



# B.K. BIRLA CENTRE FOR EDUCATION

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

PRE-BOARD 2 EXAMINATION, 2025-26

BUSINESS STUDIES 054

SET-B

Class: XII

Date: 17/12/2025

Admission no:

Time: 3 Hrs.

Max Marks: 80

Roll no:

## General Instructions:

1. Please check this question paper contains 7 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.

1) **Assertion (A):** Coordination is the essence of management.

**Reason (R):** Coordination is required at all levels and through all functions of management.

**Choose one of the correct Options given below:**

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

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2) Jasmine Ahluwalia is the manager of an artefacts museum's marketing team, responsible for promoting exhibitions and events. In the previous season, she defined the total work of managing the events into graphic designing, registration inquiries, bill payments, etc, in order to facilitate specialisation. However, instead of allocating work, she had assigned each team member the full responsibility of managing the promotion of an entire event. In spite of holding regular team meetings to take feedback, Jasmine found problems throughout the events season in the quality of graphic design, registration inquiry, bill payments, etc,. For the upcoming events season, Jasmine has decided to divide these responsibilities on the basis of her observation of the areas in which the individual team members have excelled in the previous season and allocate the roles based on their skills and competencies. Identify the step in the organising process which was not properly performed in the previous season but has been duly performed for the upcoming season.

- (a) Identification and division of work
- (b) Establishing reporting relationships
- (c) Departmentalisation
- (d) Assignment of duties

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3) Read the following statements: Assertion (A) and Reason (R). Choose the correct alternative from those given below:

**Assertion(A):** Financial Planning aims at enabling the company to tackle the uncertainty in respect of the availability and timing of the funds.

**Reason(R):** Capital structure refers to the mix between owners' and borrowed funds

Alternatives :

- (a) Both Assertion (A) is false and Reason (R) are true.
  - (b) Both Assertion (A) and Reason (R) are false.
  - (c) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of the Assertion.
  - (d) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of the Assertion.
- 1

4) 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?

- (a) ensuring ethical sourcing
  - (b) reinforcing cultural heritage
  - (c) establishing a unique identity
  - (d) maximising production efficiency
- 1

5) Which scenario BEST illustrates the impact of rapidly changing technology on businesses?

- (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.
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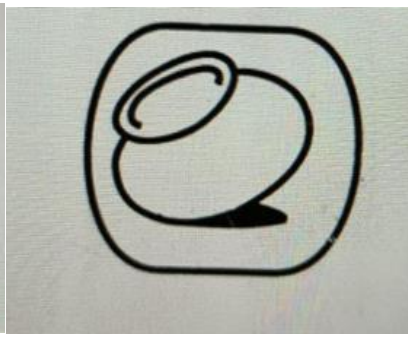
6) Daniel and Andrew are two friends engaged in their respective businesses. Daniel concentrates on producing products that meet the needs of producers and sells whatever is produced by any means necessary. Andrew believes in achieving the firm's goals through understanding the needs of consumers and delivering the right products to them and constantly monitoring competitors. Which Marketing Management Philosophies do Daniel and Andrew adhere to in their businesses?

- (a) Product and Selling
  - (b) Selling and Marketing
  - (c) Marketing and Product
  - (d) Production and Product
- 1

7) 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. 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?

- (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
- 1

8) Identify the responsibility that a consumer fulfills when he looks for the quality marks given below:



- (a) Assert yourself to ensure that you get a fair deal
- (b) Getting a proper receipt
- (c) Buy only standardised products
- (d) Be honest in your dealings

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9) Which of the following statements accurately represents one of the protective functions of SEBI in real-life scenarios?

- (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

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10) 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?

- (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.

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11) 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, 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.

What is the primary goal of Ms. Arundhati's speech?

- (a) to increase sales
- (b) to generate positive publicity
- (c) to improve the company's image
- (d) to build relationships with stakeholders

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12) Read the following statements: Assertion (A) and Reason(R). Choose the correct alternative from those given below:

**Assertion (A):** The Supervisory Level performs the activities according to the plans of Top and Middle level management.

