



## INDIAN SCHOOL AL WADI AL KABIR

### DEPARTMENT OF COMMERCE

### TERM 1- SAMPLE PAPER

**CLASS XII**  
**TIME: 90 Minutes**

**SUB: BUSINESS STUDIES**  
**MAX. MARKS:40**

*General instructions:*

- 1. The Question Paper contains 3 sections.*
- 2. Section A has 24 questions. Attempt any 20 questions.*
- 3. Section B has 24 questions. Attempt any 20 questions.*
- 4. Section C has 12 questions. Attempt any 10 questions.*
- 5. All questions carry equal marks.*
- 6. There is NO negative marking.*

| SECTION A |   |
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| 1         | <p>Aarav has recently started a business to sell computers. He hired shop in Nehru Place in New Delhi, where he assembles computers and various components, supplies them as per order. He performs a series of composite but separate functions simultaneously and ensures that computers are delivered in time as per orders. These functions are performed by all managers at all times. The feature of management highlighted here is:</p> <ol style="list-style-type: none"><li>Management is a continuous process</li><li>Management is pervasive</li><li>Management is a dynamic function</li><li>Management is a group activity</li></ol> |
| 2         | <p>Planning has no meaning unless it contributes to the achievement of predetermined organisational goals. Identify the feature of planning from above statement:</p> <ol style="list-style-type: none"><li>planning focuses on achieving objectives</li><li>Planning is futuristic</li><li>planning is continuous</li><li>Planning is pervasive</li></ol>  |

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| 3 | <p>Which one of the following is not a marketing mix?</p> <ul style="list-style-type: none"> <li>a, Product</li> <li>b, Physical distribution</li> <li>c, Product pricing</li> <li>d, Production process</li> </ul>  |
| 4 | <p>At times business may concentrate more on producing goods with fewer resources I.e., cutting down cost but not achieving the target production. Consequently, the goods do not reach the market and hence the demand for them declines and competitors enter the market. This is a case of:</p> <ul style="list-style-type: none"> <li>a, Being efficient but not effective</li> <li>b, Being effective but not efficient</li> <li>c, Being both effective and efficient</li> <li>d, All of these</li> </ul>  |
| 5 | <p>The principles of management enhance the understanding of the relationship between human and material resources for the achievement of organisational goals. Identify the feature of the principles of management being described in the given statement.</p> <ul style="list-style-type: none"> <li>a, Cause and effect relationships</li> <li>b, Optimum utilisation of resources and effective administration</li> <li>c, Formed by practice and experimentation</li> <li>d, Mainly behavioural</li> </ul> |
| 6 | <p>Which one of the following is a marketing management philosophy?</p> <ul style="list-style-type: none"> <li>a, Societal marketing concept</li> <li>b, Distribution concept</li> <li>c, Direct marketing concept</li> <li>e, Channel concept</li> </ul>  |
| 7 | <p>The growing awareness about healthcare has led to an increase in the demand for healthcare products and services in the country. Identify the feature of business environment being described in the above case.</p> <ul style="list-style-type: none"> <li>a, Dynamic nature</li> <li>b, Uncertainty</li> <li>c, Relativity</li> <li>d, Interrelatedness</li> </ul>  |
| 8 | <p>Which one of the following factors is not relevant to price fixation?</p> <ul style="list-style-type: none"> <li>a, Obtaining market leadership</li> <li>b, Age of an organisation</li> <li>c, Value for money</li> <li>d, Product differentiation</li> </ul>   |
| 9 | <p>Name the process which co-ordinates human efforts, assembles resources and integrates both into a unified whole to be utilised for achieving specified objectives,</p> <ul style="list-style-type: none"> <li>a, Management</li> </ul>  |

