

SPECTRA PRACTICE PAPER 2025-26**CLASS: XII****SUBJECT: BUSINESS STUDIES (054)****M.M: 80****TIME: 3 HOURS****GENERAL INSTRUCTIONS:**


Read the following instructions very carefully and strictly follow them:

- 1) This question paper contains 34 questions. All questions are compulsory.
- 2) Marks are indicated against each question.
- 3) Answer should be brief and to the point.
- 4) Answer to questions carry **3** marks may be from 50 to 75 words.
- 5) Answer to questions carry **4** marks may be in about 150 words.
- 6) Answer to questions carry **6** marks may be in about 200 words.
- 7) Attempt all parts of a question together.

Question Nos. **1** to **20** are Multiple Choice Questions (MCQs) carrying **1** mark each.

1	<p>Which of the following statements show the characteristic of coordination of integrating group efforts and unity of action?</p> <p>(a) Both Reena and Meena make conscious effort to develop a sense of togetherness unity and coordination among the various people with different objectives who work under them.</p> <p>(b) Anju may devote more time on making plans for a future type show on a few days.</p> <p>(c) Seeta and Geeta must perform a series of continuous, composite but different functions.</p> <p>(d) Anju and Manju perform a process at the management level in various organizations in accordance with their individual areas of interest.</p>	1
2	<p>Glow Plastic Makers has decided to include a team of dynamic managers in the company. For this, they want to judge the pattern of interests of the potential managers. After giving this test, they want to further know how much the candidate is useful for organization. They decide to take another test which can measure the existing skills of the candidates. Rakesh, an exceptional candidate, is given certain document which contains information like job title, pay, allowances, responsibilities etc. After the employees join they are given a very good training. The company does not want to stop at 'training' which is a job-related process. They want to bring a concept which is a career-related process.</p> <p>Identify the document which is given to Rakesh in the above case.</p> <p>(a) Contract of employment.</p> <p>(b) Letter of relieving.</p> <p>(c) Experience letter.</p> <p>(d) Job description</p>	1
3	<p>'Ganga Ka Namkeen' offered its products at competitive prices even while offering customer services like gift packaging and free home delivery to become a household name.</p> <p>Identify the factor affecting the element of marketing mix being discussed above.</p> <p>(a) Objectives.</p> <p>(b) Extent of competition in the market.</p>	1

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	<p>(c) Product cost.</p> <p>(d) Marketing method used.</p>	
4	<p>Consumer protection adopts measures to protect consumers from unethical malpractices by businesses and provide a swift redressal of their grievances with regard to:</p> <ol style="list-style-type: none"> Overcharging a product, i.e., charging a product above its Maximum Retail Price. Supplying of defective goods. Use of malfunctioning weights and measures that lead to underweight of products. Supply of inferior services i.e., quality of service lesser than the condition agreed. 	 <p>CONSUMERS, MAKE SURE YOU GET THE CORRECT WEIGHT.</p>
5	<p>Read the following statements-assertion (A) and Reason (R) and choose the correct option from the alternatives given below.</p> <p>Assertion (A): The Government of India decided to set up a separate regulatory body known as Securities and Exchange Board of India.</p> <p>Reason (R): There is a need to prevent trading malpractices and achieve a balance of self-regulation by securities industry and its statutory regulation.</p> <p>Alternatives</p> <ol style="list-style-type: none"> Both Assertion (A) and Reason (R) are true and Reason(R) is the correct explanation of Assertion (A). Both Assertion (A) and Reason (R) are true and Reason(R) is not the correct explanation of Assertion (A). Assertion (A) is true, but reason (R) is false. Assertion (A) is false, but reason (R) is true. 	1
6	<p>Which of the following is appropriate order of hierarchy of needs according to Abraham Maslow?</p> <ol style="list-style-type: none"> Safety needs → Basic Physiological needs → Affiliation needs → Esteem Needs → Self-actualisation Needs. Affiliation needs → Safety Needs → Basic Physiological needs → Esteem needs → Self-actualisation Needs. Basic Physiological needs → Safety Neess → Affiliation Needs → Esteem needs → Self-actualisation Needs. Basic Physiological Needs → Safety Needs → Esteem Needs → Affiliation Needs → Self-actualisation Needs. 	1
7	<p>Payal was working in a Multinational company. Her father gifted her a smartphone worth ₹40,500 on her birthday. The mobile phone was purchased by her father from his friend's shop. After a few months, the mobile phone started creating problems. Payal tried to contact the manufacturer many times but he did not respond. Ultimately Payal decided to file a complaint against the manufacturer. The appropriate grievance redressal machinery where Payal can file a complaint is:</p> <ol style="list-style-type: none"> District Commission State Commission National Commission Supreme Court 	1

