

# Model Question Papers for Practice

(Based on the latest guidelines issued by CBSE)

## MODEL QUESTION PAPER—1

Class—XII (C.B.S.E.)

Business Studies

Time Allowed : Three Hours

Maximum Marks : 80

### General Instructions:

1. Answer to questions carrying 1 Mark may be from one word to one sentence.
2. Answer to questions carrying 3 Marks may be from 50 to 75 words.
3. Answer to questions carrying 4-5 Marks may be about 150 words.
4. Answer to questions carrying 6 Marks may be about 200 words.
5. Attempt all parts of a question together.
6. All Questions are compulsory.

1. Name the grapevine network in which an individual communicate with only those people whom he trusts? 1
2. Name the term which is associated to the persons who buy and sell the securities with the objective to earn profit. 1
3. Name the process concerned with introducing the employee to their job, fellow employees and the organization. 1
4. "Coordination is needed at all levels and in all departments". Which characteristics of coordination is highlighted here? 1
5. Explain in brief the purpose of bridge financing in the context of financial management. 1
6. Which policy of the government has moved India towards India globalization? 1
7. Who is considered a silent salesman in marketing? 1
8. When as consumer you are not in a position to resolve your grievances under Consumer Protect Act? 1
9. Which principle of management is violated if a subordinate receives orders from two or more seniors? How will it affect his behaviour? 3
10. "Planning is looking ahead and controlling is looking backward." Do you agree with this statement? Give arguments. 3
11. To prevent the illiterate and innocent farmers from the exploitation by middlemen, ITC Limited has perused a revolutionary initiative through which the company has trained illiterate farmers across the country to conduct their agri-business through internet. It has created more than 6500 e-chaupals computer stations

- in rural areas that serve an average of six hundred farmers each. Using this technology, farmers may order supplies, learn about best agricultural practices, receive weather reports and read about pricing for crops, fix their minimum prices. With this initiative, ITC also stands to gain by simplifying gains and discharges its duty towards corporate social responsibility.
- Identify and explain scientific management reflected in the above initiative by ITC. 3
12. The ideal plan would be based on the subjectivity, the manager's experience, judgement and at times, intuition play an important part in selecting the most viable alternative.
- (a) Identify the step of planning referred here.
- (b) Name and explain briefly the previous two steps in the above process. 3
13. What is generic name and how is it different from brand name? Explain with the help of examples. 3
14. Rainbow Airways earns Rs. 0.90 per share in a no-debt situation. With the inclusion of debt of Rs. 5 lakh its earning per share (EPS) rose to Rs. 1.20. As the debt increases to Rs. 10 lakh, the EPS rose to Rs. 1.30. Annu purchased shares of Rainbow Airways in physical form in 2002. She now wants to convert the physical share certificates into electronic form.
- (a) What can you say about the relation between the cost of debt and the return earned on funds employed when the company's EPS rises with higher debt?
- (b) Name and define the process to convert the physical share certificates into electronic form and vice-versa.
- (c) Identify any two values communicated in the above case. 4
15. MS Malhotra purchased a car worth ₹ 25 lakh but was not satisfied with the quality of the car. The company did not provide any remedy to him. Under which authority of Consumer Protection Act 1986 can he file an appeal? Explain in brief. 4
16. Due to long working hours without any rest, it was observed that the performance of the workers had been declining significantly. Moreover, many workers started consuming tobacco products as they find it as a stress reliever. There was a need to appoint someone who could manage the production team and find a solution to this problem. The company appointed Mr. Vikram as a new Production Manager, who had recently completed his MBA. He did a detailed analysis of work, which involved heavy manual labour. He permitted workers to take small breaks to rest and resume work with recharged energy, enabling them to perform more efficiently. Also, he completely prohibited the consumption of tobacco in the factory premises.
- (a) Name the term related to declining production.
- (b) Name and explain the technique of scientific management adopted by Mr. Vikram.
- (c) State the values emphasised by permitting small breaks to workers and prohibiting the consumption of tobacco. 4
17. In the following cases, Name the components of business environment which have led to
- (a) Demand for equal pay for equal work for male and female employees.
- (b) Removal of controls over foreign exchange
- (c) Preference for digital watches over the traditional Manual watches?
- (d) Permission to the companies to enlarge their capital base. 4
18. If normal wastage of stationary has increased by 10 % whereas the normal wastage in the raw material has increased merely by 2%.
- (a) Which of the above wastage will attract your attention?

