standard output set for a worker is 50 units per day. Dinesh produces 48 units in one day. In given case, the value of deviation is (A) -2 (B) +2 (C) 98 (D) None of these	1
Q 21	What are the various types of leadership style? OR Explain any two psychological barriers to communication.	[3]
Q 22	The Return on Investment (ROI) of a company ranges between 10-12% for the past three years. To finance its future fixed capital needs, it has the following options for borrowing debt: Option 'A' : Rate of interest 9% Option 'B' : Rate of interest 13% Which source of debt, 'Option A' or 'Option B', is better? Give reasons in support of your answer. Also state the concept being used in taking the decision.	[3]
Q 23	With change in the consumption habits of people, Neelesh, who was running a sweets shop shifted to chocolate business. On the eve of Diwali he offered chocolates in attractive packages at reasonable prices. He anticipated huge demand and created a website chocolove.com for taking orders online. He got lot of orders online and earned huge profit by selling chocolates. Identify and explain the dimensions of business environment discussed in the above case.	[3]
Q 24	Explain with the help of any two points why planning is important in an organization. OR Explain the following: (I) Planning reduces creativity (II) Planning leads to rigidity.	[3]
Q 25	Two years ago Madhu completed her degree in food technology. She worked for sometime in a company manufacturing chutneys, pickles and murabbas. She was not happy in the company and decided to have her own organic food processing unit for the same. She set the objectives and the targets and formulated action plan to achieve the same. One of her objectives was to earn 10% profit on the amount invested in the first year. It was decided that raw materials like fruits, vegetables spices etc. will be purchased on three months credit from farmers cultivating organic crops only. She also decided to follow the steps required for marketing of the products through her own outlets. She appointed Mohan as a Production Manager who decides the exact manner in which the production activities are to be carried out. Mohan also prepared a statement showing the number of workers that will be required in the factory throughout the year. Madhu informed Mohan about her sales target for different products area wise for the forthcoming quarter. While working on the	[4]

	production table a penalty of ₹ 100 per day for not wearing the caps gloves and apron was announced. Quoting lines from the above para identify and name the different types of plans discussed.	
Q 26	<p>Praveen and Naveen are friends. Praveen became a professional after completing his MBBS from "Hindu Medical College". Naveen completed his MBA from IIM, Bangalore. In a discussion with Praveen, Naveen said that he too is a professional and is working with a multinational company as a senior manager getting a good package. Praveen was not convinced about the fact that Naveen was a professional in spite of being aware that nowadays there is increasing emphasis on managed business concerns. Praveen gave four reasons in support of his opinion.</p> <p>Explain the four reasons that Praveen might have given.</p>	[4]
Q 27	<p>State any four benefits of staffing function of management to the organisation.</p> <p style="text-align: center;">OR</p> <p>State any four benefits of training to employees.</p>	[4]
Q 28	<p>Ram Murthy, the CEO of 'Goodcare Hospitals', a leading chain of hospitals, decided to reward the good work of the doctors of his organisation. For this he instituted two trophies. A 'Healthcare Achievers Trophy' to acknowledge and appreciate the tireless efforts of the doctors who rendered selfless services to the patients and another 'Beti Bachao Trophy' to recognise the outstanding work done by the doctors in saving the girl child.</p> <p>(a) Identify and explain the incentive provided by 'Goodcare Hospitals' to its doctors through running trophies.</p> <p>(b) Which need of the doctors will be satisfied through the incentive identified in part (a)? State.</p>	[4]
Q 29	What is meant by physical distribution of goods? State any three components of physical distribution of goods.	[4]
Q 30	<p>Explain how controlling helps in 'accomplishing organisational goals' and 'judging accuracy of standards'</p> <p style="text-align: center;">OR</p> <p>Explain the relationship between 'Planning' and 'Controlling' with the help of any four points.</p>	[4]
Q 31	<p>Ritesh is a young investor who has recently started investing in the Indian stock market. He has bought shares of some companies listed on the Indian stock exchange, whose prices are constantly fluctuating. Ritesh has heard that the stock exchange provides a safe and transparent platform for investors, but recently he came across news about fraudulent activities in the shares of a major company, causing a sudden drop in prices. Ritesh is concerned and wants to understand why such situations arise in the stock exchange, and whether he can take any steps to prevent them.</p> <p>To reassure Ritesh, explain any four functions of the stock exchange that help in addressing issues like market volatility and fraudulent activities.</p>	[6]
Q 32	<p>Mr. Arvind is the manager of a growing manufacturing company called "Tech Innovations Ltd." Over the last few months, he has noticed an increase in confusion and communication gaps among the employees, resulting in delays in production and poor coordination. Employees are not clear about their tasks, and there is a lack of cooperation between different departments. As the manager, Mr. Arvind has been focusing on improving the internal processes to boost efficiency and smooth operations. He decides to implement certain management principles to resolve the issues and streamline operations.</p> <p>After analyzing the situation, Mr. Arvind feels that the company's issues can be addressed by adopting Henri Fayol's principles of management, which emphasize clear structure, authority, and coordination among the staff.</p> <p>a) Identify and explain which of Fayol's principles of management Mr. Arvind should focus on to resolve the issues related to confusion and communication gaps among employees.</p> <p>b) How can Mr. Arvind apply the principle of "Unity of Command" to reduce the confusion and ensure</p>	[6]

	that employees know their roles and responsibilities clearly? c) Mr. Arvind realizes that there is a lack of cooperation between the different departments. Which of Fayol's principles can he apply to encourage better coordination and teamwork among departments? Explain	
Q 33	Besides 'Effective management' and 'Employee development' delegation helps the organisation in different ways. Explain any four such ways. OR Decentralisation is an important philosophy that implies selective dispersal of authority. In the light of this statement, explain any four points of importance of decentralisation.	[6]
Q 34	Explain the following functions of marketing: (i) Customer support services (ii) Product Design and Development (iii) Standardisation and Grading OR State any four factors which affect the fixation of price of a product.	[6]

Note: This guess paper has been prepared with the aim of helping students score good marks; however, it does not guarantee that the Board examination will contain exactly the same questions.