

## CBSE Class 12 Business Studies Answer Key - GetmyUni

1. Read the following statements : Assertion (A) and Reason (R).

*Assertion (A) :* The principles of management are guidelines to action, but do not provide readymade, straitjacket solutions to all managerial problems.

*Reason (R) :* Real business situations are neither complex, nor dynamic and are not the result of many factors.

Choose the correct alternative from the options given below :

- (A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
- (B) Both Assertion (A) and Reason (R) are true, but Reason (R) is *not* the correct explanation of Assertion (A).
- (C) Assertion (A) is true, but Reason (R) is false.
- (D) Assertion (A) is false, but Reason (R) is true.

Ans: Option C (Assertion (A) is true, but Reason (R) is false)

2. Under \_\_\_\_\_, the consumer has a right to get relief for replacement of the product, removal of defect in the product, compensation paid for any loss or injury suffered by the consumer in case the product/service falls short of his expectations.

- (A) Right to safety
- (B) Right to seek redressal
- (C) Right to be assured
- (D) Right to be heard

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Ans: Option B (Right to seek redressal)

explanation given in Column II.

<i>Column I</i>	<i>Column II</i>
1. Identification and division of work	(i) Establish clear relationships to create a hierarchical structure and facilitate co-ordination among various departments.
2. Departmentalisation	(ii) Divide the work into small and manageable activities so that activities similar in nature are grouped together.
3. Assignment of duties	(iii) As per previously drawn plans, identify the work and divide in such a way so that duplication can be avoided and burden of work can be shared among the employees.
4. Establishing authority and reporting relationships	(iv) Define the work of different job positions and accordingly allocate work to various employees.

Choose the correct option from the following :

- (A) 1-(iii), 2-(ii), 3-(i), 4-(iv)
- (B) 1-(i), 2-(ii), 3-(iii), 4-(iv)
- (C) 1-(iii), 2-(ii), 3-(iv), 4-(i)
- (D) 1-(iv), 2-(i), 3-(ii), 4-(iii)

**Ans: Option C (1-(iii), 2-(ii), 3-(iv), 4(i))**

4. 'To identify the needs of the customers and to take various decisions related to successful marketing of the products and services, it is important to make an analysis of the available opportunities and threats, as well as strengths and weaknesses of the organisation and decide what opportunities can be best pursued by it', highlights one of the functions of marketing, that is :

- (A) gathering and analysing market information
- (B) marketing planning
- (C) product designing and development
- (D) branding

**Ans: Option A (gathering and analysing market information)**

5. 'The principle of management which emphasizes on obedience to organisational rules and employment agreements necessary for the working of the organisation' is called :
- (A) Division of work
  - (B) Discipline
  - (C) Scalar chain
  - (D) Remuneration of employees

**Ans: Option B (Discipline)**

6. The increase in profit earned by the equity shareholders due to the presence of fixed financial charges is known as :
- (A) Trading on equity
  - (B) Financial risk
  - (C) Financial planning
  - (D) Financial leverage

**Ans: Option A (Trading on equity)**

7. Identify the incorrect statement with respect to 'functional foremanship' as a technique of scientific management :

- (A) It advocates separation of planning and execution functions.
- (B) Speed boss, gang boss, repair boss and inspector work under the production incharge.
- (C) It is an extension of the principle of unity of command to the shop floor.
- (D) Each worker takes orders from eight foremen in the process of production.

Ans: Option C (It is an extension of the principle of unity of command to the shop floor.)

8. Read the following statements carefully :

*Statement I :* A single-use plan is used for activities that occur regularly over a period of time.

*Statement II :* Policies are a general form of standing plans that specify the organisation's response to a certain situation.

In the light of the above statements, choose the correct alternative from the following :

- (A) Statement I is true and Statement II is false.
- (B) Statement I is false and Statement II is true.
- (C) Both Statement I and Statement II are true.
- (D) Both Statement I and Statement II are false.

Ans: Option B (Statement I is false and statement II is true.)



9. If an investor wishes to buy or sell any security, he/she has to first approach a registered broker or sub-broker and enter into an agreement with him. An investor has to sign a broker-client agreement and a client registration form before placing an order to buy or sell securities. Thereafter, the investor has to open a 'Demat' account or 'Beneficial owner' account with a depository participant for holding and transferring securities in the demat form and a bank account for cash transactions in the securities market. The first two steps of 'Trading and Settlement procedure' in stock market have been discussed in the above lines.

Place the next four steps in the correct order :

- (i) The broker will then go online and connect to the main stock exchange and match the share and best price available.
- (ii) After the trade has been executed, within 24 hours the broker issues a contract note.
- (iii) The investor then places an order with the broker to buy or sell shares. Clear instructions have to be given about the number of shares and the price at which the shares should be bought or sold.
- (iv) When the shares can be bought or sold at the price mentioned, it will be communicated to the broker's terminal and the order will be executed electronically.