- (b) Who would you deal with such wastage? Explain with the help of concept involved in the above situation. 4
19. Identify the method of flotation of new issue of shares when the shares
- (a) are issued to the intermediaries who sell them to the public at the higher prices.
  - (b) are issued to the intermediaries who sell them to the selected clients at higher prices.
  - (c) are issued directly to the public
  - (d) are issued to the existing shareholders with their pre-emptive rights 4
20. Directors of a manufacturing company are thinking of issuing Rs. 20 lakhs additional debentures for expansion of their production capacity. This will lead to an increase in debt equity ratio from 2 : 1 to 3 : 1. What are the risks involved in it? What factors other than risk do you think the directors should keep in view before taking the decision? 5
21. Mr.Charan is the Production & Sales Manager of Guru Kripa Textile Ltd. The company suddenly slashed its incentive scheme due to indebtedness. Since Mr.Charan was always overloaded with work, he failed to communicate the company's problems to the workers. It resulted in workers to 'go slow' that almost 'closed down the company'.
- (a) Name the element of directing is highlighted in the above case.
  - (b) Explain how the incentive scheme should be revamped to overcome the situation?
  - (c) Which element of management is involved in the assessment of work and what should the company do to ensure minimum production?
  - (d) Identify the values ignored by Mr.Charan and Guru Kripa Textile Ltd. 5
22. Rajesh, the Director of a publishing company is planning to manufacture rough copies for the utilisation of waste paper from one of his unit. He has decided that this manufacturing unit will be set up in the rural area of Himachal Pradesh where people have very few job opportunities and labour is available at very low rate. He has also thought of giving equal opportunity to both men and women. For this, he wants three heads for — purchase, sale and accounts. He gives an advertisement and selects nine candidates after the selection tests.
- (a) Identify and state the next three steps for choosing the best candidate.
  - (b) Also identify two values which Rajesh wants to communicate to the society by setting up this unit. 5
23. One of the philosophy of marketing to sell the goods and services is entirely based on the promotional tools whereas another has been evolved due to the failure of this said philosophy.
- (a) Identify and explain briefly the above marketing philosophies to sell the goods and services.
  - (b) State two benefits and limitations of each
  - (c) Distinguish them on any two basis. 6
24. A manager, no matter how capable he is, volume of work makes it impractical to handle it all by himself. He needs to concentrate on more important jobs. For this he assigns the jobs to his subordinates to be performed, allocates resources, gives authority and fixes up the responsibility. This, in turn also gives an opportunity to subordinates to develop, to exercise initiative and recognition of their work.
- (a) Name the process under which a superior shares some of his workload with his subordinates.
  - (b) Name and explain the concept involved in the above process which helps a superior to reduce his workload.
  - (c) Briefly explain the elements involved in the above concept. 6
25. Maslow's Need Hierarchy is considered fundamental to understanding of motivation'. In the light of this statement, explain 'Motivation' and Maslow's Need Hierarchy Theory of Motivation. 6

## MODEL QUESTION PAPER—2

**Class—XII (C.B.S.E.)**

**Business Studies**

**Time Allowed : Three Hours**

**Maximum Marks : 80**

**General Instructions :** Same as in Model Question Paper – 1.

1. Which promotional of marketing mix costs nothing to the marketer? 1
2. Name the types of organization in which standards of behaviour are evolved by mutual consent among the members. 1
3. At which level first line managers perform their jobs? 1
4. Name the type of training which involves shifting a trainee from one job to another. 1
5. "A leader does not wait for the opportunities rather he grabs them". This statement is related to which quality of a good leader? 1
6. Rupali is not satisfied with the orders of the District forum and decided to appeal. Suggest her the highest authority where she could appeal if not satisfied again by the decision of the next higher authority. 1
7. 'No Smoking'. Which type of plan is it? 1
8. Name the term which is associated to pass benefit of debt in the capital structure to the shareholders. 1
9. Natasha the student of class XII Commerce attended the lecture on the features of management wherein she was taught that the management is intangible force but she was not convinced as she opines that management is what managers do and managers can be seen and touched and hence not intangible. Do you agree with her view? Justify with your reason. 3
10. Principles of management enable the managers to learn from the past and conserve time by solving recurring problems quickly. Identify and explain the importance of management principle highlighted above. 3
11. Aastha runs a factory where he manufactures staple machines. The business is flourishing and he decides to expand business by entering into files manufacturing also. Which type of organization structure would you recommend for the expanded organization and why? Give any two reasons. 3
12. Kamal & Company is a large manufacturing unit. Recently the company had conducted time and motion studies and concluded that on an average, a worker could produce 300 units per day. However, it has been noticed that the average daily production of the workers is only in the range of 200-225 units.
  - (a) Name the function of management which deals with conducting work studies. 3
  - (b) Suggest two measures that a manager should take to ensure that the performance is as per time and motion studies. 3
13. MsGeeta went to a shop to buy a watch. The shopkeeper forced her to buy a particular brand of watch among many other brands irrespective of her willingness to buy. Identify and explain the right of MsGeeta as a consumer, has been exploited. 3
14. "A manager thinks that he is not responsible for the quality of the work which he has delegated to his subordinate." Do you agree with his view? Give reason in support of your answer. 4

