

Roll No.

|  |  |  |  |  |
|--|--|--|--|--|
|  |  |  |  |  |
|--|--|--|--|--|



**INDIAN SCHOOL SALALAH**  
**FIRST TERM EXAMINATION – SEPTEMBER 2025**



**BUSINESS STUDIES (054)**

**Class: XII**

**Date: 24/09/2025**

**Time: 3 Hours**

**Maximum Marks: 80**

*General Instructions:*

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

|   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |   |
|---|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|
| 1 | Ravi joined a marketing firm as a Sales manager. On his first day in the company, during the orientation program, the CEO of the company told Ravi that he will have to simultaneously perform the functions of management (planning, organizing, staffing, directing, controlling) all the time. Which characteristic of management was the CEO referring to?<br>a) Management is a continuous process<br>b) Management is all pervasive<br>c) Management is multidimensional<br>d) Management is goal oriented                                                                                                                                                  | 1 |
| 2 | Read the following statements: Assertion (A) and Reason (R). Choose one of the correct alternatives given below:<br>Assertion (A): Labelling acts as a silent salesman.<br>Reason (R): It helps in the promotion of products by attracting the attention of customers and providing required information.<br>Alternatives:<br>a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).<br>b) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A).<br>c) Assertion (A) is true but Reason (R) is False<br>d) Assertion (A) is False but Reason (R) is true. | 1 |

|   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |   |
|---|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|
| 3 | <p>The directors of XYZ limited, an organization manufacturing computer, wants to double the sales and have given the responsibility to the sales manager. The sales manager has no authority either to increase sales expense or appoint new salesmen. Hence, he could not achieve this target. Identify the principle violated in this situation.</p> <p>a) Discipline &amp; Unity of Command<br/>b) Principle of Authority and Responsibility<br/>c) Authority and Responsibility and Scalar Chain<br/>d) Order and Discipline</p> | 1 |
| 4 | <p>Which of the following is not a standing plan?</p> <p>a) Policy<br/>b) Procedure<br/>c) Programme<br/>d) Rule</p>                                                                                                                                                                                                                                                                                                                                                                                                                  | 1 |
| 5 | <p>ABC Ltd. has Debt Equity ratio of 3:1 whereas XYZ Ltd. has Debt Equity ratio of 1:1. Name the advantage ABC Ltd will have over XYZ Ltd, when the rate of interest is lower than the rate of return on investment of the company.</p> <p>a) Trading on equity<br/>b) Low risk<br/>c) Low cost of equity<br/>d) Greater flexibility</p>                                                                                                                                                                                              | 1 |
| 6 | <p>Taylor believed that there was only one best method to maximise efficiency. This method can be developed through study and analysis. Identify the principle of Scientific management being discussed above:</p> <p>a) Harmony not discord<br/>b) Science not rule of thumb<br/>c) Development of each and every person to his or her greatest efficiency and prosperity<br/>d) Cooperation not individualism</p>                                                                                                                   | 1 |
| 7 | <p>'Game of Clones', a reputed amusement company has decided to run an advertising campaign for which it is hiring various celebrities. The campaign involves an expenditure of ₹ 150 crores. Identify the financial decision involved in the above case.</p> <p>a) Long term investment decision<br/>b) Financing decision<br/>c) Working capital decision<br/>d) Dividend decision</p>                                                                                                                                              | 1 |
| 8 | <p>Assertion: Bureaucratic red tape shows a government's positive attitude towards business.<br/>Reason: The attitude of politicians is considered to be a part of political environment</p> <p>a) Both Assertion and Reason are true and Reason given is the correct explanation of Assertion<br/>b) Both Assertion and Reason are true but Reason given is not the correct explanation of Assertion.<br/>c) Assertion is true but Reason is false.<br/>d) Assertion is false but Reason is true.</p>                                | 1 |
| 9 | <p>VNG Agro Food Ltd. is a famous multinational company. Midun is its finance manager. He is trying to increase the market value of capital invested by the equity shareholders. He already knew it could be possible only when the price of the shares increases and the price of shares increases only if financing, investment, and dividend decisions are taken optimally. He did the same and achieved success. Which objective of financial management has been referred to here?</p>                                           | 1 |



