


	<p style="text-align: center;"><u>BRAIN INTERNATIONAL SCHOOL</u> Session 2025-26</p> <p style="text-align: center;">PRACTICE PAPER 1 Class XII Subject – Business Studies (054)</p>	
	<p>General instructions:</p> <ol style="list-style-type: none"> 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.	<p>The Board of directors of Medex Pharma Ltd. decided to issue debentures worth ₹40 lakhs in order to finance a major Research and Development project. This would increase the Debt Equity ratio from 1:1 to 2:1. However, at the same time it would increase the Earnings per share.</p> <p>The reason that will justify the above situation is:</p> <ol style="list-style-type: none"> a) Unfavourable financial leverage, as the financial risk will be higher. b) Unfavourable financial leverage, as return on investment is lower than the cost of debt. c) Favourable financial leverage as debt is easily available d) Favourable financial leverage, as return on investment is higher than cost of debt 	1

2.	<p>A bottle of Anti- dandruff shampoo mentions ' Clean your hair and get rid of dandruff in one squeeze'. The product related decision involved is-</p> <p>a) Branding b) Product quality</p> <p>c) Packaging d) Labelling</p>	1
3.	<p>With the presence of women in the workforce, there has been a shift towards formal wear, increased demand of electronic gadgets and increase in demand of cosmetics.</p> <p>The related dimension of business environment referred in the above lines is:</p> <p>a) Technological environment. b) Social environment</p> <p>c) Political environment. d) Economic environment</p>	1
4.	<p>Name the function of marketing which is effective in bringing repeat sales from the customers and developing brand loyalty for a product.</p> <p>a) Standardization and grading</p> <p>b) Promotion</p> <p>c) Customer support services</p> <p>d) Packaging and labelling</p>	1
5.	<p>SEBI calls for information and issues a show cause notice to stock exchange and its officials seeking explanation and conducting audit and enquiry. Which function is SEBI performing?</p> <p>a) Regulatory function b) Development function</p> <p>c) Protective function d) Both a) and c)</p>	1

6.	 <p>Identify the point of significance of management illustrated in the picture.</p> <ul style="list-style-type: none"> a) Management helps in achieving group goals b) Management helps in achieving personal objectives c) Management helps in development of society d) Management increases efficiency 	1
7.	<p>The allocative function of Financial market helps in _____</p> <ul style="list-style-type: none"> a) Bringing transparency in trading procedure b) Earning higher rate of return to household sector c) Better functioning of depository d) Determining the prices of securities 	1
8.	<p>IND Dyechem Ltd. is a chemical manufacturing company producing dyes and pigments both for domestic and international market. It has enjoyed a considerable market share but lately, it has been facing problems in terms of target sales and customer satisfaction. This is due to the reason that new entrants have emerged with better technology and competitive pricing. The Chairman of the company addressed this issue in the departmental meeting. The production head, Mr. Kamble, advised the Chairman to revamp the system and take immediate necessary actions to rectify the problem so that</p>	1

	<p>sales are achieved as per the plans.</p> <p>Identify the relevant function of management being discussed here.</p> <p>a) Organising b) Staffing b) Controlling d) Planning</p>	
9.	<p>Choose the incorrect statement about pricing objectives as a factor affecting the price of a product.</p> <p>a) If a firm's objective is to maximize profits in the short run, it should charge maximum price for its products.</p> <p>b) If a firm's objective is to capture market share, it should keep low price of its product.</p> <p>c) If a firm wants to attain product quality leadership, it should charge lower prices.</p> <p>d) If a firm is facing problems in survival due to stiff competition, it may offer discount on its products.</p>	1
10.	<p>Read the following statements: Assertion (A) and Reason(R). Choose the correct alternative from those given below:</p> <p>ASSERTION (A): Management is concerned with efficient use of resources.</p> <p>REASONING (R): For management both efficiency and effectiveness need to be balanced.</p> <p>Alternatives:</p> <p>a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).</p> <p>b) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A)</p> <p>c) Assertion (A) is true but Reason (R) is False</p> <p>d) Assertion (A) is False but Reason (R) is True</p>	1