8	<p>For the following two statements, choose the correct option:</p> <p>Statement I: Business finance is indispensable for survival and growth of business, for production and distribution of goods and meeting day to day expenses etc.</p> <p>Statement II: It involves acquiring funds to buy fixed assets (tangible and intangible) and raw materials and maintain working capital.</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
9	<p>Controlling is forward-looking because:</p> <p>(a) It is post-mortem of past activities to find out deviations from the standards. (b) It initiates corrective action to improve future performance. (c) It ensures that employees know well in advance what they are expected to do. (d) It ensures that resources are used in the most effective and efficient manner.</p>	1
10	<p>Which of the following is a demerit of functional structure?</p> <p>A. It places more emphasis on the objectives pursued by a functional head than on overall enterprise objectives. B. It may lead to conflict of interests among departments due to varied interests. C. It leads to occupational specialisation. D. It may lead to difficulty in co-ordination among functionally differentiated departments.</p> <p>Choose the correct answer from the options given below:</p> <p>(a) A, B and C only (b) B, C and D only (c) A, C and D only (d) A, B and D only</p>	1
11	<p>Which of the following is not a measure to overcome communication barriers?</p> <p>(a) Clarify ideas before communicating. (b) Consult others before communicating. (c) Be a good listener. (d) No need of proper feedback</p>	1
12	<p>On-the-job training method means:</p> <p>(a) Learning while doing (b) Learning before doing (c) Both (a) and (b) (d) Neither (a) nor (b)</p>	1
13	<p>What may be prepared to show the number of workers required in the factory at peak production times?</p> <p>(a) Objective (b) Programme (c) Budget (d) Policy</p>	1

14	<p>For the following two statements choose the correct options:</p> <p>Statement I: For any exchange to take place it is important that there must be at least two parties – a buyer and seller.</p> <p>Statement II: Exchange can take place even if the buyers and sellers are not able to communicate with each other.</p> <p>(a) Statement I is true and Statement II is false.</p> <p>(b) Statement II is true and Statement I is false.</p> <p>(c) Both the Statement are true</p> <p>(d) Both the Statements are false</p>	1										
15	<p>Plastic utensils are often used as a low cost, convenient option for business or personal use. These utensils are lightweight, easy to transport and can be disposed off easily instead of cleaned and reused. But plastic utensils are harmful from health point of view and create various environmental issues. Now a days health and fitness trend is becoming popular. People are looking for different alternatives and have started opting for paper-made, steel and glass utensils which has tremendously increased the demand of these products.</p> <p>The above para discusses an important dimension of Business Environment which is:</p> <p>(a) Economic environment</p> <p>(b) Social environment</p> <p>(c) Technological environment</p> <p>(d) Political environment</p>	1										
16	<p>Focussing on achieving objectives indicated that planning:</p> <p>(a) is a purposeful activity.</p> <p>(b) extends throughout.</p> <p>(c) is a future-oriented activity</p> <p>(d) is the first element of management</p>	1										
17	<p>Match the various terms related to staffing in Column I with their respective statements in Column II and choose the correct alternatives:</p> <table><thead><tr><th>Column I</th><th>Column II</th></tr></thead><tbody><tr><td>A. Recruitment</td><td>(i) Negative Nature</td></tr><tr><td>B. Selection</td><td>(ii) Job-oriented process</td></tr><tr><td>C. Training</td><td>(iii) Career-oriented process</td></tr><tr><td>D. Development</td><td>(iv) Positive nature</td></tr></tbody></table> <p>(a) A - (ii), B – (iii), C – (i), D – (iv)</p> <p>(b) A - (i), B – (iv), C – (iii), D – (ii)</p> <p>(c) A - (iv), B – (i), C – (iii), D – (ii)</p> <p>(d) A - (iv), B – (i), C – (ii), D – (iii)</p>	Column I	Column II	A. Recruitment	(i) Negative Nature	B. Selection	(ii) Job-oriented process	C. Training	(iii) Career-oriented process	D. Development	(iv) Positive nature	1
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A. Recruitment	(i) Negative Nature											
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C. Training	(iii) Career-oriented process											
D. Development	(iv) Positive nature											
18	<p>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 2020-21, 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. Which principle of management was violated by Mr. Rathore?</p> <p>(a) Principle of Equity</p> <p>(b) Principle of Order</p> <p>(c) Principle of Discipline</p>	1										