| 14                    | <p>Which type of financial decision is depicted in the below image?</p> <p>a) Investment decision<br/>b) Financing decision<br/>c) Dividend decision<br/>d) None of the above</p>                                                                                                                                                                                                                                                                                                                                                                                                                         | 1        |           |                       |                                                                                |                    |                                                                            |                    |                                                                     |                      |                                                                                                             |   |
|-----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|-----------|-----------------------|--------------------------------------------------------------------------------|--------------------|----------------------------------------------------------------------------|--------------------|---------------------------------------------------------------------|----------------------|-------------------------------------------------------------------------------------------------------------|---|
| 15                    | <p>Ketan Enterprises adopts different ways to provide training to employees, like Job Rotation, Coaching, Vestibule Training, Conference, Lecture Method, and Role Playing. Identify the type of plan being described in the above lines.</p> <p>a) Method<br/>b) Strategy<br/>c) Programme<br/>d) Procedure</p>                                                                                                                                                                                                                                                                                                                                                                            | 1        |           |                       |                                                                                |                    |                                                                            |                    |                                                                     |                      |                                                                                                             |   |
| 16                    | <p>‘Companies are required to ensure that the dividend does not violate the terms of loan agreement.’ Identify the relevant factor affecting dividend decisions being discussed above.</p> <p>a) Access to capital market<br/>b) Legal constraints<br/>c) Stock market reaction<br/>d) Contractual constraints</p>                                                                                                                                                                                                                                                                                                                                                                          | 1        |           |                       |                                                                                |                    |                                                                            |                    |                                                                     |                      |                                                                                                             |   |
| 17                    | <p>Which of the following is not a benefit of demonetization in India?</p> <p>a) Control over corruption<br/>b) Counterfeiting the use of high denomination notes for illegal activities<br/>c) Control on black money<br/>d) More demanding customers</p>                                                                                                                                                                                                                                                                                                                                                                                                                                  | 1        |           |                       |                                                                                |                    |                                                                            |                    |                                                                     |                      |                                                                                                             |   |
| 18                    | <p>_____ is a number assigned to each transaction by the stock exchange and is printed on the contract note.</p> <p>a) Client code number<br/>b) Unique order code<br/>c) Permanent account number<br/>d) Depository participant number.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                | 1        |           |                       |                                                                                |                    |                                                                            |                    |                                                                     |                      |                                                                                                             |   |
| 19                    | <p>Match the concept of marketing in Column I with their respective definition in Column II:</p> <table><tr><th>Column I</th><th>Column II</th></tr><tr><td>A) Production Concept</td><td>i) Focuses on aggressive promotion and persuading customers to buy the product</td></tr><tr><td>B) Product Concept</td><td>ii) Emphasizes improving product quality and features to attract customers</td></tr><tr><td>C) Selling Concept</td><td>iii) Centers on identifying and satisfying customer needs and wants</td></tr><tr><td>D) Marketing Concept</td><td>iv) Prioritizes large-scale production and distribution efficiency to ensure availability and affordability</td></tr></table> | Column I | Column II | A) Production Concept | i) Focuses on aggressive promotion and persuading customers to buy the product | B) Product Concept | ii) Emphasizes improving product quality and features to attract customers | C) Selling Concept | iii) Centers on identifying and satisfying customer needs and wants | D) Marketing Concept | iv) Prioritizes large-scale production and distribution efficiency to ensure availability and affordability | 1 |
| Column I              | Column II                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |          |           |                       |                                                                                |                    |                                                                            |                    |                                                                     |                      |                                                                                                             |   |
| A) Production Concept | i) Focuses on aggressive promotion and persuading customers to buy the product                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |          |           |                       |                                                                                |                    |                                                                            |                    |                                                                     |                      |                                                                                                             |   |
| B) Product Concept    | ii) Emphasizes improving product quality and features to attract customers                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |          |           |                       |                                                                                |                    |                                                                            |                    |                                                                     |                      |                                                                                                             |   |
| C) Selling Concept    | iii) Centers on identifying and satisfying customer needs and wants                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |          |           |                       |                                                                                |                    |                                                                            |                    |                                                                     |                      |                                                                                                             |   |
| D) Marketing Concept  | iv) Prioritizes large-scale production and distribution efficiency to ensure availability and affordability                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |          |           |                       |                                                                                |                    |                                                                            |                    |                                                                     |                      |                                                                                                             |   |