Choose the correct option from the following :

- (A) (iii), (i), (iv), (ii)
- (B) (i), (ii), (iii), (iv)
- (C) (iv), (ii), (iii), (i)
- (D) (iii), (iv), (i), (ii)

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Ans: Option A (iii, i, iv, ii)

10. Raghu, on waking up early in the morning, often complained about back pain. When his pain persisted, he consulted a doctor who advised him to purchase a good quality orthopedic mattress. That would ensure correct spinal alignment and reduce the back pain.

Raghu surveyed the market and purchased a good quality orthopedic mattress. As the price of the mattress was very high, he wanted to avoid paying GST. The shopkeeper suggested that he can do so if he does not take a receipt for the purchase of the mattress. Raghu readily agreed for the same.

After few months of using the mattress, his back pain recurred. He realised that the mattress had caved in from the centre. He approached the shopkeeper who refused to entertain Raghu.

Raghu wanted to approach the court for redressal of his grievance. However, one of his friends told him that he would not be able to do so as he had not fulfilled one of his responsibilities.

From the following, identify the responsibility which Raghu failed to fulfill :

- (A) Respect the environment. Avoid waste, littering and contributing to pollution.
- (B) Ask for a Cash Memo on purchase of goods and services.
- (C) Assert yourself to ensure that you get a fair deal.
- (D) Learn about the risks associated with products and services, follow manufacturers instructions and use the product safely.

From the following, identify the responsibility which Raghu failed to fulfill :

- (A) Respect the environment. Avoid waste, littering and contributing to pollution.
- (B) Ask for a Cash Memo on purchase of goods and services.
- (C) Assert yourself to ensure that you get a fair deal.
- (D) Learn about the risks associated with products and services, follow

**Ans: Option B (Ask for a Cash Memo on purchase of goods and services)**

11. Which of the following is **not** a limitation of planning function of management ?

- (A) Planning leads to rigidity.
- (B) Planning reduces creativity.
- (C) Planning guarantees success.
- (D) Planning may not work in a dynamic environment.

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Ans: Option C (Planning guarantees success)

12. Seeing the increasing demand for automobiles in Buleti, 'Veso Cars', a global car manufacturing company planned to expand its operations and sell its cars there. However, the government of Buleti imposed high import duties on foreign made cars to protect local manufacturers from foreign competition. This attitude of the Buleti government towards foreign car manufacturers increased the cost of importing cars, making it less affordable for 'Veso Cars' to sell its cars at competitive prices in Buleti.

The component of business environment highlighted above is :

- (A) Political environment
- (B) Social environment
- (C) Legal environment
- (D) Economic environment.

Ans: Option A (political environment)



13. Identify the incorrect statement with respect to importance of 'Directing' :

- (A) It helps to initiate action.
- (B) It helps to bring stability and balance in the organisation.
- (C) It facilitates introduction of needed changes in the organisation.
- (D) It establishes standards for controlling.

**Ans: Option D (It establishes standards for controlling)**

14. Read the following statements : Assertion (A) and Reason (R).

*Assertion (A) :* A buyer buys a product or service for what it does for him/her or the benefit it provides to him/her.

*Reason (R) :* From the customer's point of view, a product is a bundle of utilities which is purchased because of its capability to provide satisfaction of a certain need.

Choose the correct alternative from the options given below :

- (A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
- (B) Both Assertion (A) and Reason (R) are true, but Reason (R) is *not* the correct explanation of Assertion (A).
- (C) Assertion (A) is true, but Reason (R) is false.
- (D) Assertion (A) is false, but Reason (R) is true.

**Ans: Option A (Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A))**



15. 'Green Tech Solutions', a manufacturer of eco-friendly products had an organisational structure with separate departments for production, marketing, sales, etc. Each department had its own objectives, policies and style of working. The company was facing challenges as the production department would focus on producing goods without consulting the sales department and the marketing department developed advertising campaigns without considering the production timelines, leading to confusion and conflicts. To resolve this, the Chief Executive Officer, Madhur arranged inter-departmental meetings explaining to the respective managers that they have to consult each other while performing their activities. All the departmental managers agreed to this.

By linking the activities of all the departments, the Chief Executive Officer was able to ensure that the right products are available when needed, marketing efforts match with the product availability and sales targets are achieved.

