

CBSE Class 12 Business Studies Question Paper 2021



Series **3HKP35/C**



SET~1

Code No. **66/6/1**

Roll No.

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Candidates must write the Code on the title page of the answer-book.

NOTE :

- (i) Please check that this question paper contains **8** printed pages.
- (ii) Code number given on the right hand side of the question paper should be written on the title page of the answer-book by the candidate.
- (iii) Please check that this question paper contains **34** questions.
- (iv) Please write down the serial number of the question in the answer-book before attempting it.
- (v) 15 minute time has been allotted to read this question paper. The question paper will be distributed at 10.15 a.m. From 10.15 a.m. to 10.30 a.m., the students will read the question paper only and will not write any answer on the answer-book during this period.

BUSINESS STUDIES



Time allowed : 3 hours



Maximum Marks : 80

General Instructions :

Read the following instructions very carefully and strictly follow them :

- (i) There are **34** questions in the question paper. **All** questions are **compulsory**.
- (ii) Question nos. **1** to **20** are objective type questions, carrying **1** mark each.
- (iii) Question nos. **21** to **24** are short-answer type I questions, carrying **3** marks each.
- (iv) Question nos. **25** to **30** are short-answer type II questions, carrying **4** marks each.
- (v) Question nos. **31** to **34** are long-answer type questions, carrying **6** marks each.
- (vi) Answers should be brief and to the point.
- (vii) There is no overall choice in the question paper. However, an internal choice has been provided in **two** questions of one mark, **two** questions of three marks, **two** questions of four marks and **two** questions of six marks. Only one of the choices in such questions have to be attempted.



1. 'The main objective of any organisation should be to utilise human and material resources to the maximum possible advantage.'

The above lines highlight which of the following objectives of management ?

1

- (A) Organisational objectives
- (B) Social objectives
- (C) Personal objectives
- (D) Both (B) and (C)

2. '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 being highlighted here ?

1

- (A) Management is all pervasive.
- (B) Management is multi-dimensional.
- (C) Management is a group activity.
- (D) Management is a dynamic function.

3. _____ environment of business includes forces relating to scientific improvements and innovations which provide new ways of producing goods and services and new methods and techniques of operating a business.

1

- (A) Social
- (B) Political
- (C) Technological
- (D) Economic

4. 'Business environment consists of numerous inter-related and dynamic conditions or forces which arise from different sources.' Identify the characteristic of business environment being highlighted here.

1

- (A) Inter-relatedness
- (B) Dynamic nature
- (C) Complexity
- (D) Relativity

5. The process of management which synchronises the activities of different departments in an orderly manner is :

1

- (A) Planning
- (B) Staffing
- (C) Controlling
- (D) Coordination

6. Which of the following headings does **not** highlight the importance of business environment ?

1

- (A) Tapping useful resources
- (B) Coping with rapid changes
- (C) Improving performance
- (D) Promoting innovative ideas



7. Reserve Bank of India has reduced the REPO rate for providing cheaper loans to the industries during COVID-19 pandemic. Which dimension of business environment is being discussed here ? 1
- (A) Political
(B) Economic
(C) Technological
(D) Social
8. 'Delegation' is the process of sharing the 'authority' and 'responsibility' : 1
- (A) At two levels
(B) At three levels
(C) At multiple levels
(D) Authority and responsibility cannot be shared
9. The step of 'organising' process in which each individual comes to know from whom he has to take orders and to whom he is accountable is called : 1
- (A) Identification and division of work
(B) Departmentalisation
(C) Assignment of duties
(D) Establishing reporting relationships
10. Which of the following headings does **not** highlight the importance of 'controlling' function of management ? 1
- (A) Ensuring order and discipline
(B) Initialising action by people in the organisation
(C) Making efficient use of resources
(D) Improving employees motivation
11. (a) Which of the following is a financial incentive ? 1
- (A) Perquisites
(B) Status
(C) Job-enrichment
(D) Job-security

OR

- (b) Which of the following is **not** a step in the 'selection' process ? 1
- (A) Reference and background checks
(B) Selection decision
(C) Job offer
(D) Performance appraisal



12. (a) 'Marketing Planning' as a function of marketing means to develop a plan for : 1
- (A) Identifying the needs of the customers.
 - (B) Analysing the available opportunities and threats in the organisation.
 - (C) Increasing the level of production, promotion of product etc., and specifying the action programmes.
 - (D) Developing repeat purchases by the customers.

