Periodic Test-1, 2026-27
BUSINESS STUDIES
MARKING SCHEME

Class: XII | **Time: 1hr**
Date: 12.06.2026 | **Max Marks: 25**
Admission no: | **Roll no:**

INSTRUCTION:
1. Please read the instructions carefully.
2. This Question Paper consists of 10 questions.
3. Attempt all questions.
4. Marks allotted are mentioned against each question/part

1. **STATEMENT I:** Electronic holdings can be converted into physical certificates with the process of dematerialisation.
STATEMENT II: There is no danger of theft, loss or forgery of share certificates in dematerialisation.
Choose the correct option from the following: **(1)**
(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

2. With the advent of 'Talk GPT, in the Information Technology industry, companies have started investing in Artificial Intelligence in order to fulfill the expectations of the customers. Largely the customers are showing a positive attitude to the new Artificial Intelligence based Talkbot. Identify the dimensions of the business environment being referred to here. (1)
A. social and economic environment
B. **technological and social environment**
C. economic and technological environment
D. legal and social environment

3. **Assertion [A]:** Different elements of the business environment are closely interrelated.
Reason [R]: Business environment is a relative concept since it differs from country to country and even region to region. (1)
Options:
(a) Both Assertion [A] and reason [R] are true and Reason [R] is correct explanation of Assertion [A].
(b) Both Assertion [A] and Reason [R] are true and Reason [R] is not the 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.

4. Based on National Common Mobility Card standards, India's first indigenously developed inter-operable transport card was launched in March 2019 to make travel across various modes convenient. Identify the type of plan being described in the above lines. (1)
(a) Strategy (b) **Programme** (c) Method (d) Rule

5. The below picture depicts ______________ (1)

(a) Planning leads to rigidity
(b) Planning is a continuous process
(c) Planning - The last step to management
(d) **Planning - The first step to management**

6. Bright Services is a taxi service provider. The company is targeting a revenue of 50 crore rupees this year. However, with the passage of time it has found entrance of new service providers in the market which was not expected at one stage of time. It has a good team of technicians, drivers, software providers, etc. The company has decided to make it adaptable to such continuously changing circumstances. It knows that if it has to expand in new countries it will have to learn the basic differentiating factors like traffic rules, technological aspects, etc. Thus, it understands that conditions are different in different countries.

Which features of Business Environment are discussed in the above case? (3)

Ans) **Features of Business Environment**

1. **Uncertainty:** The entry of new service providers was unexpected. The business environment is largely uncertain, as it is difficult to predict future happenings.
2. **Dynamic Nature:** Bright Services is making its team and processes adaptable to "continuously changing circumstances." The business environment is not static; it keeps changing.
3. **Relativity:** The company understands that "conditions are different in different countries." Business environment is a relative concept, as it differs from country to country, region to region, and even firm to firm.

7. 'Leno' is a reputed car manufacturing company, which is going to complete its 75 years in October 2024. The Chief Executive Officer of the company decided to take the company to a higher level. For this he called a meeting of all departmental heads of the company. In the meeting, the Chief Executive Officer proposed a target to increase sales by 10% and profits by 20% in its Platinum Jubilee year. The Human Resource Manager estimated that an increase of 500 workers would be required to achieve the target. The Finance Manager suggested that the company must hold adequate cash balances for various purposes, and he will prepare a statement showing the estimated cash inflows and outflows for this particular period.

Identify and explain two types of plans discussed in the above case by quoting the lines. (3)

Ans) **1. Objective (Target) Sales/Profit Increase**

- **Identification:** The CEO proposed a target to increase sales by 10% and profits by 20% in the Platinum Jubilee year.
- **Explanation:** Objectives are the desired future position that management seeks to achieve. They are the ends which the management seeks to achieve through its operations, acting as the starting point of planning.

2. Budget (HR and Cash Estimation)

- **Identification:** The HR manager estimated an increase of 500 workers, and the Finance manager planned to prepare a statement of estimated cash inflows and outflows.

- **Explanation:** A budget is a plan that is a statement of expected results expressed entirely in numerical terms, quantifying future facts and figures. It acts as a control device to compare actual figures with expected ones.