The concept of management followed by the Chief Executive Officer to resolve confusion and conflicts between departments was :

- |                |                  |
|----------------|------------------|
| (A) Organising | (B) Coordination |
| (C) Planning   | (D) Staffing     |

**Ans: Option B (Coordination)**

16. Read the following statements carefully :

*Statement I :* Planning and Controlling are both backward-looking as well as forward-looking functions.

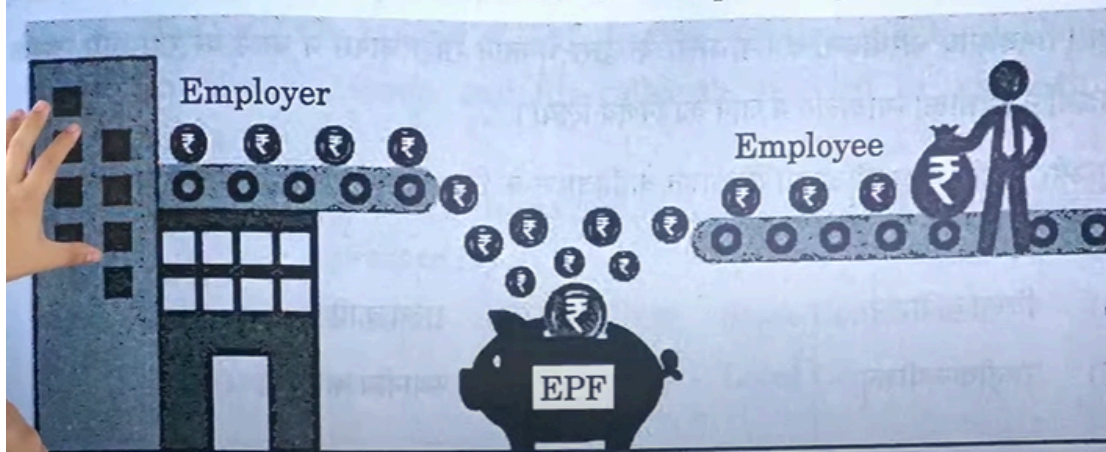
*Statement II :* Planning is prescriptive whereas Controlling is evaluative.

In light of given statements, choose the correct alternative from the following :

- (A) Statement I is true and Statement II is false.
- (B) Statement I is false and Statement II is true.
- (C) Both Statement I and Statement II are true.
- (D) Both Statement I and Statement II are false.

**Ans: Option C (Both Statement I and Statement II are true)**

Identify the financial incentive shown in the picture given below :



- (A) Stock option
- (B) Perquisites
- (C) Productivity-linked wage incentive
- (D) Retirement benefits

**Ans: Option A (Taking corrective action)**



18. After moving to Dama from his home town in Rasha, Ramu and his family were staying in a rented accomodation for the last 5 years. Ramu and one of his office colleagues decided to buy a flat each in close proximity to their office. After a lot of research, they settled for a housing project which would cost them ₹ 1.25 crore each for a three bedroom flat. The housing project developers promised to deliver their flats within 36 months. An amount of ₹ 20 lakh each was paid to the developers of the housing project at the time of booking the flat. Since the payment schedule was time bound, they paid additional ₹ 80 lakh each over a period of 2 years. The balance of ₹ 25 lakh was to be paid at the time of registration. Despite having taken the major part of the cost of the flats, the housing project developers hadn't started the construction work.

Ramu and his colleague asked the housing project developers to refund the amount paid. On refusal of refund of the amount paid by the housing project developers, Ramu and his colleague decided to approach the consumer court.

The redressal agency which Ramu and his colleague should approach for redressal of their grievance is :

- |                         |                      |
|-------------------------|----------------------|
| (A) District Commission | (B) State Commission |
| (C) National Commission | (D) Local Commission |

**Ans: Option B (State Commission)**

19. Which of the following is a regulatory function of Securities and Exchange Board of India ?

- (A) Registration of brokers and sub-brokers and other players in the market
- (B) Training of intermediaries of the securities market
- (C) Promotion of fair practices and code of conduct in securities market
- (D) Conducting research and publishing information useful to all market participants

**Ans: Option A (Registration of brokers and sub-brokers and other players in the market)**



20. 'Alpha Manufacturing Ltd.' is a company manufacturing high quality car spare parts. The company has a well-established production line and its products are highly demanded in the market. However, it was noticed that the defect rate in the manufacturing process was higher than the standard of 10 per 1,000 pieces produced. In spite of best efforts, the Production Manager was not able to reduce the defect rate. So, he decided to revise the standards.

The step of the controlling process, followed by the Production Manager after not being able to reduce the defect rate, will be :

- (A) Taking corrective action
- (B) Measurement of actual performance
- (C) Analysing deviations
- (D) Comparing actual performance with standards

Ans: Option A (Taking corrective action)