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|    | <ul style="list-style-type: none"> <li>b, Planning</li> <li>c, Organising</li> <li>d, Directing</li> </ul>  |
| 10 | <p>It requires application of intelligent imagination and sound judgement. it determines the action to be taken with the logical and systematic thinking. identify the feature of one of the function of management.</p> <ul style="list-style-type: none"> <li>a, It involves decision making.</li> <li>b, It is a mental exercise</li> <li>c, It is futuristic.</li> <li>d, It is pervasive</li> </ul>  |
| 11 | <p>It is defined as the framework within which managerial and operating tasks are performed.</p> <ul style="list-style-type: none"> <li>a, Span of management</li> <li>b, Organisational structure</li> <li>c, Informal organisation</li> <li>d, None of the above</li> </ul>   |
| 12 | <p>Rahim wanted to start with a stationery business to reach the students of schools and colleges to provide stationery to them. He felt that students were not able to get the needed stationery easily and hence wanted to provide the stationery directly in the school. He listed out the various of setting up this business and finally selected the best way to set up this business by developing the app. Suggest what should be the next step to be followed by him:</p> <ul style="list-style-type: none"> <li>a, alternative courses of action</li> <li>b, Identifying ii) Evaluating alternative courses of action i</li> <li>c, Implementation of plan</li> <li>d, follow up</li> </ul> |
| 13 | <p>A cardboard box consisting of 10 packs of toothpaste is an example of:</p> <ul style="list-style-type: none"> <li>a, primary packaging.</li> <li>b, secondary packaging</li> <li>c, transportation packaging.</li> <li>d, none of these</li> </ul>   |
| 14 | <p>In order to boost and double India's export of goods and services to over USD 1,000 billion by 2025, it is important to lower effective corporate tax rate, bring down cost of capital and simplify regulatory and tax framework. Identify the related dimension of business environment.</p> <ul style="list-style-type: none"> <li>a, Social dimension and Legal dimension</li> <li>b, Technological dimension and Political dimension</li> <li>c, Political dimension and Social dimension</li> <li>d, Economic dimension and Legal dimension</li> </ul>  |

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| 15 | <p>Mohan is engaged in the manufacturing of refrigerators. He surveyed the market and found that customers need a refrigerator with a separate provision of water cooler in it. He decided and launched the same refrigerator in the market. Identify the marketing philosophy involved.</p> <p>a, Marketing concept.<br/> b, selling concept<br/> c, product concept.<br/> d, production concept</p>        |
| 16 | <p>Planning instructs business organisations to follow a certain methodology. If there is a deviation in the plan, there is a possibility of loss. Which one of the following limitation is indicated here:</p> <p>a, Reduces creativity<br/> b, Lack of flexibility<br/> c, May not work in dynamic environment<br/> d, Does not provide guarantee to success</p>   |
| 17 | <p>Folk Ltd. Is a leather bags manufacturing company. The company is using prohibited animal skin to make leather bags, in order to satisfy some of its customers. Which Marketing concept is being violated in the given case?</p> <p>a, Product concept<br/> b, Production concept<br/> c, Societal Marketing concept<br/> d, Marketing concept</p>  |
| 18 | <p>In order to get feedback about its recently launched immunity booster ayurvedic medicine, Atulya Ltd. Conducted online survey using a questionnaire, to gather consumers view and opinions. Identify the marketing function being used by Atulya limited.</p> <p>a, standardization<br/> b, product designing.<br/> c, consumers support service.<br/> d, gathering and analysing market information.</p> |
| 19 | <p>The Delhi Government imposes ban on use, storage, sale and manufacture of plastic after considering its adverse impact on environment and ecology. Which principle of Fayol is mentioned in the above decision.</p> <p>a, Initiative<br/> b, Division of work<br/> c, Esprit de corps<br/> d, None of these</p>   |
| 20 | <p>Identify the type of organisational structure which makes training of employees easier, as the focus is only on a limited range of skills.</p> <p>a, Network structure<br/> b, Divisional structure</p>   |

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|                  | <p>c, Functional structure<br/>d, Matrix structure</p>  |
| 21               | <p>Manmeet went to a shop and expressed her desire to buy a copper water bottle only of Prestige company. Identify the component related to branding being described in the above case.</p> <p>a, Trademark<br/>b, Generic name<br/>c, Brand name<br/>d, Brand mark</p>   |
| 22               | <p>Digi Locker is the country's first secured cloud-based platform for the storage, issuance and verification of documents with the Driving Licence &amp; Vehicle Registration System of the Road Transport Ministry. The integration of a government department with Digi Locker since its launch last year is one of the biggest of its kind. It will spare 1 people the trouble of carrying licences &amp; vehicle papers, which can be accessed on phones using the Digi Locker app. Identify the related dimension of business environment.</p> <p>a, Economic dimension<br/>b, Technological dimension<br/>c, Social dimension<br/>d, Political dimension</p> |
| 23               | <p>Rishabh has joined as a Creative Head in an entertainment company. He always ensures that the work has been divided into small and manageable activities and also the activities of similar nature are grouped together. Identify the related step in organising process being mentioned in the above lines.</p> <p>a, Identification and division of work<br/>b, Departmentalization<br/>c, Assignment of duties<br/>d, Establishing reporting relationships</p>  |
| 24               | <p>Sharing of gains with the workers is the objective of the principle:</p> <p>a, Harmony, not discord<br/>b, Science, Not rule of Thumb<br/>c, Cooperation, Not Individualism<br/>d, Development of each and every person to his or her greatest efficiency</p>  |
| <b>SECTION B</b> |   |
| 25               | <p>'Twinkle Stars' is a well-known resort for organising parties, especially for children. However, in past 6 months its popularity has reduced considerably as a new resort with better ambience and facilities has opened within its vicinity. Name the related feature of business environment which has influenced the business of 'Twinkle Stars' adversely.</p> <p>a, Totality of external forces</p>   |

