

Directorate of Education, GNCT of Delhi
Practice Paper
Session: 2024-2025
Class: XII
Business Studies (054)

Duration: 3 HOURS


Maximum Marks: 80

GENERAL INSTRUCTIONS:

1. This question paper contains **34** questions.
2. All questions are compulsory.
3. Question no. **1 – 20** carry **1** mark each.
4. Question no. **21 – 24** are short answer type - I carrying **3** marks each (50 to 75 words).
5. Question no. **25 – 30** are short answer type – II carrying **4** marks each (about 150 words).
6. Question no. **31 – 34** are long answer type carrying **6** mark each (about 200 words)
7. There is no overall choice. However, an internal choice has been provided in 2 questions of three marks, 2 questions of four marks and 2 questions of six marks.

S.NO.	QUESTION	MARKS
1.	Three friends Ram, Raheem and Rocky are managers in a company. Ram considers his job as a Scientist because he acquired systematic knowledge to perform his duties. Raheem enjoys his work as an artist because of the practical application of skills whereas Rocky treats himself a professional as he requires specialised knowledge like MBA. Different perceptions leads to the confusion regarding the nature of management. Choose the correct option based on above discussion: A. Management as science B. Management as profession C. Management as art D. All the above	1

2.	<p>Robo is the manager of a large retail company. His company recently expanded into a new region, leading to a significant increase in workload. To manage the growing operations efficiently, Robo decided to restructure the organization. He identified key areas that needed improvement, such as better communication between departments, streamlined decision-making, and clearer reporting relationships.</p> <p>After analyzing the situation, Ravi divided the organization into specific departments like sales, marketing, operations, and customer service. He assigned responsibilities to each department head and ensured there was a clear hierarchy within each department. He also made sure that employees within these departments were provided with the necessary resources to complete their tasks efficiently.</p> <p>Question: Which step of the organizing process did Robo apply when he divided the company into different departments and assigned responsibilities?</p> <p>A. Identification and division of work B. Establishing reporting relationships C. Departmentalisation D. Assignment of duties</p>	1
3.	<p>Read the following statements: Assertion (A) and Reason (R). Choose the correct alternative from those given below:</p> <p>Assertion(A): Companies which do not want to dilute the level of control must invest in tap as investing in equity will result in dilution of management control over the business.</p> <p>Reason(R): Cost of raising funds is the most important factor taken into consideration while selecting the source of fund.</p> <p>Alternatives :</p> <p>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.</p>	1
4.	<p>Read the following statements carefully:</p> <p>Statement I: Financial markets provide liquidity to financial assets. Statement II: financial markets reduce the cost of transactions.</p> <p>In the light of given statements, choose the correct alternative from the following:</p> <p>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.</p>	1

5.	<p>Choose the statement that correctly highlights the workload analysis:</p> <p>A. Assessment evaluation and final match B. Acquainting and skill development C. An assessment of the number and type of human resources necessary for the performance of various jobs and accomplishment of organisational objectives D. Process of choosing the most suitable candidate and rejecting the unsuitable one.</p>	1
6.	<p>“Bringing cheer to consumers, Finance Minister Nirmala Sitharaman has announced an import duty cut on gold, silver and platinum. The total duty has been revised down to 6 per cent from the earlier 15 per cent effective July 24. For platinum, it has been revised down to 6.4 per cent from the current 15.4 per cent. For jewellery, including the GST of 3 per cent, the total tax stood at about 18 per cent. This has been halved to 9 per cent now, which could boost jewellery demand.</p> <p>On the other hand, increased demand can lead to higher imports of gold, which is the third largest component in India’s import basket.”</p> <p>Identify the components of the business environment from the above news.</p> <p>A. Political and economic environment B. Economic and social environment C. Technological and legal environment D. Economic and technological environment</p>	1
7.		1
	<p>Identify the responsibility that a consumer fulfills when he looks for the quality marks given above.</p> <p>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</p> <p>For Visually Impaired Candidates: When a consumer looks for ISI mark while purchasing a bulb, which consumer responsibility has he kept in mind?</p> <p>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</p>	

