



**BK BIRLA CENTRE FOR EDUCATION**  
SARALA BIRLA GROUP OF SCHOOLS  
SENIOR SECONDARY CO-ED DAY CUM BOYS' RESIDENTIAL SCHOOL



**MID TERM EXAMINATION 2024-25**

**BUSINESS STUDIES (054)**

Class : **XII Commerce**  
Date : **21/09/2024**  
Name : \_\_\_\_\_

Duration: **3hrs.**  
Max. Marks: **80**  
Exam No.:

**General Instructions:**

**Read the following instructions very carefully and strictly follow them:**

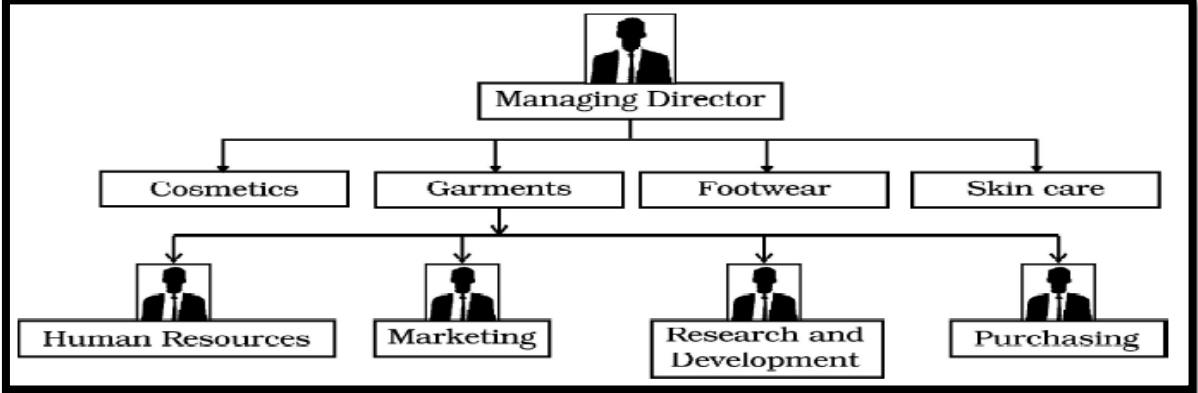
- i. This question paper contains **34 questions**. All questions are compulsory.
- ii. Marks are indicated against each question.
- iii. Answers should be brief and to the point.
- iv. Answers to the questions carrying **3 marks** may be from **50 to 75 words**.
- v. Answers to the questions carrying **4 marks** may be in about **150 words**.
- vi. Answers to the questions carrying **6 marks** may be in about **200 words**.
- vii. **Attempt all parts of a question together.**

<b>Questions no. 1 to 20 are Multiple Choice Questions (MCQs)</b>		
1.	<b>The main task of this level of management is to determine the overall organisational objectives and strategies for their realisation.</b> (a) Operational management (b) Middle level management (c) First line managers (d) Top level management	(1)
2.	<b>Jay is working as a marketing manager in a company. Has been given the task of selling 100000 units of a product at the cost of Rs100 per unit within 20 days. He is able to sell all the units within the stipulated time, but had to sell last 1000 units at 20% discount in order to complete the target. In such a situation, he will be considered to be</b> (a) An efficient manager (b) An effective manager (c) Both effective and efficient manager (d) None of the above	(1)
3.	<b>Assertion (A): Differential piece wage system is a technique which does not differentiate between efficient and less efficient workers.</b> <b>Reason (R): Differential piece wage system acts as an incentive for less efficient workers to be motivated to perform better.</b> <b>In the context of the above two statements, which one of the following is correct?</b> <b>Codes</b> (a) Assertion and Reason are true and Reason is the correct explanation of Assertion (b) Assertion and Reason are true and Reason is not the correct explanation of Assertion (c) Assertion is true but Reason is false (d) Assertion is false but Reason is true	(1)