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|    | <ul style="list-style-type: none"> <li>b, Dynamic nature</li> <li>c, Interrelatedness</li> <li>d, Uncertainty</li> </ul>   |
| 26 | <p>Planning precedes other functions as all the other managerial functions are performed within the framework of planning. Identify the feature of planning from above statement:</p> <ul style="list-style-type: none"> <li>a, Planning is futuristic</li> <li>b, Planning is continuous</li> <li>c, Planning is primary function of management</li> <li>e. Planning involves decision making</li> <li>f.</li> </ul>  |
| 27 | <p>Anita decided to start a business of selling dress material from her house. She did various online service to find out about the preferences of prospective customers. Based on this, she prepared a detailed analysis of the business. She then made important decisions including deciding about the features, quality, packaging, labelling and branding of the dress material. Identify the element of marketing mix discussed above.</p> <ul style="list-style-type: none"> <li>a, Production.</li> <li>b, Market</li> <li>c, Product.</li> <li>d, Place</li> </ul>  |
| 28 | <p>According to the United Nations Environmental Agency, the world produces around 300 million tons of plastic each year, half of which constitutes single-use items. Ford is recycling over one billion plastic bottles every year to develop elements of the car's interior, reducing the amount of plastic ending up in a landfill. The American car maker has revealed that their Romanian-built Eco Sport SUVs' carpets are made using 470 recycled single-use plastic bottles. The process for making Ford EcoSport carpets involves shredding bottles and their caps into tiny flakes and then heating them to 260° C. Identify the related dimension of business environment.</p> <ul style="list-style-type: none"> <li>a, Economic dimension</li> <li>b, Social dimension</li> <li>c, Technological dimension</li> <li>d, Political dimension</li> </ul> |
| 29 | <p>The objective of management which consistently creates economic values for various sections of society is:</p> <ul style="list-style-type: none"> <li>a, Organisational Objectives</li> <li>b, Social Objectives</li> <li>c, Personal Objectives</li> <li>d, Both Social and Personal Objectives</li> </ul>   |
| 30 | <p>Which component of product mix provides status symbol as the advantage to customer?</p> <ul style="list-style-type: none"> <li>a, labelling.</li> </ul>   |

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|    | <ul style="list-style-type: none"> <li>b, branding</li> <li>c, packaging.</li> <li>d, none of these</li> </ul>  |
| 31 | <p>“Through motivation and leadership, the management helps individuals to develop team spirit, cooperation and commitment to group success” Identify the point of importance of management highlighted above.</p> <ul style="list-style-type: none"> <li>a, Management helps in achieving group goals</li> <li>b, Management increases efficiency</li> <li>c, Management creates a dynamic organisation</li> <li>d, Management helps in achieving personal objectives</li> </ul> |
| 32 | <p>Organising is a process by which the manager</p> <ul style="list-style-type: none"> <li>a, Establishes order out of chaos</li> <li>b, Removes conflict among people over work or responsibility</li> <li>c, Creates an environment suitable for teamwork</li> <li>d, All of the above</li> </ul>   |
| 33 | <p>The application of this principle of management leads to higher production and better work for the same effort. Identify the related principle of general management.</p> <ul style="list-style-type: none"> <li>a, Discipline</li> <li>b, Equity</li> <li>c, Division of work</li> <li>d, Order</li> </ul>  |
| 34 | <p>Identify the type of organisational structure which makes training of employees easier, as the focus is only on a limited range of skills.</p> <ul style="list-style-type: none"> <li>a, Network structure</li> <li>b, Divisional structure</li> <li>c, Functional structure</li> <li>d, Matrix structure</li> </ul>   |
| 35 | <p>To which level of management do managers of first line belongs?</p> <ul style="list-style-type: none"> <li>a, Lower level</li> <li>b, Top level</li> <li>c, Middle level</li> <li>d, None of the above</li> </ul>  |
| 36 | <p>Competition in the market can also upset financial plans, sales targets have to be revised accordingly, cash budget also needed to be modified. Identify the limitation of planning.</p> <ul style="list-style-type: none"> <li>a, Planning may not work in dynamic environment</li> <li>b, Planning leads to rigidity</li> <li>c, Planning is time consuming</li> <li>d, Planning involves decision making</li> </ul>   |

