

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

**Time: 3 hrs**

**Max. Marks: 80**

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**General Instructions:**

- (i) Marks for questions are indicated against each question.
  - (ii) Question Nos. **1–20** are objective type/MCQ questions carrying **1** mark each.
  - (iii) Question Nos. **21–25** are short answer I questions carrying **3** marks each.
  - (iv) Question Nos. **26–28** are short answer II questions carrying **4** marks each.
  - (v) Question Nos. **29–31** are long answer I questions carrying **5** marks each.
  - (vi) Question Nos. **32–34** are long answer II questions carrying **6** marks each.
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**SECTION A**

- 1. 'The various principles of management must be moulded by the managers as per the situation and applied in his/her own unique manner'. Identify the nature of management being described. [1]
- 2. The process of selection starts with \_\_\_\_\_.
  - a) Tests
  - b) Screening
  - c) Personal interview
  - d) Background checks
- 3. 'As one goes up the hierarchy, the right to command the subordinates increases'. State the element of delegation described. [1]
- 4. Which of the following statements is **not true** with regard to planning? [1]
  - a) Planning is done for an infinite time.
  - b) Planning is done by managers at all levels.
  - c) Planning is concerned with setting objectives.
  - d) Planning defines the course of action to be followed.
- 5. What is meant by standardisation of work? [1]
- 6. Rohan, an investor, wants to purchase 91 days treasury bills of ₹ 15,000. But, he was informed that it is not possible. Identify the reason why Rohan could not invest in treasury bills. [1]

7. Which of the following statements is incorrect with regard to controlling? [1]  
a) It involves evaluation of tasks.  
b) It involves setting standards for various tasks.  
c) It helps in taking the required corrective actions.  
d) None of the above
8. This Act provides for a three-tier machinery for the protection of consumers. State the Act being referred to. What are the three levels of the consumer protection machinery under the Act? [1]
9. XYZ Ltd. opened a new factory in Kerala. Now it is planning to invest in new machinery for the factory. Identify and state the financial decision being described. [1]
10. Vishal is the manager of the production department. He has four subordinates under him. If a subordinate wishes to communicate with another subordinate, he must first communicate with Vishal who would then pass on the message to the subordinate. Which type of communication network is being described? [1]  
a) Wheel network  
b) Circular network  
c) Inverted-v network  
d) Single chain network
11. 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]
12. \_\_\_\_\_ is the impersonal mode of promoting a product. [1]  
a) Advertising  
b) Personal selling  
c) Sales Promotion  
d) None of the above
13. State one advantage of personal selling. [1]
14. Which of the following financial instruments is **not** traded in the capital market? [1]  
a) Commercial paper  
b) Bonds  
c) Equity  
d) Debentures

15. 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]
16. Vikas is the head boy of St. Mary high school. He has developed a plan for the annual function of his school. Identify the type of plan developed by Rohan. [1]
- a) Standing plan
  - b) Method
  - c) Rule
  - d) Single use plan
17. What is interest coverage ratio and how does it affect the capital structure decision of a company? [1]
18. Who of the following can file a complaint in the consumer redressal agency? [1]
- a) Consumer
  - b) Central and state government
  - c) Registered consumer association
  - d) All of the above
19. Define marketing mix [1]
20. When do we call financial leverage to be favourable? [1]

**SECTION B**

21. "Planning is required at all levels of management." Explain. [3]

**OR**

State any three limitations of planning

22. 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. [3]
- a) Identify the source of recruitment being used in the given situation.
  - b) List two advantages of the source identified in (a) above.
23. What are the development functions of SEBI? [3]
24. State any three responsibilities of a consumer. [3]
25. Suppose an organisation deals with the manufacturing of four products—footwear, garments, jewellery and leather accessories, and there are four divisions, each of which reports to the Managing Director. Under each division, there are four departments—production, sales, marketing and advertising. Identify and explain the organisational structure reflected in the question. Explain. [3]

**SECTION C**

26. Why is management important for an organisation? (Any 4 points) [4]
27. 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. [4]
28. Discuss any four qualities of a good leader? [4]

**OR**

What are the functions performed by supervisor? (Any 4)

**SECTION D**

29. Describe the different types of plans on the basis of what they aim to achieve. (Any 5) [5]
- OR**
- Discuss the importance of planning (Any 5 points)

30. Explain the importance of directing. [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. (Any 5)

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

**SECTION E**

32. What is meant by principles of management? Describe their nature. [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.

33. How does the following factors affect the working capital requirements of a firm: [6]
1. Production cycle
  2. Scale of operations
  3. Credit allowance
  4. Level of competition
  5. Availability of raw material
  6. Operating efficiency

34. Explain any three marketing management philosophies in detail. [6]

**OR**

Explain the factors which affect the determination of price. (Any 3)