**Reason (R):** The Supervisory Level motivates the employees and boosts their morale.

- (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

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13) **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.

**Statement II:** Physical movement of goods is transportation of goods from place of production to place of ultimate consumption.

Choose the correct option from the following:

- (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

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14) 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?

- (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

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15) 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?

- (a) facilitation of growth
- (b) effective management
- (c) employees' development
- (d) motivation of employees

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16) **Match the statements given in column I with the characteristic of business environment given in column II:**

	Column I		Column II
(a)	Increased demand of Khakhra and Thepla in the region of Gujarat as compared to Delhi region	i.	Uncertainty
(b)	Digital academic certificates are issued to students accessible in a secured manner to eliminate undesirable practices like corruption and manipulation of records under Digital India Initiative. Such technological improvements are happening at a very fast pace.	ii	Dynamic
(c)	Fashion market is facing both opportunities and challenges. Therefore it is difficult to predict the future of the fashion market.	iii	Relativity
(d)	A new government will result in changing government rules, fiscal policies, market conditions etc	iv	Interrelatedness

Choose the correct option from the following:

- A. (a)-(iii), (b)-(ii), (c)-(i), (d)-(iv)
- B. (a)-(ii), (b)-(i), (c)-(iii), (d)-(iv)
- C. (a)-(iv), (b)-(ii), (c)-(i), (d)-(iii)
- D. (a)-(iii), (b)-(i), (c)-(ii), (d)-(iv)

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17) CVX Ltd. was a leading company, manufacturing home appliances like food processors, juicers, and mixer grinders. The company was earning good profits and was paying high dividends to its shareholders consistently. The company now decided to manufacture soup-making machines, pop-up

toasters, and new electric irons. The company wanted to enter more emerging markets outside India. Entering these markets will require additional capital investment, which will facilitate production and distribution infrastructure, etc. For this, the management decided to retain money out of earnings to finance the required investment and distribute smaller dividends to shareholders. The factors affecting the dividend decision which was kept in mind by the management of CVX Ltd. for entering into emerging markets and launching new products was:

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(A) Amount of Earnings (B) Stability of Earnings (C) Stability of Dividends (D) Growth Opportunities

18) What are the factors that affect financing decisions?

- (a) Cash flow position of the company
- (b) Stability of earnings
- (c) Degree of financial risk
- (d) Contractual constraints
- (e) State of capital market
- (f) Level of competition

Choose the correct alternative from the following:

- A. (b), (c) and (f)
- B. (d), (e) and (f)
- C. (a), (c) and (d)
- D. (a), (c) and (e)

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19) 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?

- (a) Service motive
- (b) Restricted entry
- (c) Professional association
- (d) Ethical code of conduct

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20) Read the following statements carefully:

**Statement I:** Cost of debt is lower than cost of equity for a company.

**Statement II:** The objective of financial management is to increase shareholder's wealth.

In the light of given statements, choose the correct alternative from the following:

- A. Both the statements are true.
- B. Both the statements are false.
- C. Statement I is true, Statement II is false.
- D. Statement II is true, Statement I is false.

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21) 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- all target. Furthermore, what crucial initial steps he might have overlooked during the process of analysing deviations and implementing corrective measures?

**OR**

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 manager aims to implement two management techniques for analysing deviations. Explore these two techniques in detail.

3

22) State the meaning of single use plans and standing plans

**OR**

State how planning

- (I) reduces creativity
- (II) leads to rigidity.

3

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) From the following information regarding Aditya Ltd. which is in the business of manufacturing green tea, calculate the Return on Investment and Interest Coverage Ratio of the company: (Show working)

Earning before interest and tax Rs 15,00,000

10% debentures ₹ 12,00,000

Equity Share Capital (₹10 each) Rs 18,00,000

Tax Rate 40% 3

25) The General manager of a reputed organisation, Mr. Agastaya Lokhande, made the following announcement at the Annual General Meeting of the company- "When we think of a brand, we think of reputation, but the reputation is made or broken by the quality of products and customer representation. If people are miserable, they can't give their best work and the brand suffers. On the contrary, positive results can be observed if there is job satisfaction, effective and efficient functioning."

