



CBSE

ADDITIONAL PRACTICE QUESTIONS Business Studies (054) Class XII | 2023–24

Time allowed: 3 Hours

Maximum marks: 80

General Instructions:


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.

Section A

Serial No.	Question	Marks
1	Vedant Ltd. is a company with a decreasing EBIT. The company has a significant amount of debt in the form of debentures, and further borrowing through debentures could exacerbate the situation. Which factor determining the Capital Structure is the CFO of Vedant Ltd. primarily concerned about? (a) cost of debt (b) return on investment (c) interest coverage ratio (d) debt service coverage ratio	1
2	What is the primary strategic focus of the company, considering its "The Complete Man" tagline, top position in the menswear industry, and longstanding collection that has enriched a modern gentleman's wardrobe for decades?	1



	<p>(a) ensuring ethical sourcing (b) reinforcing cultural heritage (c) establishing a unique identity (d) maximising production efficiency</p>	
3	<p>Which scenario BEST illustrates the impact of rapidly changing technology on businesses?</p> <p>(a) A software company is disrupted by a new entrant that offers a more user-friendly interface and a lower price point. (b) A manufacturing company is forced to automate its production line in order to compete with lower-cost overseas competitors. (c) A traditional brick-and-mortar retailer is forced to close its doors after online retailers offer lower prices and a wider selection of products. (d) A financial services company is forced to invest in new technology in order to meet the demands of its customers for online and mobile banking services.</p>	1
4	<p>Daniel and Andrew are two friends engaged in their respective businesses. Daniel concentrates on producing products that meet the needs of producers and sells whatever is produced by any means necessary. Andrew believes in achieving the firm's goals through understanding the needs of consumers and delivering the right products to them and constantly monitoring competitors.</p> <p>Which Marketing Management Philosophies do Daniel and Andrew adhere to in their businesses?</p> <p>(a) Product and Selling (b) Selling and Marketing (c) Marketing and Product (d) Production and Product</p>	1
5	<p>Zebronics Technology Solutions, a leading tech company, recently announced its plan to raise additional funds to fuel its expansion and research initiatives. The company's board of directors approved an offer to the existing shareholders to purchase additional shares at a discounted price. This offer will be available for a specific period.</p> <p>How is Zebronics Technology Solutions planning to raise additional funds in the primary market, while offering its existing shareholders the opportunity to purchase more shares?</p> <p>(a) conducting an e-IPO to reach a wider digital audience (b) privately placing shares with select institutional investors (c) launching an Initial Public Offering to enter the stock market (d) issuing right shares for existing shareholders at a discounted price</p>	1

6	 <p>Identify the feature of Coordination illustrated in the picture.</p> <p>(a) pervasive function (b) deliberate function (c) continuous process (d) integrates group efforts</p>	1
7	<p>Which of the following statements accurately represents one of the protective functions of SEBI in real-life scenarios?</p> <p>(a) It is responsible for managing government budgets and allocating funds for various developmental projects. (b) It ensures the safety and security of data transmitted during online trading transactions. (c) It promotes and regulates the insurance industry to safeguard policyholders' interests. (d) It monitors and regulates the securities market to protect investors and maintain market integrity.</p>	1
8	<p>A company's sales have been declining for the past three quarters. The manager has decided to implement a new control system to try to improve sales. Which of the following control systems would be the most effective in this situation?</p> <p>(a) A budget system that sets targets for sales and profits. (b) A performance appraisal system that evaluates the performance of sales staff. (c) A quality control system that ensures that products meet customer expectations. (d) A survey that measures customer satisfaction with the company's products and services.</p>	1
9	<p>Ms. Arundhati, the CEO of Sunlife Ltd., is delivering a speech to a group of investors. She is emphasising the significance of the company's success and achievement, which relies on the support of customers, shareholders,</p>	1