11.	<p>Concentration of decision making functions at the apex of management hierarchy is called _____</p> <p>a) Decentralisation. b) Delegation</p> <p>c) Organisational structure. d) Centralisation</p>	1
12.	<p>Some employees have been assigned the job of measuring the output in an objective and reliable way. They are applying different techniques for achieving this aim. Some of these are personal-observation, sample-checking etc. They are also keeping the units of measurement same as that of the units in the standards.</p> <p>Name the step of 'Controlling process applicable in the above paragraph.</p> <p>a) Analysing deviations</p> <p>b) Comparing actual performance with standards.</p> <p>c) Establishing standards.</p> <p>d) Measurement of actual performance</p>	1
13.	<p>Statement I: For products requiring long term storage like agricultural products, the warehouses are located near to the market.</p> <p>Statement II: Higher the level of inventory, higher will be the level of service to customers but the cost of carrying the inventory will also be high.</p> <p>Choose the correct option from the following:</p> <p>a) Statement I is true and II is false</p> <p>b) Statement II is true and I is false</p> <p>c) Both the statements are true</p> <p>d) Both the statements are false</p>	1

14.	<p>Mr. Vivek is working as the General Manager of Oshin Hotels Ltd. Mr. Vivek observed that Government was taking a special interest in the Tourism industry as this sector is an important source of foreign exchange and employment promotion. On the basis of this news, the company decided to set up hotels at several tourist places. Oshin Hotels Ltd. established 50 hotels before other companies considered this issue. Very soon, this brand Oshin Hotels Ltd. became well known in the market. Identify the importance of business environment described here.</p> <p>a) It enables the firm to identify opportunities and getting the first mover advantage.</p> <p>b) It helps the firm to identify threats and early warning signals.</p> <p>c) It helps in tapping useful resources.</p> <p>d) It helps in improving performance.</p>	1
15.	<p>Name the function of management that acts as a means for translating plans into action.</p> <p>a) Planning b) Directing</p> <p>c) Organising d) Controlling</p>	1
16.	<p>STATEMENT I: Electronic holdings can be converted into physical certificates with the process of dematerialisation.</p> <p>STATEMENT II: There is no danger of theft, loss or forgery of share certificates in dematerialisation.</p> <p>Choose the correct option from the following:</p> <p>a) Statement I is true and II is false</p> <p>b) Statement II is true and I is false</p> <p>c) Both the statements are true</p> <p>d) Both the statements are false</p>	1

17.	<p>'Pace.' is a reputed Chartered Accountant firm which renders services to big MNC's. The Chartered Accountants of the firm are required to travel to Delhi and NCR for which they use company's cars. The firm decided to convert its Petrol cars to Electric cars in order to improve the quality of life of people. Identify the dimensions of business environment.</p> <p>a) Political and Legal environment</p> <p>b) Legal and Social environment</p> <p>c) Technological and Political environment</p> <p>d) Social and Technological Environment</p>	1												
18.	<p>Match the following tools of promotion with their explanation and choose the correct option</p> <table border="1"> <tr> <td>A. It is undertaken by some identified person /company who makes efforts and bears the cost of it.</td><td>1</td><td>Personal selling</td></tr> <tr> <td>B. It plays an important role at the awareness stage and develops product preferences with the aim of making sale.</td><td>2</td><td>Sales Promotion</td></tr> <tr> <td>C. It helps in managing public opinion and company's relation with the public on regular basis.</td><td>3</td><td>Advertising</td></tr> <tr> <td>D. It uses tools specifically designed to promote to customers, middlemen and to salespersons.</td><td>4</td><td>Public Relations</td></tr> </table> <p>a) A (3), B (1), C (4), D (2)</p> <p>b) A (1), B (3), C (4), D (2)</p> <p>c) A (2), B (3), C (4), D(1)</p> <p>d) A (2), B (4), C (1), D (3)</p>	A. It is undertaken by some identified person /company who makes efforts and bears the cost of it.	1	Personal selling	B. It plays an important role at the awareness stage and develops product preferences with the aim of making sale.	2	Sales Promotion	C. It helps in managing public opinion and company's relation with the public on regular basis.	3	Advertising	D. It uses tools specifically designed to promote to customers, middlemen and to salespersons.	4	Public Relations	1
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19.	<p>From the following which is not a relevant feature of management as science:</p> <p>a) Principles are based on the basis of experimentation</p> <p>b) Systematized body of knowledge</p> <p>c) Based on practice and creativity</p> <p>d) Universal Validity</p>	1												

