B.K. BIRLA CENTRE FOR EDUCATION

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

NABET

INDIAN PUBLIC SCHOOLS' CONFERENCE

Periodic Test-1, 2026-27
BUSINESS STUDIES
SET - 2

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:** Business environment includes both specific and general forces.
STATEMENT II: It is very easy to predict the business environment.
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. 'Digilocker' is a flagship initiative of 'Ministry of electronics and IT', Government of India. It aims at digital empowerment of the citizens by providing access to authentic digital documents such as academic certificates issued by different Examination Boards, Driving Licences, Vehicle registrations, etc. in a digital format. The above para discusses a few dimensions of Business Environment. Identify the correct dimensions from the following.**(1)**
(a) Social environment and economic environment
(b) Social environment and Political environment
(c) Economic environment and technological environment
(d) **Political environment and Technological Environment**

3. **Assertion [A]:** Business environment differs from country to country and even region to region.
Reason [R]: Business environment consist of numerous interrelated and dynamic forces. **(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. Identify the correct sequence of steps involved in the planning process. **(1)**
(a) Evaluating alternative courses, Identifying alternative course of actions, Setting objectives, Developing premises
(b) Setting objectives, Identifying alternative course of actions, Evaluating alternative courses, Developing premises
(c) Setting objectives, Developing premises, Identifying alternative course of actions, Evaluating alternative courses

(d) Setting objectives, Developing premises, Identifying alternative course of actions, Evaluating alternative courses

5. Which type of plan is depicted in the picture. **(1)**

(a) Rules **(b) Policy** (c) Procedure (d) Method

6. 'The first masters' is a leading advertising company in its industry. Recently they had a meeting in which all the reasons which were outside the control of the organisation were discussed. The organisation wanted to maintain its supremacy in the market. They decided to break the meeting into two parts. In the first part customers, competitors, suppliers, etc. were discussed where as in the second part the political, economic, social conditions in the country were discussed. It was concluded that company was doing extremely well in the domestic market and the client base was expanding. However, when the company's performance in foreign markets was evaluated, it was found that conditions were different in different countries so the strategies adopted would have to be different. After the meeting the company was looking forward to making new gains. Which features of Business Environment have been highlighted in the above case? Also identify the lines. **(3)**

Ans) i)Totality of external forces: This feature refers to the sum total of all things external to business firms and their control.

Line: *"Recently they had a meeting in which all the reasons which were outside the control of the organisation were discussed."*

ii) Specific and general forces: Business environment includes both specific forces (affecting individual enterprises directly, like customers and suppliers) and general forces (having an impact on all business enterprises, like social or political conditions).

Line: *"In the first part customers, competitors, suppliers, etc. were discussed whereas in the second part the political, economic, social conditions in the country were discussed."*

iii) Relativity: This feature implies that the business environment is a relative concept since it differs from country to country and even region to region.

Line: *"However, when the company's performance in foreign markets was evaluated, it was found that conditions were different in different countries so the strategies adopted would have to be different."*

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. <u>Objective</u> (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 Neelesh, operating a candy store, switched to the chocolate industry as a change in the consumption habits of people. On the eve of Diwali, he sold chocolates in attractive packaging for fair pricing. He created a website chocolove.com for taking orders online since he expected there is going to be a great demand. He received tons of internet orders and made huge profits selling chocolates. (4)
Identify and give significance of the Dimensions of the business environment discussed in the instance mentioned above by quoting lines for each.

Ans) **1. Social Environment**
The social environment includes the customs, traditions, tastes, and preferences of people in a society.

- **Case Reference**: Neelesh switched to the chocolate industry because of a **"change in the consumption habits of people"**.
- **Significance**: This reflects shifting consumer preferences where traditional sweets are being replaced by chocolates due to evolving lifestyle and health trends.

2. Technological Environment
The technological environment refers to scientific improvements and innovations that provide new ways of producing or selling goods and services.