15. In an electrical goods manufacturing company, there are four main activities Marketing, Production, Finance and Personnel. The General Manager is planning to structure its organisation. Which type of organisation structure should he adopt and why? Give two reasons. 4
16. Surinder is working as a supervisor in a company. Due to his hard work, he is promoted to the post of Production Manager. Now the post of supervisor is vacant and no one can be transferred or promoted to this post.
- (a) Name the source of recruitment the company will use to fill up this post.
- (b) State any three advantages of using this source of recruitment. 4
17. Speed Automobiles Ltd. is going to announce its acquisition over Wing Cars Ltd. Mr. Jain, one of the directors of Speed Automobiles, knew that the company would announce bonus shares in the next meeting and he expected the price to rise. Thus, he bought 20,000 shares of the company in the name of his wife. After the acquisition, the price increased by ₹ 12. Mr. Jain sold all his shares and made a huge profit.
- (a) Acquisition of Wing Cars Ltd. by Speed Automobiles Ltd. involves which type of decision? State any two of its features.
- (b) Name the act committed by Mr. Jain? Is it permissible by law?
- (c) Identify the values that lack in Mr. Jain? 4
18. 'Advertising encourages sale of inferior and dubious products' and 'advertising confuses rather than helps'. Do you agree? Give reasons. 4
19. Identify the following associated with liberalization, privatization & globalization:
- (a) Allowing private power distribution companies instead of state owned electricity board
- (b) Reduction in tax rates and lifting of unnecessary controls over the economy.
- (c) Disinvestment of loss making government sector enterprises.
- (d) Rationalisation of the tariff structure and reforms with respect to foreign exchange. 4
20. White Paper Manufacturing Ltd. appoints Ms. Radhika as a supervisor of their production department. She is very kind and tries to guide her subordinates in the best possible manner. She also encourages them to formulate their individual goals and seek ways to achieve them. However, sometimes message is transmitted in a language which is not understandable by the subordinates resulting in certain deviations in the organisation. As a solution to this problem, organisation decides to initiate a one month training programme. Organisation, supervisors and subordinates are expecting some benefits as a result of the training programme.
- (a) Which style of leadership is followed in the organisation?
- (b) What type of communication barrier exists in the organisation?
- (c) Write any two benefits of the training programme initiated by the organisation.
- (d) What positive values are exhibited by Ms. Radhika? 5
21. XYZ Ltd. believes that the members of an organization should have a drive to work towards fulfillment of common organisational goals. Team work and integration of efforts of all employees is expected, as every employee and every department depends on each other for information and resources to complete their task.
- (a) Identify and explain the concept of management discussed in the above case.
- (b) State any three features of the concept identified in (a). 5
22. Due to increased competition in the market, a car manufacturing company is launching new models in the market. These models have air bag feature for consumers? safety. The prices are also competitive.
- (a) Identify and quote the line referring to type of plan being used here.
- (b) State the steps that may be involved in making the plan a success. 5

23. Prahlad is working as a supervisor in Niramay Limited. He successfully convinces his workforce to get the work done, listens the problems and attends their grievances timely. He always tries to solve the conflicts among the workers and sends their appropriate suggestions to the production manager.
- (a) Apart from supervision, briefly explain other functions of directing are performed by MrPrahlad?
  - (b) Explain any three points of importance of directing. 6
24. 'Various tools of communication are used by the marketers to promote their products.'
- (a) Why do companies use all tools at the same time?
  - (b) Name and explain the most commonly used non-personal tool of promotion which is paid for by the marketer.
  - (c) Which tool of promotion will primarily be used for the following?
    - (1) To promote or protect a company's image or its individual products.
    - (2) An existing product meant for mass usage by literate people.
    - (3) To introduce a new product to a particular class of people through door-to-door visits.
    - (4) To attract attention of the people by using incentives. 6
25. Neelabh is engaged in transport business and transports fruits and vegetables to different states. Stating the reason in support of your answer, identify the working capital requirement of Neelabh. He also wants to expand and diversify its transport business, explain any two factors that will affect his fixe capital requirements. 6

