



# B.K. BIRLA CENTRE FOR EDUCATION

SARALA BIRLA GROUP OF SCHOOLS  
A CBSE DAY-CUM-BOYS' RESIDENTIAL SCHOOL

PRE-BOARD 3 EXAMINATION, 2025-26

BUSINESS STUDIES - 054

SET A

Class: XII

Date: 12/01/2026

Admission no:

Time: 3 Hrs.

Max Marks: 80

Roll no:

## General instructions :

1. Please check this question paper contains 7 printed pages.
2. This question paper contains 34 questions.
3. Marks are indicated against each question.
4. Answers should be brief and to the point.
5. Answers to the questions carrying 3 marks may be from 50 to 75 words.
6. Answers to the questions carrying 4 marks may be about 150 words.
7. Answers to the questions carrying 6 marks may be about 200 words.
8. Attempt all parts of the questions together.

1. Indian Railways has launched a new broad gauge solar power train which is going to be a path breaking leap towards making trains greener and more environment friendly. The solar power DEMU (Diesel Electric Multiple Unit) has 6 trailer coaches and is expected to save about 21,000 liters of diesel and ensure a cost saving of Rs 12, 00,000 per year. Name the objectives of management achieved by Indian Railways in the above case.

- |                              |                           |   |
|------------------------------|---------------------------|---|
| (a) Organisational objective | (b) Social objectives     |   |
| (c) Personnel objectives     | (d) Individual objectives | 1 |

2. In order to boost and double India's export of goods and services to over USD 1,000 billion by 2025, it is important to lower effective corporate tax rate, bring down cost of capital and simplify regulatory and tax framework. Identify the related dimension of business environment.

- |   |   |
|---|---|
| (a) Social dimension and Legal dimension            |   |
| (b) Technological dimension and Political dimension |   |
| (c) Political dimension and social dimension        |   |
| (d) Economic dimension and Legal dimension          | 1 |

3. Match the principle of management in Column I with their respective explanation in Column II:

- |   |                                 |
|---|---------------------------------|
| a. . Stock Market indicates                   | (i) Political environment       |
| b. Customs and traditions                     | (ii) Social environment         |
| c. New techniques of operating business       | (iii) Technological environment |
| d. General stability and peace in the country | (iv) Economic environment       |

Options:

- |                   |                   |                   |                   |   |
|-------------------|-------------------|-------------------|-------------------|---|
| a) iv, iii, i, ii | b) ii, iii, iv, I | c) iii, iv, ii. i | d) iv, ii, iii. i | 1 |
|-------------------|-------------------|-------------------|-------------------|---|

4. Which of the following is not a disadvantage of functional structure of organisation?

- (a) Less emphasis on overall enterprise objectives than the objectives pursued by a functional head.

- (b) A conflict of interests may arise when the interests of two or more departments are not compatible.  
(c) May lead to occupational specialisation.  
(d) It may lead to problems in coordination as information has to be exchanged across functionally differentiated departments.

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5. Assertion (A) – The task of staffing involves manning the organisational structure.

Reason (R) – It involves not only the requirements, but also the subsequent growth of individuals within the company.

Options:

- (a) Both (A) and (R) are true, and (R) is the correct explanation of (A).  
(b) Both (A) and (R) are true, but (R) is not the correct explanation of (A).  
(c) (A) is true, but (R) is false.  
(d) (A) is false, but (R) is true.

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6. Many big organisations maintain a close liaison with the universities, vocational schools, and management institutes to recruit qualified personnel for various jobs. This is known as \_\_\_\_\_.

- (a) Placement agencies and management consultants  
(b) Direct recruitment  
(c) Labour contractors  
(d) Campus recruitment

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7. Which of the following is not an assumption of Maslow's theory?

- (a) People's behaviour is not based on their needs  
(b) Satisfaction of such needs influences their behaviour  
(c) A satisfied need can no longer motivate a person; only the next higher-level need can motivate him  
(d) A person moves to the next higher level of the hierarchy only when the lower need is satisfied.

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8. Assertion (A): Controlling ensures that resources are used in the most effective and efficient manner.  
Reason (R): In controlling, each activity is performed in accordance with predetermined standards and norms to reduce wastage and spoilage of resources.

