

	DIRECTORATE OF EDUCATION GNCT OF DELHI PRACTICE QUESTION PAPER 2026-27 Mid Term Exam BUSINESS STUDIES (054) CLASS XII Max Marks – 80 Time allowed: 3 Hours											
	General instructions: 1. This question paper contains 34 questions. 2. Marks are indicated against each question. 3. Answers should be brief and to the point. 4. Answers to the questions carrying 3 marks may be from 50 to 75 words. 5. Answers to the questions carrying 4 marks may be about 150 words. 6. Answers to the questions carrying 6 marks may be about 200 words. 7. Attempt all parts of the questions together.											
Q. No.		Marks										
1	"Like a thread in a garland, it unifies all activities such as purchase, production, sales, and finance to ensure continuity in the working of the enterprise." Identify the concept of management highlighted here: a) Planningb) Coordination c) Directingd) Organising	1										
2	The production manager of Alpha Ltd. was given a target of producing 2,000 units of LED bulbs in a month at a standard cost of ₹100 per unit. He achieved the target on time by operating on double shifts, but the unit cost incurred was ₹125. Which of the following statements is true? a) The manager was efficient but not effective. b) The manager was both effective and efficient. c) The manager was effective but not efficient. d) The manager was neither effective nor efficient.	1										
3	According to Fayol, an employee should receive orders from one superior only to avoid confusion and indiscipline. Identify the principle: a) Unity of Directionb) Unity of Command c) Scalar Chaind) Authority and Responsibility	1										
4	"Match the following techniques of Scientific Management with their primary focus:" <table><tr><th>Technique</th><th>Focus</th></tr><tr><td>A. Fatigue Study</td><td>1. Determining standard time taken by a worker</td></tr><tr><td>B. Method Study</td><td>2. Eliminating unnecessary body movements</td></tr><tr><td>C. Motion Study</td><td>3. Finding one best way of doing a job</td></tr><tr><td>D. Time Study</td><td>4. Determining frequency and duration of rest intervals</td></tr></table> Choose the correct option: a) A-4, B-3, C-2, D-1b) A-2, B-1, C-4, D-3 c) A-4, B-2, C-3, D-1d) A-3, B-4, C-1, D-2	Technique	Focus	A. Fatigue Study	1. Determining standard time taken by a worker	B. Method Study	2. Eliminating unnecessary body movements	C. Motion Study	3. Finding one best way of doing a job	D. Time Study	4. Determining frequency and duration of rest intervals	
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5	The Reserve Bank of India reduced the Repo Rate, leading commercial banks to lower interest rates on home loans. As a result, the demand for housing units surged across the country. Identify the dimension of the business environment highlighted above: a) Social Environmentb) Economic Environment c) Legal Environmentd) Political Environment	1
6	Which of the following is an example of the 'Legal Environment' of business? a) Prohibition of alcohol advertisements on national television b) Increased preference for organic cosmetic products c) Rapid adoption of cloud computing software d) Rise in average life expectancy of the population	1
7	Read the following statements: Assertion (A) and Reason (R). Assertion (A): Planning is futuristic and looks ahead. Reason (R): Planning involves forecasting and anticipating future events to meet them effectively. Choose the correct alternative: 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.	1
8	"Making assumptions about the future—such as market demand, policy changes, and raw material availability—is essential before creating operational schedules." Which step of the planning process does this refer to? a) Setting Objectives b) Identifying Alternative Courses of Action c) Developing Premises d) Selecting an Alternative	1
9	Identify the type of plan that specifies the exact manner in which a routine activity is performed, detailing a chronological sequence of steps: a) Policyb) Procedurec) Ruled) Strategy	1
10	Which organizational structure is most suitable for a large business enterprise manufacturing multiple diverse product lines such as cosmetics, garments, footwear, and consumer electronics? a) Functional Structureb) Divisional Structure c) Matrix Structured) Informal Structure	1
11	Statement I: Delegation of authority is a prerequisite to the efficient functioning of an organisation. Statement II: Delegation helps a manager to extend his area of operations as he can assign routine work to subordinates. Choose the correct option: a) Statement I is correct, and Statement II is incorrect. b) Statement II is correct, and Statement I is incorrect. c) Both statements are correct. d) Both statements are incorrect.	1
12	Which element of delegation refers to the obligation of a subordinate to properly perform the assigned task? a) Authorityb) Responsibilityc) Accountabilityd) Decentralisation	1
13	The process of searching for prospective employees and stimulating them to apply for jobs in the organization is called: a) Selectionb) Recruitmentc) Placementd) Orientation	1

