

**CBSE**  
**Class XII Business Studies**  
**Sample Paper – 3**

**Time: 3 hrs****Max. Marks: 80****General Instructions:**

- (i) All questions in both sections are compulsory.
- (ii) Marks for questions are indicated against each question.
- (iii) Question Nos. **1–8** are very short answer questions carrying **1** mark each. They are required to be answered in one sentence each.
- (iv) Question Nos. **9–13** are short answer questions carrying **3** marks each. Answers to them should normally not exceed **50–75** words each.
- (v) Question Nos. **14–19** are also short answer questions carrying **4** marks each. Answers to them should normally not exceed **150** words each.
- (vi) Question Nos. **20–22** are long answer questions carrying **5** marks each. Answers to them should normally not exceed **150** words each.
- (vii) Question Nos. **23–25** are long answer questions carrying **6** marks each. Answers to them should normally not exceed **200** words each.
- (viii) Answers should be brief and to the point, and the above word limits should be adhered to as far as possible.

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**SECTION A**

1. 'The various principles of management must be moulded by the managers as per the situation'. Name the nature of management being described. [1]

2. 'As one goes up the hierarchy, the right to command the subordinates increases'. State the element of delegation described. [1]

**(OR)**

Which principle is violated in the scenario when an employee is given responsibility for a job but is not given the degree of authority necessary to carry it out?

3. Give the meaning of the term accountability as an element of delegation. [1]

**(OR)**

What is meant by decentralisation?

4. What is meant by standardisation of work? [1]

**(OR)**

Give the meaning of method study.

5. AB Ltd. opened a new factory. Now it is planning to invest in new machinery for the factory. Identify and state the financial decision being described. [1]
6. PN Ltd. deals in sale and purchase of women clothing. On the other hand, SP Ltd. is a manufacturer of women apparel. How would the working capital requirements of the two firms differ? [1]
7. State one advantage of personal selling. [1]
8. Radhika bought a clothing iron. However, she found that it did not have the mandatory ISI mark on it.  
Which consumer right is being violated in the given situation? [1]

**SECTION B**

9. What are single use plans? Give a brief description of budget and programmes. [3]

**(OR)**

What are strategic decisions taken by business organisations and its objectives?

10. Recently there was a vacancy for the position of Senior Manager in the marketing department of Sam Ltd. Vijay who worked as a manager in the department was promoted for the position so created.
  - i. Identify the source of recruitment being used in the given situation.
  - ii. List two advantages of the source identified in (i) above. [3]

11. 'It refers to providing instructions and guiding the employees in doing an activity'.
  - i. Identify the function of management being described in the statement.
  - ii. State the elements of the management function identified in (i) above. [3]

**(OR)**

Identify the function of management in which managers tell the people in the organisation as to what they should do, when they should do and how they should do and see that their instructions are implemented in proper perspective. State two points of importance of the identified function.

12. What are the development functions of SEBI? [3]
13. State any three responsibilities of a consumer. [3]

**SECTION C**

14. Why is management important for an organisation? [4]

15. Identify the dimension of business environment in the following situations:

- i. An increase in awareness among people regarding health benefits of organic food and thereby an increase in the demand for the same.
- ii. The government passed the Competition Act, 2002. [4]

**(OR)**

What is meant by the term business environment? Explain how the various elements of business environment are interrelated. Also, explain why business environment is said to be uncertain in nature.

16. Raman is appointed as the Supervisor in a factory of PA Ltd. What steps must he follow while organising the activities in the factory? [4]

17. What are the qualities of a good leader? [4]

**(OR)**

What are the functions performed by supervisor?

18. 'According to this marketing management philosophy, satisfying the needs of the customers is of prime importance for an organisation and is the key to success.'

- i. Identify the marketing management philosophy which is being described.
- ii. Highlight the basic points on which the philosophy identified in (i) is based. [4]

19. State the functions of financial market. [4]

#### SECTION D

20. Describe the different types of plans on the basis of what they aim to achieve. [5]

21. Explain the various channels of formal communication in an organisation. [5]

**(OR)**

'The barriers to effective communication exists in all organisations to a greater or lesser degree'. In the context of the given statement, explain the measures to overcome the barriers.

22. Why is controlling important for an organisation? [5]

#### SECTION E

23. Compare the contributions of Fayol and Taylor? [6]

**(OR)**

In ABC Ltd., there is an employee suggestion system, and any employee who gives good suggestions which result in substantial cost/time reduction is rewarded. There is also team spirit of unity and harmony among employees, which results in the spirit of mutual trust and belongingness among team members. Besides this, employees give priority to the interests of the organisation over their interests.

Identify and briefly explain the Fayol's principles of management discussed above.

**24.** How does the following factors affect the working capital requirements of a firm: [6]

- i.** Production cycle
- ii.** Scale of operations
- iii.** Credit allowance
- iv.** Level of competition
- v.** Availability of raw material
- vi.** Business cycle

**25.i.** What is meant by-product?

**ii.** 'Hotel Mahal' is a high end restaurant in the city with luxurious facilities and magnificent setting. Everyone in the city wishes to dine there at least once even if at a high price.

Identify the type of product that is being described. What are the features of such products? [6]