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| 37 | <p>“Profit maximization as the objective of management does not hold true and is fast changing. Therefore, if an Organisation has a good management team that is efficient and effective it automatically serves society by providing good quality products at reasonable prices. Identify the characteristic of the profession that is not fully present in management.</p> <ul style="list-style-type: none"> <li>a , Ethical code of conduct</li> <li>b, Restricted entry</li> <li>c , Professional association</li> <li>d Service motive</li> </ul>   |
| 38 | <p>The main function of .....is to provide information regarded by law.</p> <ul style="list-style-type: none"> <li>a, labelling.</li> <li>b, packaging</li> <li>c, branding.</li> <li>d, Both A and B</li> </ul>  |
| 39 | <p>The process by which manager integrates and synchronizes the activities of different departments is called</p> <ul style="list-style-type: none"> <li>a, Management</li> <li>b, Controlling</li> <li>c, Planning</li> <li>d, Coordination</li> </ul>   |
| 40 | <p>The objective of marketing departments of S Lodi’s to increase the sales by 10% by offering discounts. But, the finance department may not approve of such discounts as it means loss of revenue. These kinds of conflict arise in organizations because each department is performing activities in isolation of other departments and barriers between departments are becoming more rigid. Identify the point of importance of coordination to which this case is related:</p> <ul style="list-style-type: none"> <li>a, Growth in size</li> <li>b, Functional differentiation</li> <li>c, Specialisations</li> <li>d, None of the above</li> </ul> |
| 41 | <p>A manager is required to make certain assumptions about the future which may be in the form of forecast. This step of planning is known as</p> <ul style="list-style-type: none"> <li>a, Follow up</li> <li>b, Developing Premises</li> <li>c, Evaluating alternative courses of action</li> <li>d, Identifying alternative courses of action</li> </ul>   |
| 42 | <p>Name the principle of management suggested by Henri Fayol, which advocates that, “there should be good superiors at all levels, clear and fair agreement and judicious application of penalties.”</p> <ul style="list-style-type: none"> <li>a, Authority and responsibility.</li> </ul>   |



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|    | <p>b, Esprit De Corps<br/> c, Order<br/> d, None of the above</p>  |
| 43 | <p>Assertion (A ): Tata differentiates it's three quality of tea with three different labels ( Tata Agni ,Tata Premium and Tata Gold).<br/> Reason ( R ) : labelling helps to describe a product and specify its contents.<br/> a, Both assertion ( A ) and reason ( R ) are correct.<br/> b, Assertion (A) is wrong but reason ( R ) is correct.<br/> c, Assertion ( A ) is correct but reason ( R ) is wrong.<br/> d, Both assertion ( A ) and Reason ( R ) wrong</p>  |
| 44 | <p>Name the level of management at which the managers are responsible for implementing and controlling the plans and strategies of the organization.<br/> a, Top level management<br/> b, Middle level management<br/> c, Lower level management<br/> d, None of the above</p>   |
| 45 | <p>Planning requires peeping into near future, analysing it and predicting it. Identify the related feature of planning.<br/> a, Planning is futuristic<br/> b, Planning is goal oriented<br/> c, Planning is mental exercise<br/> d, Planning focuses on achieving objectives</p>   |
| 46 | <p>The Basic aim of Functional foremanship is:<br/> a, Not to provide free time to workers<br/> b, To separate Top level management from Chief Executive officers<br/> c, To separate planning functions from executive functions<br/> d, Not to divide the work</p>   |
| 47 | <p>Manav has decided to start a business of manufacturing crockery and cutlery items. In order to give a unique identification to his products, he has decided to assign the brand name 'Opel' as it will enable the firm to secure and control the market for its products. Identify the relative advantage of branding to the marketers being described in the above case.<br/> a , Facilitates differential pricing<br/> b, Ease in the launching of new products<br/> c, Facilitates product differentiation<br/> d, Assists in advertising and display programmes</p> |
| 48 | <p>Assertion (A) Planning seeks to bridge the gap between where we are and where we want to go.<br/> Reason (R) It provides some standards against which actual performance is measured.</p>   |

