



B.K. BIRLA CENTRE FOR EDUCATION

SARALA BIRLA GROUP OF SCHOOLS
A CBSE DAY-CUM-BOYS' RESIDENTIAL SCHOOL

TERM-1 EXAMINATION (2026-27) CLASS XII, BUSINESS STUDIES (054)

Class: XII

SET-2

Time: 3hr

Date: 7/09/2026

Max Marks: 80

Admission no:

Roll no:

General Instructions:

1. Please check this question paper contains 6 printed pages.
2. This question paper contains 34 questions.
3. Marks are indicated against each question.
4. Answers should be brief and to the point.
5. Answers to the questions carrying 3 marks may be from 50 to 75 words.
6. Answers to the questions carrying 4 marks may be about 150 words.
7. Answers to the questions carrying 6 marks may be about 200 words.
8. Attempt all parts of the questions together.

Q1. Galaxy Foods Ltd. achieved its target of producing 50,000 packets of snacks during the month. However, due to poor inventory planning, it incurred heavy storage costs and excessive wastage. [1]

The company can be said to be:

- | | |
|----------------------------------|-------------------------------------|
| (a) Efficient but not effective | (b) Effective but not efficient |
| (c) Both efficient and effective | (d) Neither efficient nor effective |

Q2. The Board of Directors of Orion Motors Ltd. decided to introduce electric buses in the market. The departmental heads prepared departmental plans, while supervisors ensured workers followed production schedules on the shop floor. [1]

Who among the following belongs to operational management?

- | | |
|------------------------|------------------------|
| (a) Board of Directors | (b) Departmental Heads |
| (c) Supervisors | (d) CEO |

Q3. A sales executive receives instructions only from the Regional Sales Manager even though the Marketing Manager also wants to assign work. [1]

Which principle of Fayol is being followed?

- | | |
|------------------|----------------------|
| (a) Equity | (b) Unity of Command |
| (c) Scalar Chain | (d) Order |

Q4. After conducting several experiments, the production manager fixed one best method of assembling LED televisions and instructed every worker to follow that method. [1]

Which principle of Scientific Management is illustrated?

- | | |
|------------------------------------|--------------------------------|
| (a) Harmony, not Discord | (b) Science, not Rule of Thumb |
| (c) Cooperation, not Individualism | (d) Division of Responsibility |

Q5. Assertion (A): Gang Plank allows employees at the same level to communicate directly in special situations. [1]

Reason (R): Gang Plank completely eliminates the Scalar Chain in an organisation.

- (a) Both A and R are true, and R is the correct explanation.
- (b) Both A and R are true, but R is not the correct explanation.
- (c) A is true, but R is false.
- (d) A is false, but R is true.

Q6. The Government announced a reduction in GST rates on electric vehicles to encourage consumers to purchase eco-friendly transport. [1]

This represents which dimension of Business Environment?

- (a) Political (b) Economic
- (c) Social (d) Technological

Q7. Consumers are increasingly demanding sugar-free beverages. Beverage companies are frequently changing their product formulations to satisfy these preferences. [1]

This illustrates which feature of Business Environment?

- (a) Dynamic Nature (b) Relativity
- (c) Inter-relatedness (d) Uncertainty

Q8. ABC Ltd. prepared a detailed production schedule for the winter season. Unexpected floods disrupted transportation, delaying deliveries. [1]

This situation highlights the limitation of planning that:

- (a) Planning reduces creativity.
- (b) Planning leads to rigidity.
- (c) Planning may not work in a dynamic environment.
- (d) Planning guarantees success.

Q9. The HR manager carefully studied future manpower requirements before recruiting additional employees. [1]

Which step of planning is being performed?

- (a) Selecting an Alternative (b) Developing Premises
- (c) Setting Objectives (d) Identifying Alternative Courses of Action

Q10. Assertion (A): Planning provides direction to all managerial activities. [1]

Reason (R): Planning clearly defines organisational objectives and the methods to achieve them.

- (a) Both A and R are true and R is the correct explanation.
- (b) Both A and R are true but R is not the correct explanation.
- (c) A is true but R is false.
- (d) A is false but R is true.