|    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |   |
|----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|
|    | a) A-iv, B-ii, C-i, D-iii<br>b) A-i, B-ii, C-iii, D-iv<br>c) A-iii, B-ii, C-i, D-iv<br>d) A-ii, B-iv, C-i, D-iii                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |   |
| 20 | <p>“Which of the following statements is not true with reference to planning?</p> a) Planning is a pre-requisite for controlling.<br>b) Planning does not lead to rigidity.<br>c) Planning enables a manager to look ahead and anticipate changes.<br>d) Planning facilitates co-ordination among departments and individuals in the organisation.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 1 |
| 21 | <p>Setting objective is the first step in the process of one of the significant function of management.’</p> a. Identify the function of management referred above.<br>b. State the next two steps of the process.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 3 |
| 22 | State the first three steps involved in the screen-based trading for buying and selling of securities.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 3 |
| 23 | <p>Ranger India Limited, is an automobile manufacturer in India. It makes 1.5 million family cars every year. That's one car every 12 seconds. It has a sales network of company approved retailers that spreads across 600 cities. In the context of above case:</p> 1. Identify the type of the channel of distribution adopted by the company.<br>2. State any two market related factors that are likely to affect the decision of a marketer about the choice of channel of distribution.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 3 |
| 24 | Deewan Ltd. is a multinational consulting company with its headquarters at Washington D.C. It hires young people from different countries of the world. It is a company in which people dream to work because of its work-environment, pay and growth prospectus. The company has a culture of open communication and people of various nationalities work together in a discrimination free environment. The behaviour of managers of Deewan Ltd emphasizes kindness and justice which ensures loyalty and devotion of workers. It also promotes mutual trust and belongingness among team members. In this way management of Deewan Ltd. is able to achieve its objectives by promoting team work. By doing so managers of Deewan Ltd. are following some principles of management. Identify and explain any two such principles.                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 3 |
| 25 | <p>Mr Vivek Vaswani, a foodpreneur combined his passion for food with his Entrepreneurial skills and started his innovative fast food outlet OH CHILLI! in 2021. He had started his career as a food blogger and had noticed that numerous Indian consumers were looking for reasonable and pure vegetarian fast food options for dining out. The high end restaurants were not opted by many as they were exorbitantly priced. Though many global fast food chains were running across the country, yet not many outlets offered reasonable and healthy pure vegetarian fast food options to consumers. OH CHILLI! became a pioneer in offering a healthy and delicious variety of food. What came as a surprise for consumers was that even without using onion or garlic in the pasta sauce, marinade and ketchup, the food could actually taste great. The company witnessed an increase in net profit of 26% in its second financial year and became a market 3 leader.</p> (I) State the concept of business environment.<br>(II) Identify and explain in what way, a good understanding of business environment enabled Mr.Vivek Vaswani to improve the performance of the enterprises.<br>(III) State one other importance of business environment other than those mentioned in (II). | 4 |

|    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |   |
|----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|
| 26 | <p>After completing his MBA degree, Aman joined a multinational company 'Zeyovya Ltd.'. His job demands long hours and commitment to the organisation. He is responsible for integrating diverse elements and coordinating all the activities of the business and for its impact on society. His job is complex and stressful.</p> <p>(a) Identify the level of management at which Aman joined the organisation.</p> <p>(b) State any three functions to be performed by Aman at this level other than those discussed in the para.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 4 |
| 27 | <p>"Every time I travelled, people asked me to bring them chips, khakra and pickles from all over the country," says Anoushka. Finally, she and her colleague, Sumeet, decided to make out of it. They launched a face book bags, asked people what they wanted, and they came up with a list of about 100 places and tried up with two dozen vendors to begin with. They were servicing people from Jaipur who wanted spices from Kerala, people form Panipat who wanted halwa from Jammu and people from Delhi who ordered for fresh tea leaves form Darjeeling. Through their business they wished to bridge the gap between sellers and buyers. The business is now worth millions.</p> <p>Explain any two important activities that Anoushka and Sumeet will have to be involved in for making the goods available to the customers at the right place, in the right quantity and right time.</p>                                                                                                                                                                                                                                                                  | 4 |
| 28 | Explain briefly 'discipline' and 'scalar chain' as principles of general management.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 4 |
| 29 | <p>The Factory Manager of Manik Steel Plant, Mussadi Lal was in dilemma over workers shirking work. It was becoming difficult for him to identify the workers who sometimes faked illness to skip work and on various other times, intentionally wasted time, which led to underutilisation of resources. The job of the workers was complex and intricate. He discussed the problem with one of his retired friends, Kantilal, who suggested him to appoint eight supervisors who would be specialists in their own fields and would be assigned work according to his/her qualities. Identify and explain the technique of Scientific management discussed above.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 4 |
| 30 | <p>An established firm has fifty years of experience in shipping industry. The company time and again proves itself as one of the dominant figures in the market. The plan for the whole year is given a lot of importance. According to the owner of the company their plans are the basic structures upon which other important functions of management rest. It is important that the plans are communicated to the employees. The top management ensures that the plans are communicated and implemented at all levels and in all departments. To learn from past mistakes is a habit of this successful company. They prepare plans for short term as well as long term where it can be seen that throughout the year the plans are prepared one after another. Shipping industry needs such dedicated companies. The goals are specific and the activities to achieve these specific goals are undertaken. The company has planned a growth of 20% in revenue this year.</p> <p>In the above case identify the various features of planning highlighted.</p>                                                                                                      | 4 |
| 31 | <p>Jayant is working as Head Relationship Manager in the wealth management division of a private sector bank. He has created an internal environment which is conducive to an effective and efficient performance of his team of ten relationship management executive. Typical days at work in Jayant's life consists of a series of interrelated and continue functions. He decides the targets for his department which are in line with the objectives of the organization as a whole. The future course of action for his team members is laid out well in advance. The various resources required by the relationship managers like an iPad with GPS system, account opening forms, brochures, details of accountholders etc. are made readily available to them. The executives are given sufficient authority to carry out the work assigned to them. Jayant works in close coordination with the Human Resource Manager in order to ensure that he is able to create and maintain a satisfactory and satisfied workforce in his department. Through constant guidance and motivation, Jayant inspires them to realise their full potential. He offers them</p> | 6 |

