

Directorate of Education, GNCT of Delhi
Practice Paper
MID TERM EXAMINATION (2025-26)
Class – XII
Business Studies (Code: 054)

Time: 3 Hours


Maximum Marks: 80

General Instructions:

1. There are 31 questions in the question paper.
2. All questions are compulsory
3. Question nos. 1 to 16 carrying 1 mark each.
4. Question nos. 17-20 are short answer types–I questions carrying 3 marks each.
5. Question nos. 21-27 are short answer type–II questions carrying 4 marks each.
6. Question nos. 28-31 are long answer type questions carrying 6 marks each.
7. There is no overall choice. However, an internal choice has been provided in 2 questions of one mark, 2 questions of three marks, 2 questions of four marks and 2 questions of six marks.

Q.No.	Questions	Marks
1	<p>Organisation structure establishes relationships between</p> <p>(a) organisation and environment. (b) people, work and resources. (c) organisation and society. (d) suppliers and customers.</p>	1
2.	<p>EcoRide E-Bikes Pvt. Ltd., founded in 2016 in Pune, manufactures affordable electric bicycles and scooters. Initially, the company targeted college students and eco-conscious commuters in metro cities. With rising awareness of sustainability, EcoRide grew rapidly, capturing 15% of the regional e-bike market by 2019.</p> <p>Which dimension of Business Environment is highlighted in the above paragraph?</p> <p>(a) Economic Environment (b) Social environment (c) Legal environment (d) Technological Environment</p>	1
3	<p>Statement I: Span on management determines the structure of an organisation.</p> <p>Statement II: Discretion of top management determines the structure of an organisation.</p> <p>Choose the correct option from the following –</p> <p>a) Statement I is true and Statement II is false. b) Statement II is true and Statement I is false. c) Both the statements are true. d) Both the statements are false.</p>	

4	Which of the following is NOT the feature of "Science as a Management"? (a) Systematised body of knowledge (b) Ethical code of conduct (c) Principles based on experimentation (d) Not universally valid	1
5	Crakal Foods Ltd. is a company manufacturing packaged snacks. As the company expanded, the management realized that it was becoming difficult to manage different functions like production, marketing, and finance efficiently. To streamline operations, the company decided to adopt a proper organisational structure. Suggest the organisation structure to the company. (a) Functional Structure (b) Divisional Structure (c) Informal Structure (d) Formal Structure	1
6	This type of plan includes the entire gamut of activities as well as the organisation's policy and how it will contribute to the overall business plan. Identify the type of plan depicted in the above statement. (a) Strategy (b) Rules (c) Programme (d) Method	1
7	Which function of management is called the Generic Function of management? (a) Planning (b) Organising (c) staffing (d) Directing	1
8	"In order to be successful, an organisation must change itself and its goals according to the needs of the environment." Which characteristic of management is highlighted in this statement? (a) Management is a group activity (b) Management is a dynamic function (c) Management is an intangible force (d) Management is all pervasive	1
9	Which of the following is NOT the aim of the Demonatisation? (a) To create cash-less economy (b) To curb corruption (c) To Counterfeit the use of high denomination notes for illegal activities (d) To increase the sale of debit and credit cards	1
10	An unsatisfied need of an individual creates..... (a) Needs (b) Tension (c) Drive (d) Satisfied needs	1
11	Statement I: Planning enables a manager to look ahead and anticipate changes. Statement II: Planning ensures that the goals or objectives are clearly stated. Choose the correct option from the following – a) Statement I is true and Statement II is false. b) Statement II is true and Statement I is false. c) Both the statements are true. d) Both the statements are false.	1