Options:

- (a) Both (A) and (R) are true, and (R) is the correct explanation of (A).  
(b) Both (A) and (R) are true, but (R) is not the correct explanation of (A).  
(c) (A) is true, but (R) is false.  
(d) (A) is false, but (R) is true.

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9. Statement I: Financial planning is essentially the preparation of financial blueprint of an organisation's future operations.

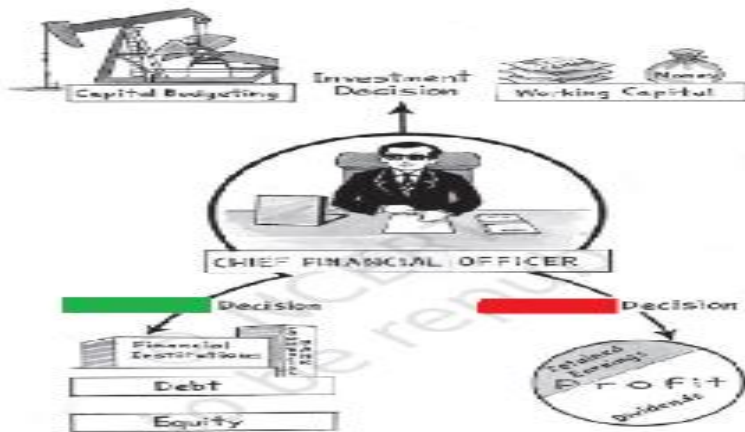
Statement II: Financial planning is done only for long-term and focuses on capital expenditure programmes only.

Choose the correct option from the options given below:

- (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.

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10. Which decisions have been marked by the Chief Financial Officer in this picture.



- a) Financing, Dividend
- c) Investing, Financing

- b) Dividend, Financing
- d) None

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11. Assertion(A): Collaboration of an organisation with another organisation reduces the need of fixed capital

Reason (R): Availability of leasing facilities reduces the fixed capital requirement of a company.

Options:

- (a) Both (A) and (R) are true and (R) is the correct explanation of (A)
- (b) Both (A) and (R) are true and (R) is not the correct explanation of A
- (c) (A) is true, but (R) is false
- (d) (A) is false, but (R) is true

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12. If in a particular situation, the earnings per share (EPS) falls with the increased use of debt, it indicates that \_\_\_\_\_.

- (a) The rate of return on investment is less than the cost of debt
- (b) The rate of return on investment is more than the cost of debt
- (c) The cost of debt is less than the rate of return on investment
- (d) None of the above

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13. When does the earnings per share (EPS) rise with higher debt?

- (a) When the rate of return on investment is higher than the rate of interest
- (b) When the rate of return on investment is lower than the rate of interest
- (c) When the rate of interest is more than the rate of return
- (d) None of the above


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14. Identify the correct sequence of steps to be followed in the trading procedure at the Stock Exchange.

- (a) Opening a trading account and Demat account, Placing an order, Settlement of order, Execution of order
- (b) Settlement of order, opening a trading account and Demat account, Placing an order, Execution of order
- (c) Opening a trading account and Demat account, Placing an order, Execution of order, Settlement of order
- (d) Placing an order, Opening a trading account and Demat account, Execution of order, Settlement of order

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15. The picture given below depicts important information related to a decision that a marketer has to take in the area of product. Identify from the following the correct option:

Manufacturing Date : 10/3/23	Organic Honey :	Quantity : 500 ml
Expiry Date : 10/3/25		No added sugar 100% pure
Max. Retail Price : ₹ 500		Manufacturer : Organic Agro products ----- Uttarakhand

- (a) Branding (b) Labelling  
(c ) Packaging (d) None of the above 1

16. According to the modern marketing concept, which of the following statements is true?

- (a) It refers to the group of people who do not have the ability but willingness to buy a particular product  
(b) It refers to only the set of people who have the purchasing power to buy a particular product  
(c) It refers to the set of actual and potential buyers for a product  
(d) It refers only to the people who show interest in a particular product 1

17. In case a consumer is not satisfied with the order passed in the State Commission, he can further make an appeal in the National Commission within a time period of \_\_\_\_\_.