	(d) Principle of Subordination of Individual Interest to General Interest.	
19	<p>'Risk taking' is an example of which of the following type of non-financial incentive?</p> <p>(a) Employee empowerment (b) Career advancement opportunity (c) Organisational climate (d) Employee Recognition programme</p>	1
20	<p>In a school quiz competition, the participants were shown empty packets of chocolates and were asked to identify the brands. All the participants were able to do so.</p> <p>Identify the point highlighting the importance of packaging which is being described in the given case.</p> <p>(a) Rising standards of health and sanitation (b) Facilitates product differentiation (c) Innovational opportunity (d) Useful in self-service outlets</p>	1
21	<p>A. Suman Mahajan is one of the most successful entrepreneurs in the field of stylish home furnishings. Her venture 'Decor Ltd.' highlights the tag line "My Sweet Den" in most of her promotions. She uses her creativity and initiative in handling challenging customer preferences. She applies her knowledge and skills that she had gained in her initial years of work by assisting Mr. Ashok Chandra an interior decorator of repute. She has a happy fan following due to her promptness in delivering orders.</p> <p>An aspect of nature of management is being highlighted in the above case. Identify the aspect and explain any two features of it.</p> <p style="text-align: center;">OR</p> <p>B. Ajay and Sanjay are childhood friends. Sanjay lost his right hand in an accident in childhood. They meet after a long time in a restaurant. On being asked, Sanjay tells Ajay that he feels discontented in managing his family business after the death of his father as it does not match with his areas of interest. Ajay knows that Sanjay possesses extraordinary skills in management although he has not acquired any professional degree in management. Therefore, he asks Sanjay to wind up his business in India and join him in his hotel business in Dubai as an Assistant Manager in Sales and Marketing Division.</p> <p>In context of the above case, can Sanjay be deployed at the post of Assistant Manager in Sales and Marketing Division though he has not acquired any professional degree in management? Explain by giving suitable justifications in support of your answer</p>	3
22	<p>Tushar recently completed a course in marketing communication and brand building. He feels that in today's digital era, most companies wish to expand digitally by advertising through digital channels and social media marketing. So, he decided to open his own social media agency however he wants to make a low investment in fixed capital.</p> <p>Suggest how the decision related to choice of technique and financing alternatives can help Tushar in ensuring a low investment in fixed capital requirements.</p>	3