20.	<p>The aim of demonetisation was not to_____</p> <ul style="list-style-type: none"> a) Curb corruption b) Reduce the prices of real estate c) Withhold the accumulation of black money generated by undeclared income d) Counterfeit the use of high denomination notes for illegal activities 	1
21.	<p>Captcha Ltd. is a construction company in which all the employees learn various ways of dealing with diverse situations from their seniors. Company provides financial as well as non-financial incentives. This helps the employees to grow and develop their abilities. The organisation behaves as a responsible constituent of society and always creates good quality products. It has a positive image in the market. The training modules are excellent and the employees always try to find unique ways of providing solutions in the context of rapidly changing business environment. This has helped the organisation to adjust smoothly.</p> <p>Identify and state three points of importance of management being highlighted here.</p>	3
22.	<p>State any three reasons as to why controlling is regarded as an indispensable function of management.</p> <p style="text-align: center;">OR</p> <p>Enumerate any three advantages of Management by Exception which is used by manager in analysing deviations.</p>	<p>3</p> <p>3</p>
23.	<p>Resolutions Pvt. Ltd. is a publishing company. Its book on Business Studies for class XII is in great demand. As a result, the employees in the marketing department are always racing against time as they have to work overtime and on holidays as well to cater to the demand. The work stress has led to dissatisfaction among the employees of the marketing department.</p> <p>1. Name and explain the step of staffing process which has not been performed properly.</p> <p>2. Also, explain the immediate next step in the process of staffing.</p>	3

24.	<p>State any three functions of Stock Exchange.</p> <p style="text-align: center;">OR</p> <p>State the first three steps involved in the screen-based trading for buying and selling of securities.</p>	<p>3</p> <p>3</p>
25.	<p>Explain the following features of Directing</p> <p style="margin-left: 40px;">a) Directing initiates action b) Directing is a continuous process</p> <p style="text-align: center;">OR</p> <p>Explain the following leadership styles:</p> <p style="margin-left: 40px;">a) Autocratic leadership b) Laissez Faire leadership</p>	<p>4</p> <p>4</p>
26.	<p>State any four limitations of using internal sources of recruitment.</p> <p style="text-align: center;">OR</p> <p>State any four commonly used sources of recruiting employees from outside the organisation.</p>	<p>4</p> <p>4</p>
27	<p>Mr. Akshay, a 20 year old college student purchased a book online from XYZ Pvt Ltd and when it was delivered, he noticed that there was no MRP mentioned on it. He browsed the internet and found that the book was sold at different prices in different places. He filed a case in District forum against the publisher. The court held in favour of Akshay and awarded a compensation of ₹10,000.</p> <p style="margin-left: 40px;">a) Identify and state the consumer right violated in the above case.</p> <p style="margin-left: 40px;">b) Name and explain the right exercised by Mr. Akshay.</p>	4
28.	<p>Explain the following factors affecting the dividend decision of the company:</p> <p style="margin-left: 40px;">a) Taxation Policy b) Cash Flow Position</p>	4

29.	<p>Identify and state the various elements of communication highlighted in the following cases:</p> <p>(i) Department 'A' has sent an encoded message to department 'B' through internet. What is the role of internet here?</p> <p>(ii) Madhur is making gestures so that he can send a message to Ranbhir. What is Madhur doing here?</p> <p>(iii) Ranbhir is trying to understand the message sent by Madhur by reading his gestures. What is Ranbhir doing here?</p> <p>(iv) Kamesh picks up his phone and finds a message on it. He reads the message carefully. What is the role of Kamesh here?</p>	4
30.	<p>Dhaval Acharya, after acquiring a bachelor's degree in Hotel Management joined his father's chain of vegetarian restaurants in Ahmednagar. Being young and enterprising, he suggested his father to add a new section of vegetarian bakery items which required an investment of ₹ 5 crores. His father Mr. Aariketh Acharya suggested him to take the decision with caution and understood everything comprehensively as bad decision may damage the financial fortune of business.</p> <p>Identify the decision suggested by Mr. Aariketh Acharya. State by giving any three reasons as to why he must have advised his son to take decision with caution.</p>	4
31.	<p>1) Explain any two techniques of Scientific Management from the following: a) Method study b) Motion study c) Time study</p> <p>2) Differentiate between Unity of Command and Unity of Direction on any three basis.</p> <p style="text-align: center;">OR</p> <p>1) Explain any two principles of Fayol from the following: a) Discipline b) Order c) Initiative</p> <p>2) Differentiate between contributions made by F.W.Taylor and Henry Fayol on any three basis.</p>	<p>3+3=6</p> <p>3+3=6</p>