12	<p>One of the essential objectives is to create a pool of prospective Job candidates.</p> <p>Which step of staffing is highlighted here?</p> <p>(a) Estimating the Manpower Requirements (b) Recruitment (c) Section (d) Placement and Orientation</p>	1
13	<p>See the diagram given below carefully</p>  <p>Which limitations of planning is depicted in the above image:-</p> <p>(a) Planning does not guarantee success (b) Planning involves huge costs (c) Planning reduces creativity (d) Planning leads to rigidity</p>	1
14	<p>Read the following statements :- Assertion (A) and Reason (R). Choose the correct alternative from those given below:-</p> <p>Assertion (A): The work is divided into manageable activities.</p> <p>Reason (R): Grouping of activities brings specialisation.</p> <p>a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A). b) Both Assertion (A) and Reason (R) are true but 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.</p>	1
15	<p>Which of the following statements is NOT true about “Strategy”?</p> <p>(a) It is the desired future position that the management would like to reach. (b) It provides the broad contours of an organisation’s business. (c) It defines the organisations direction and scope in the long run. (d) While formulation of any strategy the business environment needs to be taken into consideration.</p>	1
16	<p>After spending a significant time in an organisation, there is a need to evaluate their performance.</p> <p>Identify the concept related to staffing highlighted in this statement.</p>	

	(a) Recruitment (c) Performance Appraisal	(b) Selection (d) Compensation	1																				
17	<p>Statement I: We can understand the Business environment in parts. Statement II: We can't easily understand the Business environment as a whole.</p> <p>Choose the correct option from the following –</p> <p>a) Statement I is true and Statement II is false. b) Statement II is true and Statement I is false. c) Both the statements are true. d) Both the statements are false.</p>		1																				
18	<p>Match the Non-financial incentives in column-I with its Meaning in Column-II</p> <table border="1"> <thead> <tr> <th>S.No.</th><th>Non-financial incentives</th><th>S.No.</th><th>Meaning</th></tr> </thead> <tbody> <tr> <td>A</td><td>Status</td><td>1</td><td>reward orientation, consideration to employees</td></tr> <tr> <td>B</td><td>Organisational Climate</td><td>2</td><td>Including employees in decision making</td></tr> <tr> <td>C</td><td>Job Enrichment</td><td>3</td><td>the job itself becomes a source of motivation to the individual.</td></tr> <tr> <td>D</td><td>Employee participation</td><td>4</td><td>Ranking of positions in the organisation</td></tr> </tbody> </table> <p>(a) A-4; B-3; C-1; D-2 (b) A-4; B-3; C-2; D-1 (c) A-4; B-1; C-3; D-2 (d) A-1; B-2; C-3; D-4</p>		S.No.	Non-financial incentives	S.No.	Meaning	A	Status	1	reward orientation, consideration to employees	B	Organisational Climate	2	Including employees in decision making	C	Job Enrichment	3	the job itself becomes a source of motivation to the individual.	D	Employee participation	4	Ranking of positions in the organisation	1
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19	<p>Which technique of scientific management is called an extension of the principle of division of work and specialisation to the shop floor?</p> <p>(a) Functional Foremanship (b) Work studies (c) Standardisation (d) Simplification</p>		1																				
20	<p>Arihant Ltd. need a helper and 5 multi taking staff members for smooth working of the office routine tasks. The manager posted a notice board outside the office for the vacancy position. Many people passing by were able to see it and few of them applied for the job.</p> <p>What external source of recruitment is highlighted in the above case?</p> <p>(a) Casual Caller (b) Direct Recruitment (c) Advertisement (d) Campus Recruitment</p>		1																				
21	<p>Cover pvt Ltd. is a textile company in Ludhiana. The company specializes in producing cotton shirts and has over 300 employees. Recently, the management noticed a decline in productivity, delay in deliveries, and an</p>																						