(I) Identify and explain the feature of management discussed by Mr Agastaya in his announcement.

(II) Explain any three reasons that make management important to any organisation. 4

26) The allocation of resources for employee training and development has long-term value for the organization's growth and sustainability. 4

**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

27. When Bhaanupriya joined as technical head of Logic Lotus Innovators, she was keen on increasing the productivity and profitability of the company. However, she observed that the employees were demotivated as no attention was given to their work. Also, the workers were given little freedom to make decisions.

Bhaanupriya decided to stimulate the employees by giving each worker Tshirts with their name on it. She also decided to include workers in work committees. This helped in improving the performance of the workers.

(I) On the basis of the understanding of Maslow's Need Hierarchy Theory of motivation, identify the human need that Bhaanupriya has recognised in order to make the subordinates act towards achievement of organisational goals.

(II) Identify and explain two incentives that have been provided by Bhanupriya to improve the performance of the employees. 4

28) Explain how Planning and controlling are both backward looking, as well as forward looking functions. 4

**OR**

The first step in the controlling process is setting up performance standards. Explain the subsequent two steps in the process of controlling.

29) When Chandrashekhar Shukla returned to India after completing a Certificate course in Food Quality Assurance and Quality Control from the Netherlands, he was convinced that he would fulfil his grandfather's dream of converting their 58 acre land into a fertile farm. He started by setting out specific goals and laid down related activities to be performed to achieve the goals. Soon he launched his own company 'Food and Agribusiness Solutions Private Limited'. He sought to ensure that the

future events effectively meet the best interest of the company. He prepared an annual statement for production and sales, based on sales forecasting. He noticed that the farmers grew only paddy due to which land remained idle for the subsequent 8 to 9 months of the year. He identified and assessed various alternatives through which farms could be utilised for the remaining months of the year. Through his accurate vision, judgement and systematic thinking based on analysis of the facts, he presented a scheme to the farmers where both paddy and vegetables could be grown. Identify and explain the features of one of the functions of Management highlighted above. 4

30) Give any four points of difference between advertising and personal selling. 4

31) 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

32) Differentiate between functional structure and divisional structure on the basis of: 6

- (I) Formation
- (II) Specialisation
- (III) Responsibility
- (IV) Managerial development
- (V) Cost
- (VI) Coordination

**OR**

‘Delegation helps a manager to extend his area of operations as without it, his activities would be restricted to only what he himself can do.’

In light of the above statement, explain how effective delegation helps the organisation in achieving objectives.

33) Leena has been appointed as the Operations Manager in a small trading company dealing in garments, with growing online sales. The company has recently rented space in a warehouse to store garments and mail out orders. In order to take over the responsibilities of order fulfilment, Leena promotes an associate, Kushagra to the post of Inventory and Order fulfilment Supervisor. Kushagra has been given the task to assess whether it is best to process orders as they come in or let them accumulate and then to process them in batches. He concludes that accumulating and then processing them in batches is the best way of fulfilling orders, in order to minimise cost and maximise customer satisfaction. Through several readings Leena finds that the standard time taken from the placement of order to the delivery of garments for a batch of 100 pieces is 72 hours. This helped her to determine the labour cost.

On the basis of the understanding of concepts of scientific management, Identify and explain the techniques used by Leena and Kushagra to improve the performance of the employees. 6

Q34) a) How can the principle of "Discipline" positively impact employee behaviour and performance in the manufacturing company? 6

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.

**OR**

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.

- a) How can the principle of "Division of Work" help improve the store's efficiency and productivity?
- b) How can the manager balance the delegation of tasks while ensuring appropriate authority is given to each team member? Explain in three points.

\*\*\*\*\*ALL THE BEST\*\*\*\*\*