8.	<p>Read the following statements: Assertion (A) and Reason (R). Choose the correct alternative from those given below:</p> <p>ASSERTION (A): Controlling creates an atmosphere of order and discipline in the organisation.</p> <p>REASON (R): Controlling helps in minimising dishonest behaviour on the part of the employees by keeping a close check on their activities.</p> <p>A. Both Assertion (A) and Reason (R) are true and Reason is the correct explanation of Assertion.</p> <p>B. Both Assertion(A) and Reason (R) are true and Reason is not the correct explanation of Assertion.</p> <p>C. Assertion (A) is true, Reason (R) is false.</p> <p>D. Assertion(A) is false, Reason(R) is true.</p>	1
9.	<p>Choose the incorrect option:</p> <p>A. Vestibule is a joint program of training in which educational institutions and business firms cooperate.</p> <p>B. Job rotation involve shifting the training from one department to another or from one job to another.</p> <p>C. Coaching is a method of training in which the superior guides and instructs the trainee as a coach.</p> <p>D. In the Apprentice program, the trainee learns under the guidance of the master worker.</p>	1
10.	<p>Use of CCTV surveillance, asking OTP for verification, password protection for files is examples of function of management.</p> <p>Choose the correct option:</p> <p>A. Planning</p> <p>B. Organising</p> <p>C. Directing</p> <p>D. Controlling</p>	1
11.	<p>Identify the correct statement with respect to 'Dividend decision'.</p> <p>A. This decision should be taken keeping in view the overall objective of maximizing shareholder's wealth.</p> <p>B. Current assets are those assets which get converted into cash within one year</p> <p>C. Capital budgeting decisions are irreversible.</p> <p>D. Size of the assets, Profitability and competitiveness are not affected by capital budgeting decisions.</p>	1
12.	<p>District Commission has the jurisdiction to entertain complaints where value of goods and services paid as consideration is _____</p> <p>A. More than ₹1 crore and not more than ₹ 5 crore</p> <p>B. More than ₹10 crore</p> <p>C. Less than ₹1 crore</p> <p>D. More than ₹1 crore and not more than ₹10 crore</p>	1

13.	<p>Match the statements given in column I with the dimension of business environment given in column II</p> <table border="1" data-bbox="280 205 1341 1081"> <thead> <tr> <th data-bbox="280 205 358 289"></th> <th data-bbox="358 205 998 289">COLUMN I</th> <th data-bbox="998 205 1068 289"></th> <th data-bbox="1068 205 1341 289">COLUMN II</th> </tr> </thead> <tbody> <tr> <td data-bbox="280 289 358 447">(a)</td> <td data-bbox="358 289 998 447">People are becoming more conscious about health and fitness</td> <td data-bbox="998 289 1068 447">i.</td> <td data-bbox="1068 289 1341 447">Legal</td> </tr> <tr> <td data-bbox="280 447 358 751">(b)</td> <td data-bbox="358 447 998 751">The Government of India has recently come up with an amendment to section 6 of the Payment of wages act 1936, to allow employers of certain industries to make payment through various electronic modes of payment.</td> <td data-bbox="998 447 1068 751">ii.</td> <td data-bbox="1068 447 1341 751">Social</td> </tr> <tr> <td data-bbox="280 751 358 919">(c)</td> <td data-bbox="358 751 998 919">Scientific improvements and innovations which provide new ways of producing and services and new methods and techniques of operating a business</td> <td data-bbox="998 751 1068 919">iii.</td> <td data-bbox="1068 751 1341 919">Political</td> </tr> <tr> <td data-bbox="280 919 358 1081">(d)</td> <td data-bbox="358 919 998 1081">General stability and peace in the country and specific attitude that elected government representatives hold towards business.</td> <td data-bbox="998 919 1068 1081">iv.</td> <td data-bbox="1068 919 1341 1081">Technological</td> </tr> </tbody> </table> <p>Choose the correct option from the following:</p> <p>A. (a)-(iii), (b)-(ii), (c)-(i), (d)-(iv) B. (a)-(ii), (b)-(i), (c)-(iv), (d)-(iii) C. (a)-(iv), (b)-(ii), (c)-(i), (d)-(iii) D. (a)-(iii), (b)-(i), (c)-(ii), (d)-(iv)</p>		COLUMN I		COLUMN II	(a)	People are becoming more conscious about health and fitness	i.	Legal	(b)	The Government of India has recently come up with an amendment to section 6 of the Payment of wages act 1936, to allow employers of certain industries to make payment through various electronic modes of payment.	ii.	Social	(c)	Scientific improvements and innovations which provide new ways of producing and services and new methods and techniques of operating a business	iii.	Political	(d)	General stability and peace in the country and specific attitude that elected government representatives hold towards business.	iv.	Technological	1
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14.	<p>Marketing has a feature which helps individuals and groups in obtaining what they should possess. Choose the suitable option which best describes above statement:</p> <p>A. Customer value B. Exchange mechanism C. Need and want D. Crating a market offering</p>	1																				
15.	<p>Radhu is a HR manager in Tanvi consultations Ltd. He is paid an annual salary of rupees 20 lakh. He is also given company shares at a price less than the market price.</p> <p>Which of the following methods of compensation is used by a company to pay its HR manager?</p> <p>A. Time based direct financial payment B. Performance based direct financial payment C. Time based pay plus incentives d. Time based pay as well as performance based financial incentives</p>	1																				