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|    | <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 and 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>   |
|    | <b>SECTION C</b>  |
|    | <p>Read the following text and answer Question No. 49 to 52 on the basis of the same:<br/> 'Himalaya Ltd. Is engaged in manufacturing of washing machines. The target of the organisation is to manufacture 500 washing machines in a day. There is an occupational specialisation in the organisation which promotes efficiency to employees. There is no duplication of efforts in such type of organisation structure.</p> |
| 49 | <p>Identify the organisation structure in the above paragraph?</p> <p>a, Divisional</p> <p>b, Functional</p> <p>c, Matrix</p> <p>d, None of the above</p>   |
| 50 | <p>Which feature of above identified structure is highlighted in the above para?</p> <p>a, Increase cost</p> <p>b, Occupational specialisation</p> <p>c, Duplication of efforts</p> <p>d, None of the above.</p>  |
| 51 | <p>How the above structure leads to efficiency?</p> <p>a, No duplication of efforts</p> <p>b, Increase cost</p> <p>c, Departmentalisation</p> <p>d, None of the above</p>   |
| 52 | <p>Which of the following is not a feature of the structure identified above?</p> <p>a, Occupational specialization</p> <p>b. No duplication of efforts</p> <p>c, Improves efficiency</p> <p>d, None of the above</p>   |
| 53 | <p>It flows downwards, from superior to subordinate:</p> <p>a, Authority</p> <p>b, Accountability</p> <p>c, Responsibility</p> <p>d, None of these</p>  |

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| 54 | <p>The extent of _____ decides the power that each job position enjoys in the organisation.</p> <ul style="list-style-type: none"> <li>a, Authority</li> <li>b, Responsibility</li> <li>c, Delegation</li> <li>d, Decentralisation</li> </ul>  |
| 55 | <p>With the introduction of photocopier machines in the market the carbon paper industry was badly affected. Which component of environment was responsible for it</p> <ul style="list-style-type: none"> <li>a, Economic</li> <li>b, Political</li> <li>c, Technological</li> <li>d, All of the above</li> </ul>  |
| 56 | <p>On visiting a supermarket to buy a pack of moisturizer, Harsha noticed that the packaging of most of the beauty products exhibited a photograph of a celebrity. Identify the related function of packaging being described in the given case.</p> <ul style="list-style-type: none"> <li>a, Facilitates the use of product</li> <li>b, Assists in promotion of the product</li> <li>c, Helps in product identification</li> <li>d, Provides protection to the product</li> </ul>  |
| 57 | <p>_____ is father of Modern Marketing.</p> <ul style="list-style-type: none"> <li>a, Abraham Maslow</li> <li>b, Lester Wunderman</li> <li>c, Peter Drucker</li> <li>d, Philip Kotler</li> </ul>   |
| 58 | <p>Formation of major plan and framing of overall policies is the task of top level managers whereas departmental managers form plan for their respective departments. And lower level managers make plans to support the overall objectives and to carry on day to day activities. Identify the feature of planning highlighted above:</p> <ul style="list-style-type: none"> <li>a, Planning is continuous</li> <li>b, Planning is futuristic</li> <li>c, Planning is pervasive</li> <li>d, Planning involves decision making</li> </ul> |
| 59 | <p>Rishab, 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?</p> <ul style="list-style-type: none"> <li>a, Unity of command</li> <li>b, Remuneration of employees</li> <li>c, Scalar chain</li> <li>d, Gang plank</li> </ul>   |

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| 60 | <p>The sales manager assigned a target of selling 40 RO water Purifiers in a month to a group of 10 sales executives. They mutually decided to sell 4 purifiers each. However, after selling 1 purifier, Kshitij (one of the sales executives) met with an accident. The other executives did not pay any attention to the remaining target of Kshitij and concentrated on their individual sales target. At the end of the month, only 37 purifiers could be sold. Identify the principle of management violated in the given case?</p> <ul style="list-style-type: none"><li>a, Esprit de corps</li><li>b, Stability of personnel</li><li>c, Remuneration of employees</li><li>d, Equity</li></ul> |
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