8. In Malaysia, "Accent Electronics Ltd." is conducting business. When the Prime Minister allowed relaxation in import duties on electronic items, the company began exporting its goods to India. The company appointed retailers in India who had direct online links to the suppliers to replenish stocks when needed.
Describe any four dimensions of business environment examined in the above case study by quoting the lines. (4)
Ans) **1. Political Environment**
This dimension includes political leadership, government policies, and the stability of the government.

- **Reference Line:** "When the Prime Minister allowed relaxation in import duties on electronic items, the company began exporting its goods to India".
- **Explanation:** The decision to lower import duties is a direct government action that created an opportunity for the Malaysian company to enter the Indian market, reflecting how government policies influence business operations.

2. Legal Environment
This component refers to the laws, regulations, and policies passed by the government that regulate business behavior.

- **Reference Line:** "relaxation in import duties on electronic items".
- **Explanation:** Changes in import duties are formal government policy shifts (customs regulations) that change the legal framework under which imports are conducted.

3. Technological Environment
This includes the use of scientific improvements, innovations, and information technology to improve production and distribution techniques.

- **Reference Line:** "The company appointed retailers in India who had direct online links to the suppliers to replenish stocks when needed".
- **Explanation:** The use of online, real-time inventory systems for replenishment represents a technological advancement in supply chain management.

4. Economic Environment
This comprises economic factors like income, interest rates, and trade policies that impact the functioning of enterprises.

- **Reference Line:** "company began exporting its goods to India".
- **Explanation:** By importing electronic items into India, the company is interacting with the Indian economic environment, specifically the demand for goods and trade policies.

9. A shoe manufacturing company wants to become a market leader. For this a detailed planning is required. The first step taken by the firm is to set targets for the three months duration for selling maximum number of shoes in the market which they set as 2,50,000. The team doesn't want to make any mistake so they decide to do proper planning. They decide to chalk out alternative plans so that they can arrive at the best possible plan. However, the team is surrounded with doubts. To remove doubts, it goes for judging the plans to get the most profitable one. The plan is taken to the whole organisation and the concerned persons. Ultimately it is put into action. Without much caring for the results the company starts working on the other project simultaneously.
Identify the steps in the planning process which have been applied by the organisation in the above case? (4)
Ans) **1.Setting Objectives**: The company set a specific target to sell 250,000 shoes within a three-month duration.
2. Identifying Alternative Courses of Action: The team developed multiple alternative plans to

achieve the goal.

3. Evaluating Alternative Courses of Action: The team examined the alternatives, judging them to identify the most profitable option.

4. Selecting the Best Plan: The team chose the best plan from the alternatives, aimed at maximizing profit.

5. Implementing the Plan: The chosen plan was communicated to the organization and put into action

10. Sukumar is an energetic middle level manager. He tries to make best plans. For this he involves foresight and intelligent imagination. Within three years many of his projects have been very successful. His high success rate is due to his good plans. He always makes alternative plans and selects the best out of them after considering relevant aspects. However, he knows it is not necessary that his all plans will be successful. He knows that sometimes his concern for making very good plans eats a lot of time and energy. His friend Jyoti suggests him to take suggestions from others when he makes his plans and also consider plans made by others. Even after so much painstaking Sukumar knows that his plans can yet fail in the uncertain business environment. He has recently decided to plan carefully in future. (6)

Which features of Planning have been highlighted in the above case? Which limitations of Planning have been highlighted in the above case? Write 3 points of each and explain.

Ans) **Features of Planning Highlighted:**

- **Planning is a Mental Exercise:** Sukumar uses "foresight and intelligent imagination" to create plans.
- **Planning Involves Decision-Making:** He "selects the best out of them [alternatives] after considering relevant aspects".
- **Planning Focuses on Achieving Objectives:** He aims for successful projects.
- **Planning is Futuristic:** He prepares for future actions, though uncertainty remains.

Limitations of Planning Highlighted:

- **Planning is a Time-Consuming Process:** His concern for making high-quality plans "eats a lot of time and energy".
- **Planning Does Not Guarantee Success:** Despite careful planning, "it is not necessary that his all plans will be successful".
- **Planning May Not Work in a Dynamic Environment:** His plans can fail due to the "uncertain business environment".
- **Planning Involves High Costs (Implicit):** The excessive time and energy spent can be considered a high cost in terms of resources.

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