	<p>suppliers, and intermediaries. She also discusses how establishing a positive association with these parties contributes to enhancing the company's public image in the market.</p> <p>What is the primary goal of Ms. Arundhati's speech?</p> <p>(a) to increase sales</p> <p>(b) to generate positive publicity</p> <p>(c) to improve the company's image</p> <p>(d) to build relationships with stakeholders</p>	
10	<p>Read the following statements: Assertion (A) and Reason(R). Choose the correct alternative from those given below:</p> <p>(A): The Supervisory Level performs the activities according to the plans of Top and Middle level management.</p> <p>(R): The Supervisory Level motivates the employees and boosts their morale.</p> <p>(a) Both (A) and (R) are true and (R) is the correct explanation of (A)</p> <p>(b) Both (A) and (R) are true but (R) is not the correct explanation of (A)</p> <p>(c) (A) is true but (R) is false</p> <p>(d) (A) is false but (R) is true</p>	1
11	<p>Which step of the Organising Process involves stating the job description, a document that clearly defines the contents and responsibilities related to a job?</p> <p>(a) Departmentalization</p> <p>(b) Assignment of duties</p> <p>(c) Establishing reporting relationships</p> <p>(d) Identification and division of work</p>	1
12	<p>Give below are two statements marked as Assertion (A) and Reason (R). Read the statements and choose the correct option.</p> <p>A: Planning and controlling are interdependent and interlinked.</p> <p>R: Planning provides the goals and objectives that the controlling function uses to measure performance.</p> <p>(a) Both A and R are true, but R is not the correct explanation of A.</p> <p>(b) Both A and R are true, and R is the correct explanation of A.</p>	1



	(c) A is true, but R is false. (d) A is false, but R is true.	
13	<p>Statement I: Channel of distribution is important as goods are produced at one place and customers are scattered all over in the nook and corner of the country, so the producer needs to distribute the goods through middlemen.</p> <p>Statement II: Physical movement of goods is transportation of goods from place of production to place of ultimate consumption.</p> <p>Choose the correct option from the following:</p> <p>(a) Statement I is true and II is false (b) Statement II is true and I is false (c) Both the statements are true (d) Both the statements are false</p>	1
14	<p>Startup 20 India Chair Chintan Vaishnav highlighted the G20 startup group's goal of pushing for \$1 trillion investment in the global startup ecosystem. Which of the following dimensions of the Business Environment will this goal most likely to influence?</p> <p>(a) fiscal policy of the government (b) foreign policy of the government (c) foreign trade policy of the government (d) foreign exchange policy of the government</p>	1
15	<p>What is the significance of delegation in the scenario where Sara, as a superior, entrusts her authority to Tiara, her subordinate, to enable her learning, skill development, and better chances of promotion?</p> <p>(a) facilitation of growth (b) effective management (c) employees' development (d) motivation of employees</p>	1
16	<p>Given below are two statements marked as I and II respectively. Read both statements and choose the correct option.</p> <p>I: Demutualisation refers to the legal structure of an exchange whereby the ownership, the management and the trading rights at the exchange are segregated from one another.</p> <p>II: Demutualisation refers to the process by which a public share company converts into a mutual company.</p> <p>Choose the correct option from the following:</p> <p>(a) I is true and II is false</p>	1