	<p>increase in defective pieces. Customer complaints were rising, and morale among workers was low.</p> <p>To overcome this situation, the production manager sets a target unit to be produced by each worker, quality check of each batch, Workers were informed about the standards and were encouraged to share suggestions for reducing wastage.</p> <p>Answer the following questions based on the above paragraph-</p> <p>(i) What function of management is highlighted in the above paragraph. Identify.</p> <p>(ii) Identify and explain the importance of the function of management as highlighted in Q1.</p>	3
22A	Explain three advantages of Functional Structure of organisation.	
	OR	
22B	Explain three advantages of Divisional Structure of organisation.	3
23A	Explain the following limitations of planning:-	
	(i) Planning leads to rigidity	
	(ii) Planning may not work in a dynamic environment	
	(iii) Planning reduces creativity	
	OR	
23B	Explain the following types of plans:-	
	(i) Objectives	
	(ii) Strategy	
	(iii) Policy	
24	<p>Launching its website in 1995 with the slogan "Earth's biggest bookstore," Amazon promised customers one million book titles at low prices. It built a dominant position in e-commerce by entering the market early, establishing a vast supply chain, gathering customer data, and fostering customer loyalty through innovations like Amazon Prime.</p> <p>What importance of the business environment is highlighted in the above paragraph? Explain.</p>	3
25A	Explain how Management Principles are.....	
	(a) Universally applicable	
	(b) Formed by practice and experimentation	
	OR	
25B	Explain the following significance of management principles:-	
	(a) They Provide managers with useful insights into reality	
	(b) They help in taking scientific decisions	4
26	<p>Read the following statements:-</p> <p>(a) The effect of management is noticeable in an organisation where targets are met according to plans, employees are happy and satisfied, and there is orderliness instead of chaos.</p> <p>(b) Management unites the efforts of different individuals in the organisation towards achieving these goals.</p> <p>Identify and explain the characteristics of management highlighted in the above statements.</p>	4

27A	Explain the following elements of staffing:- (a) Training (b) Development	
27B	OR Explain any four benefits of training and development to the organisation.	4
28A	Explain formal communication.	
28B	OR Explain Grapevine Network.	4
29	The finance department in Procol Ltd. set a standard of Rs. 100 Crores for buying 5 Machines for the purchase department. But due to likely increase in demand in future the set standard of purchase budget is now increased to 200 crores to buy 10 machines. The finance manager with an effective control system helps him to review and revise the standards in light of such changes. This also helps him, purchase and production department to reduce the wastage of resources. Explain the importance of controlling, highlighted in the above paragraph.	4
30	Read the following statements carefully:- (a) It refers to the downward transfer of authority from a superior to a subordinate. (b) It refers to the delegation of authority throughout all the levels of the organisation. Answer the following questions based on above statements:- (i) Identify concepts of organising are highlighted in both the statements. (ii) Differentiate between the concepts of organising as identified above on the following basis:- (1) Nature (2) Freedom of action (3) Purpose	4
31A	“In small organisations, after the employees have undergone a period of training the line managers have to undergo three more stages.” Explain the remaining three stages in the staffing process.	
31B	OR Explain the following methods of training:- (i) Apprenticeship training (ii) Internship training (iii) Vestibule training	6
32	Explain the following terms related to Directing:- (i) Motive (ii) Motivation (iii) Motivator OR Explain the motivation process.	6
33	Meera has recently launched a company, EcoGlow Pvt. Ltd. , to produce eco-friendly LED lights. As the orders started increasing, she realised that handling everything alone was becoming difficult. To ensure smooth functioning she analysed all the activities involved in manufacturing such as designing, procurement of raw materials, assembling, quality checking,	

	<p>marketing, and after-sales service. Then she grouped these activities into separate units like production, finance, marketing, and customer service. After that, she decided the responsibilities and authority of departmental heads and appointed experienced managers for each division. Finally, she established and built coordination channels between departments so that production matched demand and after-sales issues were resolved quickly.</p> <p>Identify and explain the process of organising and quote the lines as well.</p>	6
34	<p>Riviera Textiles Pvt. Ltd. is engaged in producing designer fabrics. The management observed that even though the workers were skilled, overall productivity was low. On further analysis, they noticed the following issues:</p> <ul style="list-style-type: none"> (a) Some workers stitched faster while others took almost double the time for the same piece of work. (b) Supervisors constantly clashed with workers, as there was a lack of mutual trust and coordination. <p>Which two principles of Taylor can be applied here to resolve the above challenges? Briefly explain them in context of the case.</p>	6