23.	<p>A. The attitudes, skills, and abilities of employees to perform specific jobs are increased by adopting a specific process. This process benefits the management in many ways. State any three benefits of this process to the organisation.</p> <p style="text-align: center;">OR</p> <p>B. 'Maintaining labour relations and union-management relations' is one of the specialised activities performed by Human Resource Management. Mention any three other specialised activities of Human Resource Management.</p>	3
24	<p>The sales manager of Sell Well Ltd. visited a hospital to sell company's products. The purchase manager of the hospital was keen to purchase the products for all the branches of his hospital across India, but he asked the sales manager to give 30% discount. Though the manager knew it was a big order and the company would be able to make profits even after offering 30% discount, but he could not offer prices better than the price he had been given by the sales director. He tried to contact the director, but he was unavailable. As a result the order could not be finalised.</p> <p>Identify and explain the limitations of planning the sales manager had to face while discussing the order with the prospective customer.</p>	3
25	<p>Identify and state the various elements of Organising process highlighted in the following cases.</p> <p>(a) Arnav divides the work into manageable activities. What is the rationale behind Arnav's decision?</p> <p>(b) Harshil groups similar and related jobs into larger units called departments, divisions or sections and places them under a department head. What prompts Harshil to do so?</p> <p>(c) Suraj assigns jobs to an individual based on their optimal skill sets. What underlies this approach of assigning jobs?</p> <p>(d) Gagan says each individual should know who he has to take orders from and to whom he is accountable. What is the underlying rationale for this perspective?</p>	4
26	Explain formal and informal communication.	4
27	<p>A. Harsha purchased a food processing machine for ₹ 3,000 from Kajal Machinery Pvt. Ltd. She found that the machine was not working properly. Despite many complaints, the defect was not rectified by Kajal Machinery Pvt. Ltd.</p> <p>i. Identify the consumer right that has been violated by Kajal Machinery Pvt. Ltd.</p> <p>ii. Suggest the appropriate forum where Harsha can file her complaint.</p> <p>iii. To whom and within how many days the parties can appeal if not satisfied by the order of District Commission.</p> <p>iv. Name a new provision in the Consumer Protection Act 2019 as an alternate mechanism to ensure faster and speedy dispute settlement by respective commissions.</p> <p style="text-align: center;">OR</p> <p>B. Give the meaning of the terms 'Consumer' and 'Complainant' as per Consumer Protection Act 2019.</p>	4

28	<p>'Viyo Ltd.' is a company manufacturing textiles. It has a share capital of ₹ 60 lakhs. The earning per share in the previous year was ₹ 0.50. For diversification, the company requires additional capital of ₹ 40 lakhs. The company raised funds by issuing 10% debentures for the same. During the current year, the company earned profit of ₹ 8 lakhs on the capital employed. It paid tax @ 40 %.</p> <p>State whether the shareholders gained or lost, in respect of earning per share on diversification. Show your calculations clearly.</p>	
29	<p>A. How does decentralisation 'Develops managerial talent' and 'Leads to better control'?</p> <p style="text-align: center;">OR</p> <p>B. How does delegation of authority 'Motivates employees' and 'Leads to better coordination'?</p>	4
30	<p>Saran is working as a production manager in CFL Ltd., which manufactures CFL bulbs. There is no class-conflict between the management and workers. The working conditions are very good. The company is earning huge profits. As a policy the management shares the profit earned with the workers because they believe in prosperity of the employees.</p> <p>Identify and discuss the principle of scientific management described in the above paragraph.</p>	4
31	<p>Michal John is a sole proprietor in Nicobar. He has started trade after getting MBA degree. He is fully familiar with all the functions of management. He starts his business with planning functions of management. He desires that all his activities should confirm to planning. To this effect, he has adopted a system that keeps a constant watch on all activities of business. Consequently, there is zero possibility of adverse results. It can, therefore, be said that this method is directly related to the results. Mr. John also believes that this method applies not only to any one level of management but to all the levels as well.</p> <ol style="list-style-type: none"> Identify and define the function of management referred to in the above paragraph. Describe three features of the function of management as identified in part (i) above 	6
32	<p>(A) Explain the following elements of physical distribution:</p> <ol style="list-style-type: none"> Order Processing Transportation Warehousing <p style="text-align: center;">OR</p> <p>(B) Differentiate between Advertising and Personal Selling on any six basis.</p>	6
33	<p>Eco-friendly products are gaining importance as consumers' awareness about environmental issues has increased over the years and they are conscious about choosing the products that do not have adverse effects on the environment. They are now more conscious about the carbon emission and climate change effects, and want themselves to be seen as green advocate among their peers. In such a scenario, it has become a challenge for the companies as they have to not only meet the needs of the consumers but also ensure their products are safe and environment friendly. As a result, there is a growing need for better and advanced technologies to work as a catalyst in this regard.</p>	6

	<ul style="list-style-type: none"> i. Identify and explain the relevant feature of business environment being discussed above. ii. Describe any three features of business environment other than the highlighted above. 	
34	<p>'Due to various malpractices and multiplied investor grievances the Govt. of India decided to set-up a separate regulatory body to protect the interest of investors and to regulate the securities market.</p> <p>Identify the regulatory body set-up by Government of India for the above stated purpose. Also, state its any five regulatory functions.</p>	6

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