16.	<p>Identify the correct statement with respect to role of Consumer organisations and NGOs in India.</p> <p>A. It not only includes educating consumers about their rights and responsibilities but also helps in getting their grievances redressed</p> <p>B. It not only requires a judicial machinery for protecting the interest of consumers but also requires the consumers to get together and form themselves into Consumer associations for protection and promotion of their interests.</p> <p>C. It is the moral duty of any business to take care of consumers' interest and avoid any form of exploitation.</p> <p>D. It aims at protection and promotion of the interest of the consumers and taking compensation themselves.</p>	1
17.	<p>Identify the function which is not of financial management.</p> <p>A. Facilitate price discovery</p> <p>B. Focus on customer's needs</p> <p>C. Mobilization of savings and channeling them into the most productive uses.</p> <p>D. Reduce the cost of transactions.</p>	1
18.	<p>What are the factors affecting the choice of capital structure ?</p> <p>(a) Interest is a deductible expense, cost of debt is affected by tax rate</p> <p>(b) If ROI of the company is higher, it can choose to use trading on equity to increase EPS</p> <p>(c) If a firm uses its debt potential to the full, it loses flexibility to issue further debt.</p> <p>(d) As the financial leverage increases, cost of funds declines because of increased use of cheaper debt but the financial risk increases.</p> <p>(e) Availability of raw materials</p> <p>Choose the correct alternative from the following:</p> <p>A. (b), (c) and (e)</p> <p>B. (a), (b) and (c)</p> <p>C. (b), (c) and (d)</p> <p>D. (d), (c) and (a)</p>	1
19.	<p>Deepu was charged more than the printed maximum retail price (MRP) for a bottle of water.</p> <p>Identify the reliefs that Deepu can not get:</p> <p>A. To refund the price paid</p> <p>B. To pay punitive damages</p> <p>C. To discontinue the unfair trade practice and not to repeat the same in future.</p> <p>D. To claim Rs. 50,000</p>	1

20.	<p>Read the following statements carefully: Statement I: Capital budgeting decisions are very important and should be taken with utmost care. Statement II: Investment decisions affect the earning capacity of the firm in the long run and are irreversible except incurring heavy costs. Based on the given statements, choose the correct option 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.</p>	1
21.(A)	<p>Differentiate between Procedure and methods on the basis of meaning, flexibility and purpose</p> <p style="text-align: center;">OR</p> <p>Differentiate between Strategy and Policy on the basis of Definition, scope and necessity</p>	3
21.(B)		
22. (A)	<p>Explain the concept of leadership. Give two situations in which autocratic leadership style is most effective.</p> <p style="text-align: center;">OR</p>	3
22. (B)	<p>Explain the concept of direction. State the elements of direction.</p>	
23.	<p>From the following information regarding Astha Ltd. which is in the business of manufacturing processed food, calculate the Earning per share. (Show working)</p> <p>Additional capital required ₹ 80,00,000 by issuing debentures Estimated cost of debt 10% EBIT For the previous year ₹ 8,00,000 Total capital investment was 1,00,00,000 Suggest whether the issue of debenture would be considered a rational decision by the company and why?</p>	3
24.	<p>Zepto operates in a competitive and fast growing grocery delivery market. AI based algorithms have optimise delivery routes and insurance fast deliveries. Their dark store model ensures that items are available near delivery zones, allowing them to meet the 10 minute delivery promise. Mr Aditya and Mr. Kaivalya's leadership had a vision for rapid scaling and adaptation to market demands. Competition from established players like swiggy, instamart, Blinkit and BigBasket. This requires constant innovation and strategy planning to maintain a competitive edge. The rise in online shopping, especially post COVID-19, has benefited their business model. Inflation and changes in disposable income can impact consumer spending behaviour, influencing Zepto's sales and profitability.</p> <p>Explain the significance of business environment that enabled Mr. Aditya and Mr Kaivalya to improve the performance of the enterprise.</p>	3