## MODEL QUESTION PAPER—3

**Class—XII (C.B.S.E.)**

### **Business Studies**

**Time Allowed : Three Hours**

**Maximum Marks : 80**

**General Instructions :** Same as in Model Question Paper – 1.

1. Which system of wage payment motivates workers towards higher productivity? 1
2. Supreme Court directed to the central government to shift mobile towers from the residential areas based on public interest litigation filed by the group of residents' welfare associations of various cities as these have been creating health issues for the general public. Name the type of plan being referred here. 1
3. Name the concept which suggests that only significant deviations which go beyond the permissible limit should be brought to the notice of management 1
4. Identify the style of leadership in which the leader makes use of negative approach to get the work done. 1
5. This method of new issues pre-emptive right to the existing shareholders over such securities." Which method of floatation is highlighted in the given statement? 1
6. Amut Garments Limited earned a profit of 50 crores. The Finance Manager of the company wants to decide how to appropriate these profits. Which financial decision will help in deciding it? 1
7. One of the promotional tools of marketing emphasise on deliberate, planned and sustained effort to establish and maintain mutual understanding between an organisation and its public. Identify the promotional tool referred here. 1
8. Gauri went to market to buy a bottle of fruit jam. What should she check on the label in order to safeguard herself while consuming the jam? 1
9. Dobnita bought a piece of cloth for Rs.1,000 to get a dress stitched. Her tailor detected a defect in the cloth piece. Give three relief that are available to Debonita and also give three responsibilities which she must take care off to avail the relief under the Act. 3
10. The production manager of an automobile company asked the foreman to achieve a target production of 200 units (scooters) per day but he did not give him the authority to requisition tools and materials from the stores department.
  - (a) Can the production manager blame the foreman if he is not able to achieve the desired target? 3
  - (b) Explain principles relating to the situation. 3
11. MrJasminder is responsible for implementation of the plans formulated in an organization. Explain any other three functions of MrJasminder in accordance with his level of management. 3
12. The Vice president of a company formulates specific goals along with the activities to be undertaken to achieve goals. It is not limited to top level of management whereas planning is done by departmental heads and supervisors by peeping into the future, analysing and predicting the future.
 

Identify the features of planning referred in the above paragraph by quoting the lines. 3
13. The production manager of Honda Cars (India) Ltd. could not achieve the target production of 15,000 cars p.a. He could get the output for 14,500 units of cars. He analysed the reasons and found that employees were not efficient. He planned the training programs and he was able to get the production as desired. He is of the opinion that once the targets are achieved, the purpose of controlling ends.
 

Do you agree with the views of production manager? Give reason in support of your answer. 3