- **Case Reference**: Neelesh **"created a website chocolove.com"** for taking orders online.
- **Significance**: Adopting e-commerce technology allowed the business to reach a wider audience, provide 24/7 ordering convenience, and handle a high volume of orders efficiently.

3. Economic Environment
The economic environment consists of factors like consumer income, price levels, and market demand that affect business performance.

- **Case Reference**: He sold products at **"fair pricing"** and earned **"huge profits"**.
- **Significance**: Fair or reasonable pricing is an economic strategy that appeals to the purchasing power of consumers. The resulting profit indicates a successful alignment with economic market forces like supply and demand.

9. Two years ago, Madhu completed her degree in food technology. She worked for some time in a company that manufactured chutneys, pickles and murabbas. She was not happy in the company and decided to have her own organic food processing unit for the same. She set the objectives and the targets and formulated an action plan to achieve the same. One of her objectives was to earn 10% profit on the amount invested in the first year. It was decided that raw materials like fruits, vegetables, spices, etc. will be purchased on three months credit from farmers cultivating only organic crops. She also decided to follow the steps required for marketing of the products through her own outlets. She appointed Mohan as the Production Manager who decided the exact manner in which the production activities were to be carried out. Mohan also prepared a statement showing the number of workers that will be required in the factory throughout the year. Madhu informed Mohan about her area wise sales target for different products for the forthcoming quarter. While working on the production table, a penalty of Rs. 100 per day for not wearing caps, gloves and apron was announced. **(4)**
Quoting lines from the above paragraph identify and explain the different types of plans discussed.

Ans) The different types of plans discussed above are listed below:

i. **Objectives**: Objectives are the end results of the activities that-an organization seeks to achieve through its existence. All other activities within the organisation are directed towards achieving these objectives.―One of her objectives was to earn 10% profit on the amount invested in the first year.‖
ii. **Policy**: A policy is a set of general guidelines that helps in managerial decision making and action. ―It was decided that the raw materials like fruits, vegetables, spices, etc. will be purchased on three months credit from farmers cultivating only organic crops.‖
iii. **Procedure**: A procedure contains a series of specific steps to be performed in a chronological order to carry out the routine activities. ―She also decided to follow the steps required for marketing of the
products through her own outlets.‖―The exact manner in which the production activities are to be carried out.‖
iv. **Rule**: A rule is a specific statement relating to the general norms in terms of Do‘s and Dont‘s that guide the behaviour of people. It commands strict obedience, and a penalty is likely to be imposed on its violation. ―While working on the production table, a penalty of Rs.100 per day for not wearing caps, gloves and aprons was announced.‖
v. **Budget**: A budget refers to a financial plan that is expressed in numerical terms. ―Mohan also prepared a statement showing the number of workers different products for the forthcoming quarter.‖

10. Flows Technology' deals in bulb manufacturing business. It plans for a successful year of production and sale this year. It has in advance given targets to all its departments and employees. The departments and employees are happy about this. They know that now they won't have to do unconcerned activities thus leading to more focused approach resulting in saving of resources. The company is thinking of starting two new plants in the southern portion of India. For this some concrete plan has to be made. The main core team of the company has decided to weigh all the options and then choose the best one. The road might be long but the company is geared to face all the challenges. **(6)**
In the above case identify importance of planning highlighted.

Ans) Features of Planning Highlighted:
* Planning is a Primary Function of Management: Plans form the base structure upon which other management functions like organizing and controlling are built.
* Planning is Pervasive: Top management ensures plans are communicated and implemented at all levels and departments.
* Planning is Goal-Oriented: The company focuses on specific, measurable goals (e.g., 20% growth).
* Planning is a Continuous Process: The firm prepares plans for the whole year, with new plans created consecutively.
* Planning is Forward-Looking (Futuristic): The company plans for both short-term and long-term horizons, forecasting future requirements.
* Planning Involves Decision-Making: Choosing among various alternatives to achieve the 20% growth target

*** Type of Plan Indicated:**
Objective: The specific goal of "a growth of 20% in revenue" represents a quantified target the company intends to achieve

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