	<p>(b) II is true and I is false (c) Both I and II are true (d) Both I and II are false</p>													
17	<p>The GST Council, during its 50th meeting, resolved a prolonged debate on the tax treatment of online gaming, casinos, and horse racing, deciding to impose a 28% levy on bets and wagers for all three activities and amend GST laws to include online gaming.</p> <p>Which of the following is the most likely impact of the GST council's decision on businesses in the industry?</p> <p>(a) The cost of doing business will increase, leading to higher prices for consumers. (b) Businesses will move their operations to other countries with lower tax rates. (c) The government will receive more revenue from taxes. (d) The industry will become more competitive.</p>	1												
18	<p>Match the following P's of Marketing Mix with their explanation and choose the correct option:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">A. Price: - it is the amount that a customer pays for to enjoy it.</td> <td style="width: 5%; text-align: center;">1</td> <td style="width: 35%; text-align: center;"></td> </tr> <tr> <td>B. Promotion: - it helps to grab the attention of the customers and influence them to buy the product.</td> <td style="text-align: center;">2</td> <td style="text-align: center;"></td> </tr> <tr> <td>C. Product: - it is a commodity, produced or built to satisfy the need of an individual or a group. It can be intangible or tangible.</td> <td style="text-align: center;">3</td> <td style="text-align: center;"></td> </tr> <tr> <td>D. Place: - which is easily accessible to potential buyers/customers.</td> <td style="text-align: center;">4</td> <td style="text-align: center;"></td> </tr> </table> <p>(a) A (3), B (1), C (4), D (2) (b) A (1), B (3), C (4), D (2)</p>	A. Price: - it is the amount that a customer pays for to enjoy it.	1		B. Promotion: - it helps to grab the attention of the customers and influence them to buy the product.	2		C. Product: - it is a commodity, produced or built to satisfy the need of an individual or a group. It can be intangible or tangible.	3		D. Place: - which is easily accessible to potential buyers/customers.	4		1
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	(c) A (4), B (3), C (2), D(1) (d) A (2), B (4), C (1), D (3)	
19	<p>What aspect of the profession is exemplified in the scenario where Ayesha needs to register herself as a member of ICAI to become a Chartered Accountant?</p> <p>(a) Service motive (b) Restricted entry (c) Professional association (d) Ethical code of conduct</p>	1
20	<p>Which of the following is a result of globalisation that has contributed to the rationalisation of tariff structures?</p> <p>(a) the formation of trade blocs (b) increased competition among businesses (c) enhanced ease of international business transactions (d) governments facing pressure to reduce barriers to attract foreign investment</p>	1
21	<p>Elon Reeve Musk is a top-level executive with diverse leadership roles of:</p> <p>a) Founding and leading companies such as SpaceX, Tesla, and The Boring Company.</p> <p>b) Assuming the roles of CEO and Product Architect to guide Tesla's operations and innovations.</p> <p>c) Engaging in engineering and technical aspects to drive the development of SpaceX's projects.</p> <p>What are the three essential functions he is likely performing in his positions?</p>	3
22	<p>Paul, the Manager of a manufacturing unit in Noida, employed various strategies to address the production shortfall of 850 balls out of the 1,000-ball target. Furthermore, what crucial initial steps he might have overlooked during the process of analysing deviations and implementing corrective measures?</p> <p style="text-align: center;">OR</p> <p>How can a regional manager of a retail chain enhance operational efficiency and maximise profits by analysing deviations in sales performance among different stores? Some outlets consistently exceed sales targets, while others struggle to meet their goals. To address these disparities, the regional</p>	3



	manager aims to implement two management techniques for analysing deviations. Explore these two techniques in detail.	
23	Examine the multifaceted advantages of external recruitment in the context of an organisation's workforce. Elaborate on how this recruitment strategy contributes to elevating overall performance and competitiveness.	3
24	Design a comprehensive investment plan for a person seeking advice on short-term investment options, outlining three specific instruments of the money market that can be recommended for short-term investments. Provide detailed explanations for each instrument, their benefits, and how they can effectively aid this person achieve their financial goals. OR Demonstrate your understanding of SEBI's regulatory functions by designing the steps SEBI should take to investigate and resolve a suspected case of fraudulent activities by a listed company.	3
25	The manager of a team in a fast-paced IT company, notices a decline in employee motivation and productivity. Outline how he can use Maslow's theory to identify and address the various needs of his employees. OR The HR manager of Starflight Ltd., has to develop an employee motivation and engagement strategy that focuses on non-financial incentives. Highlight and explain the various types of non-financial incentives she can introduce to foster a positive work environment.	4
26	The allocation of resources for employee training and development has long-term value for the organization's growth and sustainability. OR Provide a detailed explanation of each of the following steps in the selection process that can maximise the chances of potential candidates of being selected for the management position. a) Preliminary Screening b) Selection Tests c) Employment Interview d) Final Interviews and Decision-making	4
27	What are the key responsibilities that consumers must fulfill to ensure they are protected under Consumer Protection Act?	4