14. Mr. Ajay purchased a T.V. with a guarantee of one year. He did not receive the receipt slip and cash memo. After one month, the T.V. started giving troubles. Do you think he will be able to get remedy against the loss caused by the technical troubles of his T.V.? Give reason in support of your answer. 4
15. Himanshu is doing his transport business in Delhi. His buses are generally used for the tourists going to Jaipur and Agra. Identify any two working capital requirements of Amar giving reason in support of your answer. Further Himanshu also wants to expand and diversify his Transport Business. Enumerate any two factors that will affect his fixed capital requirements. 4
16. Prabhakar purchased an ISI Mark electric iron from Bharat Electricals. Since it was not working properly, so he approached seller. Seller satisfied Prabhakar by saying that he would ask manufacturer to replace iron. Manufacturer refused to replace and Bharat Electricals decided to file complaint in consumer court.
- (a) Which consumer right has been exercised by Prabhakar?
- (b) Can Bharat Electricals do this? Why or why not?
- (c) If not, what remedy is available to Mr Prabhakar? 4
17. New Heights Limited is planning to expand its business and planning to raise additional funds from the market by offering securities to the public. The market is in boom position and the investors are ready to take risk in the long term securities. Issue of securities will require huge floatation cost and the company is already facing liquidity problems and in order to raise additional funds, it raised funds from the money market to arrange the issue of securities.
- (a) Name the market through which the funds can be raised for expansion.
- (b) Which security would be preferred by the company to raise additional funds by quoting the lines?
- (c) Which kind of money market instrument would be appropriate to finance floatation cost? 4
18. Indian Tech Gadgets Limited has been in existence for the last two decades manufacturing electronic gadgets for Indian customers. It holds almost 80% of the market and got an information with the help of an employee working at Ministry of External Affairs that big giant Cola Global Electronics Limited is entering the Indian market which holds its presence in several countries.
- Sensing this threat, it convinced its workers to increase its production to three fold and assured the employees would be well paid 20 % of its profits as super bonus after one year. The employees did work days and nights and did not let global giant to capture its share. The management finding a big share of profit being lost, it did not pay any attention to the demands of the workers. Workers felt disheartened.
- (a) Identify and explain the importance of business environment highlighted in the above case.
- (b) Name the principle of Fayol which is violated in the above Write any two advantages of following the above principle. 4
19. Sood and company are running a T.V. manufacturing company successfully. They planned to expand their business activities by adding more line of products i.e., radio, C.D. and D.V.D. Which type of structure would you recommend for their expansion? Explain in brief. 4
20. How would you correct the following?
- (a) Labour turnover
- (b) Decline in the quality
- (c) Defective Machinery
- (d) Defective Process
- (e) Lack of appropriate physical conditions 5
21. 'Viyo Ltd.' is a company manufacturing textiles. It has a share capital of Rs.60 lakhs in the form of equity shares of Rs. 10 each. The earning per share in the previous year was Rs. 0.50. For diversification, the company requires additional capital of ` 40 lakhs. The company raised funds by issuing 10% debentures

- for the same. During the current year the company earned profit of Rs. 8 lakhs on capital employed. It paid tax @ 40%.
- (a) State whether the shareholders gained or lost, in respect of earning per share on diversification. Show your calculations clearly.
- (b) Also, state any three factors that favour the issue of debentures by the company as part of its capital structure. 5
22. Abhinav, Gautam and Nitin are good friends. They are thinking to start a business of manufacturing bicycle tyres. They mutually decided to set up the tyre manufacturing unit in a rural area of Bihar where limited job opportunities were available. As a result, labour is available at very low rates. They also decided not to sell goods on credit basis.
- (a) State the objective of management highlighted in the case by quoting the lines.
- (b) What type of plan is adopted by Abhinav, Gautam and Nitin?
- (c) Identify the values depicted in the above case. 5
23. Soft and Silk Enterprises is manufacturing soft toys. It decides to increase its profits as the festive season is approaching very fast, the production manager identifies and prescribes the following alternatives to its management:
- (a) To deal with the local manufacturers for the manufacturing of goods.
- (b) To contact garment manufacturing companies and use their waste material to manufacture soft toys.
- (c) To increase the production capacity and focus on more sale.
- After weighing pros and cons of each proposal, the management of the company decides to opt option (b) as the most feasible, profitable, and least negative consequences to cut down the cost and increase the profits and to let out its manufacturing unit to other local players.
- (a) Identify and explain the function of management involved in the above case.
- (b) Identify and explain the steps of the above function involved in the decision making by quoting the lines. 6
24. Mr Rana has been appointed as Production Manager by Midways Steels Limited to give new heights to the objectives of the company. He is very strict to ensure the work is done and results are achieved in time. If it doesn't happen so, he takes strict action. Employees are not given any opportunity to interact while they are working. As a result, the results are achieved but quality has been falling and labour turnover is increasing at an alarming rate.
- (a) By quoting the lines, identify the type of leadership style being adopted by Mr. Rana.
- (b) Suggest which type of leadership should be adopted so that labour turnover can be stopped.
- (c) Identify and explain briefly the type of communication is not taking place among the employees.
- (d) Give two suggestions to improve the communication system. 6
25. Inspired by the project work in business studies in class XII on business environment, the students of 'The Gurukul School' decided to start a not for profit organisation to recycle all the waste papers of the school and manufacture registers for the underprivileged children coming to the school in the evening. The idea was highly appreciated by their business studies teacher and principal too agreed to finance the plant for the same.
- (a) Which element of marketing is associated in the above case?
- (b) State any two decisions the students need to take before manufacturing the registers?
- (c) Suggest any three precautions while deciding the name of the registers. 6