25.	<p>Saytm, one of India's leading digital payment platforms, owes much of its success to effective management practices. The management at Paytm identified the potential for digital wallets and cashless transactions in India early on. They developed a clear roadmap for expanding their services, including mobile payments, e-commerce, and financial services.</p> <p>Paytm's management ensured the right resources, including technology, infrastructure, and partnerships, were in place to cater to its growing customer base. The company's collaboration with banks and other financial institutions has been crucial in expanding its reach. The recruitment and training of skilled personnel have been critical for Paytm. The management focused on building a workforce capable of handling the technical and customer service aspects of the platform, ensuring smooth operations. To maintain the quality of service, Paytm's management continuously monitors the platform's performance, resolves issues, and keeps up with the latest technological developments. Regular feedback from customers helps in fine-tuning their services.</p> <p>Through these core functions of management, saytm has successfully positioned itself as a leader in India's digital economy.</p> <p>This shows the management functions have contributed to saytm's growth and market leadership, making it an excellent example of the significance of management in a successful business.</p> <p>Identified the above concept and explain.</p>	4
26. (A)	<p>In order to streamline the selection procedure, so as to minimise the margin of errors, certain tests are carried out that attempt to measure the characteristics of individuals. Explain any four such tests.</p> <p style="text-align: center;">OR</p> <p>26. (B) "Recruitment refers to the process of finding possible candidates for a job or a function. It is the process of searching for prospective employees and stimulating them to apply for jobs in an organisation." Explain two internal sources that can be used by an organisation to fill requisite positions.</p>	4

27.	<p>In a community project aimed at building a local park, three leaders emerged with different leadership styles. Each leader approached the project in unique ways.</p> <p>1. Ms. Singh Ms. Singh took charge of the project with a clear vision. She made decisions independently, outlining specific tasks for each team member. Her structured approach led to quick progress, but some volunteers felt their input was not valued, leading to low morale.</p> <p>2. Mr. Joshi: Mr. Joshi organized meetings to gather ideas from all team members. He encouraged open discussions and made decisions based on group consensus. This created a sense of community and commitment, resulting in innovative ideas and high team morale.</p> <p>3. Ms. Verma: Ms. Verma allowed team members to work independently, providing minimal guidance. While this empowered some individuals to take initiative, others struggled without direction, resulting in a lack of cohesion and some unfinished tasks.</p> <p>Identify the leadership style of each leader. Also State the reason behind.</p>	4
28. (A)	<p>“In the absence of a managerial function, planning goes unchecked.” Name the function and explain its importance.</p>	4
	<p>OR</p>	
28. (B)	<p>“There is a close and reciprocal relationship between planning and controlling.” Explain the statement.</p>	
29.	<p>Mr. Atul set up a business of pizza hut with full enthusiasm and zeal after learning technical know-how of the same line of business. For some time it went on well but later he incurred losses.</p> <p>He researched himself and found the market is moving towards wellness through yoga, meditation and sound healing. He has undergone training and invested some amount in learning and then set up a new line of business. But still he is unable to earn profit.</p> <p>Identify and explain the features of one of the functions of Management highlighted above.</p>	4

30.	Give any four points of difference between product concept and production concept.	4
31.	According to securities contracts (regulation) act 1956, it means anybody of individuals, whether incorporated or not, constituted for the purpose of assisting, regulating or controlling the business of buying and selling or dealing in insecurities. Identify the organisation and Explain the functions performed by the above said organisation.	6
32. (A)	Differentiate between functional structure and divisional structure on the basis of: (I) Formation (II) Specialisation (III) Responsibility (IV) Managerial development (V) Cost (VI) Coordination	6
32. (B)	OR Explain (i) Benefits of specialisation (ii) Development of personnel (iii) Adaptation to change (iv) Effective administration	
33.	Ahuja builders is a well known firm. It has many employees. Its core competence is in construction work but it has many other operations to tackle also. These operations are connected to public relations, advertising, finance, etc. With changing times the company has decided to outsource these services from the experts of these fields. Thus it has decided to save time and concentrate on its main business. There is a team of civil engineers who form the main body of the decision group. This group takes decisions related to future construction projects after making thoughtful and justifiable conclusions. The newspapers of the country have also appreciated the efforts made by Ahuja builders in giving better housing facilities to the people in general. Company wants to walk shoulder to shoulder with other international firms in the industry. For this time and again prepares its employees through proper training modules which educate them about the changing situations at the global level. The net worth of the company is expected to touch rupees 30,000 crores this year which is going to be a landmark achievement in the history of this firm. The company is also ranked high in fulfilling Corporate Social Responsibility initiatives. Which points of importance of principles of management have been highlighted in the above case? Also identify the lines.	6

34. (A)	<p>XYZ Organic Foods is a startup that specializes in organic food products, including snacks, cereals, and beverages. The company aims to provide healthy, eco-friendly alternatives to conventional food products. They are planning to launch a new line of organic snacks and want to understand how to effectively market them using the marketing mix components. Discuss the marketing mix components for XYZ Organic Foods' new line of organic snacks.</p>	6
34. (B)	<p>OR</p> <p>State any four functions of packaging.</p>	

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