|    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |   |
|----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|
|    | <p>various types of incentives from time to time keeping in view their diverse individual needs. Moreover, he keeps a close watch on their individual performances in order to ensure that they are in accordance with the standards set and takes corrective actions whenever needed. In context of the above case:</p> <ol style="list-style-type: none"> <li>Identify the concept being referred to in the following line, —He has created an internal environment which is conducive to an effective and efficient performance of his team of ten relationship management executives.</li> <li>Identify and describe the various functions of the concept as identified in part (a) of the question by quoting lines from the paragraph.</li> </ol>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |   |
| 32 | <p>Mr. Sushant Chauhan was the Chairman of ‘Nexus bank’. The bank was earning good profits. Shareholders were happy as the bank was paying regular dividends. The market price of their shares was also steadily rising. The bank was about to announce the taking over of ‘Delta Bank’. Mr. Sushant Chauhan knew that the share price of ‘Nexus bank’ would rise on this announcement. Being a part of the Bank, he was not allowed to buy shares of the bank. He called one of his rich friends Alok and asked him to invest ₹ 10 crores in shares of his bank promising him the capital gains. As expected, after the announcement, the share prices went up by 40% and the market price of Alok’s shares was now ₹ 14 crore. Alok earned a profit of ₹ 4 crores. He gave ₹ 2 crores to Mr. Sushant Chauhan and kept ₹ 2 crores with him. On regular inspection and by conducting enquiries of the brokers involved, Securities and Exchange Board of India (SEBI) was able to detect irregularity. SEBI imposed a heavy penalty on Mr. Sushant Chauhan.</p> <ol style="list-style-type: none"> <li>Quoting the lines from the above para identify and state any two functions performed by SEBI in the above case.</li> <li>Also explain any two development functions of SEBI.</li> </ol> | 6 |
| 33 | <p>Choco Ltd. offers a wide variety of chocolate products. It has an action program of not selling its products by their generic name but under different names like Choco-silk bar, Choco-Munchy and Choco-crunchy etc. for different customer segments. All these names have great popularity and acceptability in the markets. As the company policy the products were offered at reasonable and affordable prices for targeting a mass customer base. During the festive season the company launched a massive promotional campaign to increase its revenue and achieve its communication objectives. The company introduced free gifts for the customers. Their on-ground sales team delivers the product not only to the departmental stores but also to small shops, so that all segments of customers can easily get the products. They also provide information and support services to customers to ensure repeat sales. From the viewpoint of the management function, briefly explain any four activities of marketing which the firm will be involved in, apart from the above-mentioned ones it's already performing.</p>                                                                                                                                                        | 6 |
| 34 | <ol style="list-style-type: none"> <li>State the concept of Working Capital Requirement.</li> <li>Briefly explain any five factors which affect the working capital requirement of a company.</li> </ol>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 6 |