14	Which step in selection process is highlighted in this image?  a) Employment test b) Employment interview c) Reference and background checking c) Selection decision For visually impaired students It is a mechanism (either a paper and pencil test or an exercise) that attempts to measure certain characteristics of individuals. a) Employment test b) Employment interview c) Reference and background checking c) Selection decision	1
15	A manager closely watches his team members at the production line, instructing and guiding them while they operate high-precision machinery. Which element of directing is depicted here? a) Motivation b) Leadership c) Supervision d) Communication	1
16	According to Maslow's Need Hierarchy Theory, a hunger for recognition, status, autonomy, and respect in an organisation falls under: a) Affiliation/Belongingness Needs b) Safety/Security Needs c) Esteem Needs d) Self-Actualisation Needs	1
17	In an organisation, a supervisor uses overly technical jargon and ambiguous vocabulary during instructions, leading to misunderstandings among machine operators. This is a case of: a) Psychological Barrier b) Semantic Barrier c) Organisational Barrier d) Personal Barrier	1
18	"Controlling is blind without planning, and planning is meaningless without controlling." This statement highlights: a) Controlling is a forward-looking function only. b) Controlling and Planning are interrelated and interdependent functions. c) Planning is a corrective function. d) Controlling precedes planning in the management cycle.	1
19	While analyzing deviations in performance, a manager focuses only on key result areas (KRAs) critical to the organization's success, rather than checking minor routine deviations. This technique is known as: a) Management by Exception b) Critical Point Control c) Sample Checking d) Total Quality Management	1
20	Identify the correct sequence of steps involved in the Controlling Process: a) Setting performance standards → Measurement of actual performance →	

	Comparison of performance with standards → Analysing deviations → Taking corrective action b) Measurement of actual performance → Setting performance standards → Analysing deviations → Comparison → Corrective action c) Setting standards → Analysing deviations → Measurement of actual performance → Taking corrective action d) Setting performance standards → Comparison → Measurement → Corrective action → Analysing deviations	1
21	Zenith Agro Ltd. manufactures organic fertilizers. The company recruits workers from tribal areas, offers subsidized medical care to their families, and uses eco-friendly packaging that naturally decomposes. Identify and explain the specific objective of management fulfilled by the company.	3
22(A)	"Principles of Management are flexible and dynamic rather than rigid prescriptions." Explain this statement with two supportive reasons.	3
22(B)	OR Explain the principle of 'Subordination of Individual Interest to General Interest' with a practical corporate example.	
23	State any three features of the 'Business Environment' as studied in Class XII Business Studies.	3
24(A)	Differentiate between Training and Development on the basis of: a) Meaning b) Purpose/Focus c) Level of persons involved	3
24(B)	OR State any three advantages of using external sources of recruitment for an enterprise.	
25(A)	Explain the following non-financial incentives used to motivate employees in an organisation: a) Job Enrichment b) Employee Recognition Programs	4
25(B)	OR Explain the democratic/participative style of leadership. State two of its main advantages.	
26	"Planning is an essential activity, yet managers often encounter hurdles because of its internal rigidities." Discuss any four limitations of planning in this context.	4
27	Stellar Electronics Ltd. manufactures home appliances. The Managing Director established a dedicated Customer Service division and an Industrial Engineering division, each headed by an independent General Manager reporting directly to the CEO. a) Identify the type of organizational structure highlighted in this case. b) State any three advantages of adopting this structure for an enterprise.	4
28	Explain the first four steps involved in the Staffing Process of an industrial enterprise.	4
29	An accounts supervisor, Mr. Sudhir, observed that the stationary expenses of the firm exceeded the standard budget by ₹2,000, whereas the raw material procurement cost rose by ₹2,50,000 over the budget. He decided to focus all his attention and report the material cost variance immediately to the top management. a) Name and explain the principle of management control applied by Mr. Sudhir.	4

	b) State one advantage of applying this principle in business enterprises.	
30	"Directing is the heart of the management process." In the light of this statement, explain any four points of importance of the directing function of management.	4
31	Explain the following Principles of Scientific Management propounded by F.W. Taylor: i. Science, not Rule of Thumb ii. Harmony, not Discord iii. Cooperation and not Individualism. OR Explain the following General Principles of Management given by Henri Fayol: i. Espirit de Corps ii. Remuneration of Employees iii. Initiative	6
32	"Organising is an essential process through which management coordinates human effort and arranges material resources." Explain the steps involved in the process of Organising. OR Explain the concept of Decentralisation. How does decentralisation differ from Delegation of Authority? Differentiate on any four grounds: i. Scope ii. Freedom of action iii. Nature iv. Purpose	6
33	State and explain the major steps involved in the Selection Process starting from 'Selection Tests' up to 'Contract of Employment'.	6
34	Read the case study given below and answer the questions that follow: Vanguard Footwear Ltd. set a target of manufacturing 50,000 pairs of sports shoes during the first quarter of the year. To ensure the smooth attainment of this target, the Production Head, Mr. Rajesh, divided the factory operations into cutting, stitching, assembling, and final packing units. He assigned specific duties and established reporting relationships for each section. At the end of the quarter, the actual production was recorded at 42,000 pairs. On investigation, it was found that frequent power cuts and machine breakdowns in the stitching unit caused the shortfall of 8,000 pairs. Mr. Rajesh immediately arranged a high-capacity backup diesel generator and scheduled weekly maintenance checks for all machines to avoid future interruptions. a) Identify the functions of management performed by Mr. Rajesh in the above case. b) Quote lines from the passage and identify the three steps in the process of the function of management identified in (a). c) State any one benefit that the organization derives from taking timely corrective actions.	6