- (a) 10 days (b) 20 days  
(c) 30 days (d) 45 days 1

18. Naina, her husband, and her two minor daughters were travelling from Mumbai to Delhi, availing of a company's flight services in 2018. The airlines had issued boarding passes to all of them. Naina claimed in her plea that the airlines left all her family at the Mumbai Airport without informing them, despite their being on the airport premises. The family had to stay in a hotel and purchase new tickets the next day. The State Consumer Disputes Redressal Commission (SCDRC), on hearing the plea, asked an airline company to pay Rs 50,000 to Naina and her family. Identify the rights of consumers being exercised in the given case.

- (a) Right to safety (b) Right to be heard  
(c) Right to seek redressal (d) Right to consumer education 1

19. Due to the negligence of the doctors, Johar passed away within a week's time after his surgery of the spine. Which of the following parties can not file a case in this regard?

- (a) The consumer  
(b) Any registered consumers' association  
(c) A legal heir or representative of the deceased consumer  
(d) All of the above 1

20. Which of the following statements is true with regard to the State Commission?

- (a) It consists of a President and not less than two other members, one of whom should be a woman  
(b) The members are appointed by the State Government concerned

(c) A complaint can be made to the appropriate State Commission when the value of the goods or services in question, along with the compensation claimed, exceeds Rs 20 lakhs but does not exceed Rs 1 crore

(d) All of the above

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21. National Digital Library of India (NDL India) is a pilot project initiated by the HRD ministry. It works towards developing a framework of virtual repository of learning resources with a single-window search facility. It provides support to all academic levels including researchers, life-long learners and differently abled learners free of cost. State the dimensions of business environment highlighted above.

**OR**

‘Burgers and Fudge’ was among the first fast food chains in India which pioneered the concept of family style restaurants. However, over the years it started losing business to multinational food chains like McDonalds and Pizza Hut, etc. and soon had to shut down.

The reason to shut down was the inability of managers to identify, understand, evaluate and to react to the forces external to their firm.

In the light of the above situation, explain with the help of any two points, how understanding of business environment is important for managers.

3

22. Ananta Ltd. is a firm manufacturing electronic goods. To increase its sales and earn profits, its General Manager, Kamal is thinking in advance what to do and how to do it. He is also preparing forecasts to reduce the risk of uncertainty and to achieve its targets.

By doing so Kamal is performing an important function of management.

Identify and state the function of management highlighted above.

Also state any two points of importance of this function.

**OR**

Zyesha Ltd. is a company which manufactures leather bags. The CEO of the company wants to increase their sales and earn more profits. They consulted with a management consultant who suggested the top management of the company to work hard in thinking about the future in making business predictions and achieve the targets since the business environment keeps on changing whether in terms of technological improvement, shifts in consumer preferences or entry of new competitors in the market.

(a) Identify and state the concept of management discussed in the above para.

(b) State the characteristics /feature of business environment highlighted in the above para

3

23. ‘Panda Trucks Ltd.’ decided to set-up its new truck manufacturing factory in the backwards area of Bihar where very less job opportunities were available. People of that area welcomed this effort of ‘Panda Trucks Ltd’. To attract people to work in its factory it also decided to provide many other facilities like school, hospital, market etc. in the factory premises. ‘Panda Trucks Ltd.’ started earning huge profits. Another competing company asked its production manager ‘Sanjay’ to investigate the reasons of earning huge profits by ‘Panda Trucks Ltd.’

Sanjay found that in both the companies there was systematic coordination among the various activities to achieve organizational goals. Every employee knew who was responsible and accountable to whom, the only difference was that in his organization communication took place only through the scalar chain whereas ‘Panda Trucks Ltd.’ was allowing flow of communication in all the directions as per the requirement which led to faster spread of information as well as quick feedback.

(a) Identify the type of organization, which permits ‘Panda Trucks Ltd.’ the flow of communication in all the directions.

(b) State another advantage of the type of organization identified in (a) above.

(c) State any two values which ‘Panda Trucks Ltd.’ wanted to communicate to the society.

3

24. ABC Crackers Ltd., a firecracker-manufacturing company, launched some new products on the eve of Diwali, which attracted many buyers. To meet the increased demand, the company employed children from nearby villages. Although the product was in great demand, appropriate safety warnings for use were not mentioned on the packets that led to many accidents.