4.	<b>A purchase manager of a company has to purchase 500 tonnes of raw material. Apart from the other suppliers in the market, his son also supplies that raw material. The manager purchases the raw material from the firm of his son at a rate higher than the market rate, which principle of management has been violated by this situation?</b> (a) Unity of command (c) Subordination of Individual Interest to General Interest	(b) Unity of direction (d) Equity	(1)
5.	<b>In what two departments did Taylor divide the work of a factory manager?</b> (a) Department of Planning and Production (c) Department of Planning and Marketing	(b) Department of Planning and Finance (d) Department of Planning and Research	(1)
6.	<b>'She/he keeps machines, materials, tools etc., ready for operations by concerned workers'. Whose work is described by this sentence under functional foremanship?</b> (a) Instruction Card Clerk (b) Repair Boss (c) Gang Boss (d) Route Clerk		(1)
7.	<b>'SK Builders' became the market leader in the designer house segment as it was the first to recognize the need of using Artificial Intelligence in designing houses in the changing environment of technological advancement. This highlights the following point of importance of business environment :</b> (a) It helps to identify threats and early warning signals. (b) It enables the firm to identify opportunities and getting the first mover advantage. (c) It helps in tapping useful resources. (d) It helps in improving performance.		(1)
8.	<b>Any kind of external devices, like compact discs (CD's) for computer, have become obsolete. Google, with its 'Google Drive' service, Apple with its 'iCloud' offering, enables the users store documents, photos, music and movies on web-based servers. Identify the feature of business environment being described in the above lines.</b> (a) Relativity (b) Dynamic nature (c) Uncertainty (d) Interrelatedness		(1)
9.	<b>What is known as the primary function of management?</b> (a) Controlling (b) Organising (c) Planning (d) Staffing		(1)
10.	<b>Plans are prepared for a specific period of time, may be for a month, a quarter or a year. At the end of that period, there is a need for a new plan to be drawn on the basis of new requirements and future conditions. The feature of planning reflected in the above lines is :</b> (a) Planning is futuristic (c) Planning is pervasive (b) Planning is continuous (d) Planning is a mental exercise		(1)
11.	<b>According to the Economic Survey, insights from behavioural economics can be strategically utilised to create an aspirational agenda for social change – from BBBP (Beti Bachao Beti Padhao) to BADLAVL (BetiAapki Dhan Lakshmi Aur Vijay Lakshmi); from Swachh Bharat to Sundar Bharat; from 'Give It Up' for the LPG subsidy to 'Think about the Subsidy' and from tax evasion to tax compliance. Identify the type of plan being described in the above lines.</b> (a) Programme (b) Method (c) Strategy (d) Rule		(1)
12.	<b>Statement I: Delegation is the entrustment of responsibility and authority to another and the creation of accountability for performance. Statement II: Irrespective of the extent of delegated authority, the manager shall still be accountable to the same extent as before delegation. Choose the correct option from the following :</b> (a) Statement I is true and Statement II is false. (c) Both the Statements are true. (b) Statement II is true and Statement I is false. (d) Both the Statements are false.		(1)

13. **Identify the correct sequence of steps to be followed in an organising process.**  
 (a) Departmentalisation, Establishing reporting relationships, Assignment of duties, Identification and division of work  
 (b) Identification and division of work, Departmentalisation, Assignment of duties, Establishing reporting relationships  
 (c) Identification and division of work, Assignment of duties, Departmentalisation, Establishing reporting relationships  
 (d) Identification and division of work, Establishing reporting relationships, Departmentalisation, Assignment of duties

(1)

14. 

**Identify the type of organisation structure depicted in the above diagram.**  
 (a) Divisional structure (b) Functional structure (c) Formal structure (d) Informal structure

(1)

15. **Which of the following is not an external source of recruitment**  
 (a) Campus recruitment (b) Promotion (c) Casual callers (d) Direct recruitment

(1)

16. **This type of training method is adopted when employees have to handle sophisticated machinery and equipment at their workplace.**  
 (a) Apprenticeship training (b) Induction training (c) Internship training (d) Vestibule training

(1)