OR

- (b) In Column I of the following table the important components of product are given and in Column II their respective meanings are given : 1

<i>Column I</i>	<i>Column II</i>
a. Branding	i. Act of designing and producing the container or wrapper of a product.
b. Packaging	ii. Putting identification marks on the package.
c. Labelling	iii. Process of giving a name or a sign or a symbol to the product.

Which of the following matches is correct ?

	a	b	c
(A)	i	ii	iii
(B)	iii	ii	i
(C)	iii	i	ii
(D)	ii	iii	i

Read the following paragraph and answer question nos. 13 – 16 on the basis of the same :

Mayank Ltd. is a real estate company. Since its establishment, the company acquired a good market share. With the boom in the Indian economy, the real estate sector is also witnessing a boom due to lower interest rates on housing loans and accompanying income-tax concessions.

For meeting this increasing demand, the finance manager of the company suggested to raise ₹ 1,250 crore by issuing shares and ₹ 750 crore by way of loan from the bank. He was of the opinion that this will increase per share earnings of the shareholders.

The directors of the company wanted to raise capital more quickly and suggested that it would be better to allot the securities to some selected individuals. They also suggested that instead of taking loan from the bank the privilege can be given to existing shareholders to subscribe to a new issue of shares for ₹ 750 crore.



13. The method of raising ₹ 1,250 crore suggested by the finance manager is : 1
- (A) Offer for sale
(B) Offer through prospectus
(C) Private placement
(D) e-IPOs
14. 'The directors of the company wanted to raise capital more quickly and suggested that it would be better to allot the securities to some selected individuals.'
In the above lines the method of floatation of new issues suggested by the directors is : 1
- (A) Offer for sale
(B) Offer through prospectus
(C) Private placement
(D) e-IPOs
15. 'They also suggested that instead of taking loan from the bank the privilege can be given to existing shareholders to subscribe to a new issue of shares for ₹ 750 crore.'
The method of floatation of new issues discussed in the above lines is : 1
- (A) Offer for sale
(B) Offer through prospectus
(C) Private placement
(D) Rights issue
16. The market through which the financial manager and the directors wanted to collect funds is : 1
- (A) Money Market
(B) Capital Market
(C) Both (A) and (B)
(D) Neither (A) nor (B)

Read the following paragraph and answer question nos. 17 – 20 on the basis of the same :

Kshitij just completed his MBA from IIM Ahmedabad. He was not interested in doing a job. So he decided to start his own start-up. He along with his friend Naitik decided to start a dairy business for providing fresh and pure milk to people. For this, they gathered and analysed market information. They found that people were interested in buying cow's pure milk. So for meeting the demand for pure cow milk, they purchased 50 cows. They installed a plant for pasteurisation of the milk. Fresh milk was pasteurised and packed in glass bottles. On the bottles, all information related to milk such as Date of Manufacturing, Nutrition value, Quantity, MRP, etc. was given. They gave the name 'Fresh Delight' to the milk which was also printed on the bottles.

For distribution of milk, they hired delivery boys who supply this milk door to door. They got the name 'Fresh Delight' registered so that no other firm can use such name in the country.