28	<p>Sameer has been given a task of evaluating the financial performance of two companies, Alfa Ltd. and Beltex Ltd., in the same industry. Both companies have been trading on equity as part of their financial strategy. Given is the information that Sameer received. Which company is using trading on equity more effectively?</p> <p>Alfa Ltd.:</p> <p>Total Assets: Rs. 500,000</p> <p>Equity Capital: Rs. 300,000</p> <p>Debt Capital: Rs. 200,000</p> <p>Net Income: Rs. 50,000</p> <p>Beltex Ltd:</p> <p>Total Assets: Rs. 800,000</p> <p>Equity Capital: Rs. 400,000</p> <p>Debt Capital: Rs. 400,000</p> <p>Net Income: Rs. 60,000.</p>	4
29	<p>Analyse the following scenarios and identify the specific barriers to effective communication in each case:</p> <p>Scenario 1: During a team meeting, two team members from different status have different interpretations of a project's deadline. As a result, they end up working on different timelines, causing confusion and delays.</p> <p>Scenario 2: In an email exchange between team members, one team member uses technical jargon and industry-specific terms that others may not fully understand. As a result, some team members misinterpret the message, leading to misunderstandings and misaligned tasks.</p> <p>Scenario 3: A team member consistently interrupts others during team discussions, not allowing them to express their ideas fully. This behavior leads to frustration among team members and limits open and constructive communication.</p> <p>Scenario 4: During a virtual team meeting, poor internet connectivity causes frequent disruptions and audio glitches. As a result, some team members miss crucial information, and the overall meeting efficiency is reduced.</p>	4
30	<p>Analyse the following scenarios and identify the specific factors that may affect the financial decisions of the company.</p> <p>Scenario 1: The company is considering expanding its production capacity</p>	4



	<p>by investing in new machinery and technology. This expansion will require a significant upfront investment, but it is expected to increase production efficiency and potentially open new market opportunities.</p> <p>Scenario 2: The company is contemplating taking on debt to fund its expansion plans. By leveraging debt financing, the company can accelerate its growth and take advantage of current market opportunities.</p> <p>Scenario 3: The company's management is evaluating a cost-cutting initiative to improve profitability and reduce operating expenses. They are considering workforce restructuring and optimising the supply chain to achieve higher cost efficiency.</p> <p>Scenario 4: The company is exploring the option of entering new international markets to diversify its revenue sources and reduce dependence on the domestic market.</p>	
31	<p>a) How can the principle of "Discipline" positively impact employee behaviour and performance in the manufacturing company?</p> <p>b) Explain how a performance-based remuneration system aligns with the principle of "Remuneration," and how it can motivate employees to improve their discipline and productivity.</p> <p style="text-align: center;">OR</p> <p>2. The manager of a retail store has a team of ten sales associates. To improve efficiency, she decides to implement the principle of "Division of Work" and delegate specific tasks to each team member. However, one sales associate is unhappy with their assigned responsibilities and believes they should have more authority in decision-making.</p> <p>a) How can the principle of "Division of Work" help improve the store's efficiency and productivity?</p> <p>b) How can the manager balance the delegation of tasks while ensuring appropriate authority is given to each team member? Explain in three points.</p>	6
32	<p>Explain any three of the the following Concepts by F.W.Taylor:</p> <p>a) Differential Piece Wage Rate System</p> <p>b) Mental Revolution</p> <p>c) Harmony not Discord</p> <p>d) Functional Foremanship</p> <p style="text-align: center;">OR</p> <p>A project manager working on a high-profile construction project which involves constructing a state-of-the-art sports stadium with multiple</p>	6



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	facilities. As he starts the planning phase, he realises that there are several potential limitations associated with planning. Identify six limitations commonly associated with the planning phase.	
33	The CEO of a fast-growing tech company has asked the head of operations to lead a workshop for department heads on effective planning. The workshop will cover different types of plans, including strategies, policies, programme, objectives, rules and procedures. The goal is to enhance their understanding of these planning components and how they contribute to the company's success. Write six points to include in this workshop.	6
34	Define the three primary levels of packaging in the context of product distribution, and provide a real-life example for each level.	6