17. **Match the terms given in Column I with their meanings in Column II :**

<i>Column I</i>	<i>Column II</i>
1. Placement	(i) Introducing the selected employee to other employees and familiarising him with the rules and policies of the organisation
2. Recruitment	(ii) It refers to the employee occupying the position or post for which he/she has been selected
3. Orientation	(iii) Evaluating an employee's current and/or past performance as against certain predetermined standards
4. Performance Appraisal	(iv) The process of searching for prospective employees and stimulating them to apply for jobs in the organization

(1)

**Choose the correct option from the following :**

- (a) 1-(i), 2-(ii), 3-(iii), 4-(iv) (b) 1-(ii), 2-(iii), 3-(i), 4-(iv)  
 (c) 1-(ii), 2-(iv), 3-(i), 4-(iii) (d) 1-(ii), 2-(i), 3-(iv), 4-(iii)

18.	<b>Suman works as a Project Co-ordinator in an export house. Whenever the workload is high, she is able to convince her team by explaining to them the purpose, providing training and motivating them with additional rewards so as to be able to win their wholehearted co-operation. Identify the element of directing being described in the above lines.</b> (a) Supervision                      (b) Motivation                      (c) Leadership                      (d) Communication	(1)
19.	<b>Ashutosh works as a manager in Kuber Ltd. Besides the salary, the company offers him benefits such as free housing, medical aid and education to the children, etc. Identify the type of incentive being offered to him.</b> (a) Perquisites                      (b) Job Enrichment                      (c) Co-partnership                      (d) Pay and allowances	(1)
20.	<b>The controlling function is performed by</b> (a) Top level management                      (b) Lower level management (c) Middle level management                      (d) All of the above	(1)
21.	What is Formal Organisation? State two advantages of Formal organisation. <b>OR</b> What is Informal Organisation? State two advantages of Informal Organisation.	(3)
22.	Explain why planning is regarded as I. a forward looking function II. a mental exercise	(3)
23.	Enumerate the relationship between 'Planning' and 'Controlling' with the help of any three points. <b>OR</b> Enumerate Importance of Controlling with the help of any three points.	(3)
24.	Mrs. Ahilya Pasi is the Principal of a prestigious school in New Delhi. The school has a vacancy of a headmistress/headmaster of the junior wing of the school. The senior teachers of the school have the opinion that only internal candidates should be considered for this post. However, Mrs. Pasi and the management would like to invite applications from external sources too. Briefly explain any three justifications the management can provide to convince the staff for inviting applications of external candidates for the vacant post.	(3)
25.	Anjali Sharma is working in a private sector bank. One of her key function relates to the formulation of the overall organizational goals and strategies of the bank. i. Identify the level of management at which she is working? ii. State any three other functions that she has to perform at this level.	(4)
26.	<u>Read the following text and answer the questions given below:</u> After completing her bachelor's degree in fashion designing from a reputed institute in the country, Hema has opened a boutique in a posh market Connaught Place in New Delhi. She has divided the work in smaller units and each employee is well trained to perform his/ her task efficiently. The sales persons are allowed to close a deal with a buyer by giving a maximum of 5% discount, whereas the decision to give any further discount rests with Hema as the final authority. In the earlier period of her business venture, employees were asked to put in extra hours of work. In return she had promised to give them a special incentive within a year. Therefore, when the business was doing well, she honours her commitment by giving bonus to her employees. She also instructed her employees that communication from top to bottom should follow the official lines of command. However, she tends to be more biased towards her female employees, when it comes to solve the conflicts among employees. 1. Hema has divided the work in smaller units and each employee is well trained to perform his/ her task efficiently. Which principle of management is being followed here? (a) Centralisation and Decentralisation.                      (b) Division of work.	(4)