Q11. A Production Manager delegated authority to his assistant for purchasing raw materials but remained answerable for the final outcome. [1]

Which element of delegation is reflected?

- (a) Authority
- (b) Responsibility
- (c) Accountability
- (d) Informal Authority

Q12. A company manufacturing mobile phones grouped all employees working in Production, Marketing, Finance and Human Resource into separate departments. [1]

This organisational structure is:

- (a) Matrix Structure
- (b) Functional Structure
- (c) Divisional Structure
- (d) Project Structure

Q13. The management organised orientation programmes, workshops and technical courses for newly recruited engineers to improve their competencies. [1]

Which step of Staffing is illustrated?

- (a) Recruitment
- (b) Selection
- (c) Training and Development
- (d) Placement

Q14. Identify the type of training: [1]



- (a) Apprenticeship training
- (b) Vestibule training
- (c) Induction
- (d) Internship

Q15. **Assertion (A):** Vestibule training is conducted away from the actual workplace. [1]

Reason (R): It allows employees to learn using equipment similar to that used in the workplace without disturbing actual production.

- (a) Both A and R are true and R is the correct explanation.
- (b) Both A and R are true but R is not the correct explanation.
- (c) A is true but R is false.
- (d) A is false but R is true.

Q16. **Assertion (A):** Financial incentives alone are sufficient to motivate every employee. [1]

Reason (R): Employees have different needs and expectations that influence motivation.

- (a) Both A and R are true, and R is the correct explanation of A
- (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

Q17. Arrange the communication process in the correct order: [1]

- | | | | |
|-------------|-------------|---------------|--------------|
| i. Feedback | ii. Sender | iii. Encoding | iv. Receiver |
| v. Decoding | vi. Message | vii. Channel | |

Options:

- | | |
|--------------------------------|--------------------------------|
| (a) ii, iii, vi, vii, iv, v, I | (b) ii, vi, iii, vii, iv, v, i |
| (c) ii, iii, vii, vi, iv, v, I | (d) vi, ii, iii, vii, iv, v, i |

Q18. Which of the following is NOT a characteristic of controlling? [1]

- (a) It is a continuous process.
- (b) It helps in achieving organisational goals.
- (c) It can eliminate all deviations completely.
- (d) It is pervasive in nature.

Q19. Three companies adopted different approaches: [1]

Company A: Measures performance before comparing it with standards.

Company B: Compares performance without measuring actual performance.

Company C: Measures actual performance, compares it with standards and analyses deviations before taking corrective action.

Which company follows the correct controlling process?

- | | |
|---------------|-----------------------------|
| (a) Company A | (b) Company B |
| (c) Company C | (d) Company A and Company C |

Q20. **Statement I:** Controlling provides feedback for future planning. [1]

Statement II: Planning and Controlling are independent functions.

Choose the correct answer.

- (a) Statement I is true but Statement II is false.
- (b) Statement I is false but Statement II is true.
- (c) Both statements are true.
- (d) Both statements are false.

Q21. Green Nest Appliances Ltd. manufactures energy-efficient kitchen appliances. During its initial year, the company earned enough revenue only to cover its operating expenses. After reviewing its performance, the management decided to: [3]

- Introduce solar-powered kitchen appliances.
- Open a manufacturing unit in a rural area to generate employment.
- Invest in research to develop eco-friendly products.

- (a) Identify and explain the objectives of management discussed in the above case. (2 marks)
- (b) State any two values the company wants to communicate to society. (1 mark)

Q22. Changing lifestyles have increased the demand for online fitness programmes. Fit Life Academy, earlier operating through physical centres, launched an AI-based fitness application. Customers could now subscribe, track progress and consult trainers online. This resulted in a significant increase in enrolments. [3]

Identify and explain the dimension of Business Environment highlighted above. Also explain any two points of importance of Business Environment.

Q23. (A) Explain any three features of Functional Structure. [3]

OR

(B) Explain any three advantages of Divisional Structure.

Q24. (A) Explain any three Semantic Barriers to Communication. [3]

OR

(B) Explain any three Personal Barriers to Communication.