17. Which function of marketing was performed by Kshitij and Naitik before purchasing the cows ? 1
- (A) Marketing Planning
(B) Packaging and Labelling
(C) Gathering and Analysing Market Information
(D) Branding
18. 'They gave the name 'Fresh Delight' to the milk.' The process of giving this name is known as : 1
- (A) Branding
(B) Brand Name
(C) Trade Mark
(D) Packaging
19. 'On the bottles, all information related to milk was given.' This important product related decision is : 1
- (A) Packaging
(B) Labelling
(C) Branding
(D) Both (A) and (C)
20. 'For distribution of milk, they hired delivery boys who supply this milk door to door.' The element of marketing mix highlighted here is : 1
- (A) Product
(B) Price
(C) Place/Physical distribution
(D) Both (A) and (B)
21. Identify the characteristic of management which states that the activities involved in managing an enterprise are common to all organisations whether economic, social or political. Also state two other characteristics of management. 3
22. 'Leadership indicates the ability of an individual to maintain good interpersonal relations with followers and motivate them to contribute towards achieving organisational objectives.' In the light of this statement, explain any two styles of leadership. $2 \times 1 \frac{1}{2} = 3$



23. (a) Give the meaning of 'Formal' and 'Informal' communication. $1\frac{1}{2} + 1\frac{1}{2} = 3$

OR

(b) Actual performance of employees is measured in the second step of 'controlling' process. Explain the next three steps in the process. $3 \times 1 = 3$

24. (a) State any three objectives of Securities and Exchange Board of India. $3 \times 1 = 3$

OR

(b) State any three functions of Stock Exchange. $3 \times 1 = 3$

25. State the first four steps in the process of 'staffing'. $4 \times 1 = 4$

26. Explain the following methods of training : $2 \times 2 = 4$

(a) Vestibule training

(b) Apprenticeship training

27. (a) Identify and explain the elements of 'directing' in the following cases : $2 + 2 = 4$

(i) Mohan guides the efforts of his subordinates to accomplish the desired objectives and gives instructions to ensure optimum utilisation of resources and achievement of work targets.

(ii) S.S. Tripathi, Managing Director, explains the plan in writing to the departmental managers and receives their feedback.

OR

(b) Identify the need from the 'Maslow's Need Hierarchy' in the following statements and also state the four assumptions on which Maslow's theory is based. $(\frac{1}{2} + \frac{1}{2}) \times 4 = 4$

(i) These needs refer to affection, sense of belongingness, acceptance and friendship.

(ii) It refers to the drive to become what one is capable of becoming.

(iii) These needs include factors such as self-respect, autonomy status, recognition and attention.

(iv) These needs provide security and protection from physical and emotional harm.

28. (a) Explain any two factors that affect the dividend decision of a company. $2 \times 2 = 4$

OR

(b) Explain any two factors that affect the financing decision of a company. $2 \times 2 = 4$



29. Rajesh wants to start a small factory for producing Hand Sanitizers. For establishing the plant and acquiring other fixed assets he needs ₹ 80 lakh.
Explain any two factors which affect the requirement of fixed capital of this company. $2 \times 2 = 4$
30. Explain the following rights of consumers as per the Consumer Protection Act, 1986 : $2 \times 2 = 4$
- (a) Right to be informed
 - (b) Right to seek redressal
31. Explain the following techniques of Scientific Management : $3 \times 2 = 6$
- (a) Method study
 - (b) Motion study
 - (c) Time study
32. (a) Planning 'provides direction,' 'reduces the risk of uncertainty' and 'promotes innovative ideas'. Explain. $2 \times 3 = 6$

OR

- (b) 'All the available alternatives are evaluated in the light of their feasibility and consequences.' This is one of the steps in the process of 'planning'. Explain the steps followed by this. $2 \times 3 = 6$
33. Kartik opens a bakery shop in the local market. With the increasing demand of his bakery products he feels it will be impossible for him to handle all the work himself. So he appoints Bhavana to perform tasks on his behalf, thereby reducing his workload. It enables Kartik to use his time on high priority activities.
- (a) Identify and explain the concept of 'organising' discussed in the above case.
 - (b) Explain the two essential elements of the concept identified in (a) above. $2 + 2 + 2 = 6$
34. (a) Explain any three factors that affect the price determination of a product. $3 \times 2 = 6$

OR

- (b) Explain any three elements of promotion mix. $3 \times 2 = 6$