	<p>(c) Discipline. (d) Order.</p> <p>2. “The sales persons are allowed to close a deal with a buyer by giving a maximum of 5% discount, whereas the decision to give any further discount rests with Hema as the final authority”. Identify the principle of management being followed here.</p> <p>(a) Centralisation and Decentralisation. (b) Authority and Responsibility. (c) Unity of Command. (d) Unity of Direction.</p> <p>3. “Therefore, when the business was doing well, she honours her commitment by giving bonus to her employees”. Which principle of management is being highlighted here?</p> <p>(a) Discipline. (b) Remuneration to Employee (c) Order. (d) Unity of Direction.</p> <p>4. “Hema tends to be more biased towards her female employees, when it comes to solve the conflicts among employees.” Which principle is being violated here?</p> <p>(a) Discipline (b) Order (c) Equity (d) None of these.</p>	
27.	<p>With change in the consumption habits of people, Neelesh, who was running a sweets shop shifted to chocolate business. On the eve of Diwali he offered chocolates in attractive packages at reasonable prices. He anticipated huge demand and created a website chocolove.com for taking orders online. He got lot of orders online and earned huge profit by selling chocolates. Identify and explain the dimensions of business environment discussed in the above case.</p>	(4)
28.	<p>Differentiate between Functional structure and Divisional structure based on <b>Any four</b> points: i) Formation ii) Specialisation iii) Responsibilities iv) Managerial Development v) Cost vi) Coordination</p> <p style="text-align: center;"><b>OR</b></p> <p>What do you mean by Delegation? Discuss elements of delegation.</p>	(4)
29.	<p>Explain the following leadership styles: a) Autocratic leadership b) Laissez Faire leadership</p> <p style="text-align: center;"><b>OR</b></p> <p>Explain the following Barriers to communication: a) Semantic barriers b) Psychological barriers</p>	(4)
30.	<p>Explain ‘Critical point control’ and ‘Management by exception’ with respect to Analysing deviations, a step in the process of controlling and give a suitable example.</p>	(4)
31.	<p>The management of Shivam Ltd. strongly believes that the members of an organization should work towards fulfilling the common organizational goals. This requires team work and integration of efforts of all individuals, departments and specialists. This is because all the individuals and departments depend on each other for information and resources to perform their respective activities. Managers need to reconcile differences in approach, timing, effort or interest. At the same time it should enable all its members to grow and develop. Thus, there is a need to harmonize individual goals and organizational goals.</p> <p>1. Identify the concept of management discussed above. 2. Explain any five features of the concept identified in (a).</p>	(6)
32.	<p>‘Setting objectives is the first step in the process of one of the significant functions of management.’ (a) Identify the function of management referred above. (b) State the next five steps of the process.</p>	(6)

33.	<p>ABC Ltd. has hired 2000 buses for the different routes for the passengers of metropolitan city. In order to fill vacancies, it advertised in the newspaper and number of applicants applied for the same. The company has to now undertake the process of selection to identify and select the best. Explain the first six steps involved in the process.</p> <p style="text-align: center;"><b>OR</b></p> <p>Explain the following external sources of Recruitment :</p> <p>(i) Direct recruitment    (ii) Casual callers    (iii) Campus recruitment    (iv) Labour Contractors</p>	<b>(6)</b>
34.	<p>Smitha had been working as an Assistant Manager with “Johnson Enterprises” for the last ten years. She was very popular amongst her colleagues because of her commitment and dedication towards the work. When the manager senior to her retired, all her colleagues thought that now Smitha would be promoted. But to everyone’s surprise the vacant post was filled by an outsider, Mrs. Rita. Smitha felt demoralized and her performance started declining. She would abstain herself often and could not meet her targets.</p> <p>Mrs. Rita was a good leader, who would not only instruct her subordinates but would also guide and inspire them. She noticed Smitha’s behaviour and felt that her performance could be improved. She started involving Smitha in decision making-issues related to the organization and made her a part of high-level joint-management committed. Smitha was now punctual in office and her performance started improving.</p> <p>a. Identify the function of management being performed by Rita.  b. Name the element of the above function of management which helped Rita to improve Smitha’s behaviour.  c. State any four features of the element identified in (ii) above.</p> <p style="text-align: center;"><b>OR</b></p> <p>What do you mean by Motivation? Explain Maslow’s Need Hierarchy Theory of Motivation.</p>	<b>(6)</b>

**ALL THE BEST**

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