Q25. TechNova Ltd. manufactures smart watches. To complete urgent export orders, employees were regularly asked to work beyond office hours. Due to excessive workload, many employees became less productive. In addition, some workers started receiving instructions from both the Production Manager and the Quality Manager. Gradually, cooperation among employees declined and conflicts increased. Identify and explain any three principles of management violated in the above case by quoting the relevant lines. [4]

Q26. A garment manufacturing company conducted time study, motion study, and developed standard methods for stitching garments. Workers were trained to follow the prescribed methods, resulting in reduced fatigue and higher productivity. [4]

(a) Identify and explain the techniques of Scientific Management used in above case.

(b) Explain any two other techniques of Scientific Management.

Q27. (A) The Government announced subsidies for electric tractors. Aggrotech Ltd. immediately began designing electric farm equipment. The company recruited engineers and organised training programmes before launching the new products.

By quoting the lines, explain any four points showing the importance of understanding Business Environment. [4]

OR

(B) A smartphone company immediately upgraded its production after the Government announced satellite-based mobile communication services.

Identify and explain any four features of Business Environment visible in the above situation.

Q28. Bright Solutions Ltd. regularly evaluates employee performance against predetermined standards. Employees whose performance falls below expectations are provided specialised technical training. Before assigning them to new roles, the company also conducts orientation programmes. [4]

(A) Name the function of management being performed.

(B) Identify and explain the two steps highlighted.

(C) Explain any two earlier steps of this process.

Q29. EcoBuild Ltd. manufactures solar panels. To motivate employees, deserving workers were promoted to permanent jobs, while outstanding performers received the "Innovator of the Year Award." [4]

(a) Identify and explain the incentives provided.

(b) Explain the needs satisfied according to Maslow's Need Hierarchy Theory.

Q30. (A) Explain the following terms with appropriate scenario: [4]

- (i) Critical Point Control
- (ii) Management by Exception

OR

(B) Explain any four features of Controlling.

Q31. (A) Nova Consumer Products Ltd. manufactures home appliances and has separate departments for Production, Finance, Marketing and Human Resource. Due to increasing customer demand and market expansion, the company diversified into manufacturing kitchen appliances, air purifiers, smart home devices and solar appliances. The management realised that the existing organisational structure was no longer suitable for handling multiple product lines efficiently. [6]

(a) Identify and explain the organisational structure that Nova Consumer Products Ltd. should adopt. Give one reason for your answer.

(b) Explain any two advantages of this organisational structure:

OR

(B) Differentiate between Authority, Responsibility and Accountability on the basis of:
Meaning , Origin, Delegation, Flow

Q32. The HR Manager of Elite Retail Ltd. has been asked to recruit 30 Customer Relationship Executives for its expanding online business. [6]

Describe, in the correct sequence, any six steps involved in the Selection Process, briefly explaining each step.

Q33. The employees of FutureTech Solutions Ltd. receive attractive salaries and enjoy excellent working conditions. However, the HR Manager observed that employees lacked enthusiasm because they rarely received appreciation for their work, had limited opportunities for promotion and were seldom entrusted with challenging assignments. [6]

(a) Identify the motivational theory applicable in the above case.

(b) Explain all the levels of the theory and suggest suitable measures the company should adopt to improve employee motivation.

Q34. Skyline Electronics Ltd. fixed a monthly production target of 25,000 LED televisions with maximum wastage limited to 3%. At the end of the month, actual production was 22,000 units, while wastage increased to 6%. Investigation revealed that outdated machinery, shortage of skilled workers and irregular maintenance were responsible for the poor performance.

(A) Explain all the steps involved in the Controlling Process with reference to the above case. Also suggest suitable corrective measures. [6]

OR

(B) Urban Fashion Ltd. prepared an annual sales plan expecting a revenue of Rs 25 crore. Midway through the year, consumer demand shifted towards sustainable clothing. The CEO immediately instructed the design team to introduce eco-friendly products and directed the marketing department to redesign promotional campaigns accordingly. She also advised managers to continuously monitor changes in customer preferences while preparing future plans.

(a) Explain the relationship between Planning and Controlling with reference to the case.

(b) Identify and explain the corrective actions taken by the CEO.