(a) Identify and explain the important product-related decision that was not taken into consideration by the company.

(b) Also, identify any two values that were violated by the company. 3

25. A production manager at top level in a reputed corporate, Mr. Rathore holds the responsibility for ordering raw material for the firm. While deciding on the supplier for the financial year 2017-18, he gave the order to his cousin at a higher price per unit instead of the firm's usual supplier who was willing to lower the rates for the order.

(a) Which principle of management was violated by Mr. Rathore?

(b) What are the positive impacts of following the above identified principle? 4

26. Explain "Objective" and "Policy" as types of plan using suitable examples.

**OR**

Defining 'organizational objectives' as the first step in the process of planning. Explain in brief the other steps of this process 4

27. Huma is working in a company on a permanent basis. As per the job agreement, she had to work for 8 hours a day and was free to work overtime. Huma worked overtime, due to which she fell ill and had to take leave from her work. No one showed concern and enquired about her health. She realised that she was fulfilling only some of her needs while some other needs still remained to be fulfilled.

(a) By quoting the lines from the above para, identify and explain the needs of Huma which she is able to fulfil.

(b) Also explain two other needs of Huma followed by the above needs, which still remained to be satisfied. 4

28. Ayasha Ltd. assured their employees that inspite of recession, no worker will be retrenched from the job.

(a) Name and explain the type of incentive offered to the employees.

(b) Explain one more incentive of the same category.

**OR**

To satisfy the social and physiological needs which type of incentives are needed? Explain any four types of such incentives. 4

29. Seeta, Geeta and Babita Ltd is engaged in manufacturing machine components. The target of production is 250 units per day per worker. The company had been successfully attaining this target until two months ago. Over the last two months, it has been observed that daily production varies between 200-210 units per worker.

(i) Name the function of management and identify the step in the process of this function which helped in finding out that the actual production of a worker is less than the set target.

(ii) To complete the process of the function identified in and to ensure the performance as per set targets, explain what further steps a manager has to take. 4

30. Krish limited is in the business of manufacturing and exporting carpets and other home

décor products. It has a share capital of Rs 70 lacs at the face value of Rs 100 each. Company is considering a major expansion of its production facilities and wants to raise Rs 50 lacs. The finance manager of the company Mr. Prabhakar has recommended that the company can raise funds of the same amount by issuing 7% debentures. Given that earning per share of the company after expansion is Rs 35 and tax rate is 30%, did Mr. Prabhakar give a justified recommendation? Show the working. 4

31. Abhishek studied management principles and techniques of Henri Fayol and F.W. Taylor when he was in class XII. Now he is trying to apply his knowledge while doing his business. By using different techniques and scientifically analysing work he found one best way of doing the job. By removing unproductive movements of the workers, he reduces the time to complete the job. Not only this, to increase productivity and to regain stamina he started giving more rest intervals to his employees. He followed no discrimination policy on account of sex, religion, caste, etc. in his organisation. He ensured that the compensation should be fair to both employees and the organisation. Identify and explain any two techniques of scientific management and two principles of general management adopted by Abhishek by quoting the lines in each. 6

32. Decentralisation is an optional policy. Explain why an organisation would choose to be decentralised. 6

**OR**

What is a Functional structure? Discuss its advantages and limitations.

33. A.M. Motors Ltd. is a leading company in car manufacturing. Due to the changing environment and initiatives taken by the Government of India, the company wants to enter into manufacturing of e-cars also. For this project the company requires Rs. 2,000 crore. But before purchasing the machines and other assets, the finance manager has to assess the degree of risk involved in the project as this type of decision affects the earning capacity of the business over the long run. Besides this, there are various other factors which may affect this decision of the finance manager.

(a) Identify and explain the financial decision discussed in the above para in detail.

(b) State and explain 3 factors that may affect the decision of the finance manager identified in (a) above. 6

34. There are some characteristics that should be kept in mind while choosing a brand name. Explain the term branding and its characteristics that a good brand name should have with examples.

**OR**

There are a number of factors which affect the fixation of the price of a product. Explain any six such factors. 6

**ALL THE BEST**