	<p align="center"><u>BRAIN INTERNATIONAL SCHOOL</u></p> <p align="center">Session 2025-26</p> <p align="center">PRACTICE PAPER 2</p> <p align="center">Class XII</p> <p align="center">Subject – Business Studies (054)</p>	
	<p>General instructions:</p> <ol style="list-style-type: none"> 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. 	
Q.No.	Questions	Marks
1	<p>A customer bought a washing machine from Home Appliances Store, which malfunctioned within two weeks. After unsatisfactory repair attempts, the customer approached the Consumer Disputes Redressal Commission. The commission ruled in favor of the customer, directing the store to repair or refund the product. This case highlights consumer protection, showing consumers' right to seek redressal for defective products. It underscores the role of legal frameworks, consumer awareness, and accountability in ensuring fair business practices and product quality.</p> <p>Which consumer right is exercised when the customer files a complaint with the Consumer Disputes Redressal Commission to seek resolution for a faulty product?</p> <p>(A) Right to Safety (B) Right to be Informed (C) Right to Choose (D) Right to Seek Redressal</p>	1
2	<p>TechNova Systems, a rapidly expanding IT firm, emphasized effective staffing to support its growth. The HR department launched targeted recruitment drives through job portals, universities, and professional networks. After a rigorous selection process, the company conducted comprehensive training sessions to enhance both technical and soft skills of new employees. To retain talent, TechNova introduced mentorship programs, career development plans, and regular appraisals, offering</p>	1

	<p>promotions and incentives to high performers. Employee feedback helped refine HR policies, while a culture of continuous learning was encouraged through online courses and workshops.</p> <p>Which function of staffing is illustrated by TechNova Systems providing comprehensive training programs to new hires?</p> <p>(A) Recruitment (B) Selection (C) Training and Development (D) Performance Appraisal</p>	
3	<p>WellCare Hospitals, under the leadership of CEO Dr. Riya Mehta, offers a wide range of healthcare services. She established specialized departments such as cardiology, pediatrics, and orthopedics while ensuring effective resource utilization, clearly defined roles, and smooth coordination among all units. This systematic approach improved efficiency, enhanced patient care, and promoted teamwork to achieve organizational goals effectively.</p> <p>How does WellCare Hospitals demonstrate organizing as both a structure and a process?</p> <p>(A) By focusing solely on departmental divisions (B) By defining roles and optimizing workflows (C) By centralizing all decision-making (D) By reducing the number of departments</p>	1
4	<p>GreenLife Innovations Pvt. Ltd., under the leadership of Ms. Nisha Arora, specializes in producing environmentally friendly home appliances. By applying marketing principles, the company combines product innovation with awareness campaigns aimed at eco-conscious consumers. It conducts market research, launches targeted promotional campaigns, and adopts strategic pricing to position its products effectively, thereby strengthening brand value and achieving sustainable long-term growth.</p> <p>Which aspect of GreenLife Innovations Pvt. Ltd.'s operations exemplifies the concept of marketing?</p> <p>(A) Developing eco-friendly products (B) Conducting market research and targeted campaigns (C) Manufacturing home appliances (D) Managing internal finances</p>	1
5	<p>According to Maslow's Hierarchy of Needs:</p> <p>1. Physiological needs are the foundation of the hierarchy.</p>	1

	<p>2. Safety needs include financial security and health. 3. Social needs are higher than esteem needs. 4. Self-actualization is the highest level of needs.</p> <p>Which of the following is/are correct?</p> <p>(A) 1 and 2 only (B) 1, 2 and 4 only (C) 2 and 3 only (D) All 1, 2, 3 and 4</p>	
6	<p>Which of the following plans is a single-use plan?</p> <p>(A) Budget (B) Rule (C) Policy (D) Method</p>	1
7	<p>Which of the following statements is/are NOT correct regarding delegation of authority?</p> <p>1. Delegation transfers the entire responsibility of the task to the subordinate. 2. Delegation helps managers to reduce their workload. 3. Delegation means giving authority without assigning responsibility. 4. Delegation promotes initiative among employees.</p> <p>Which of the above statements is/are NOT correct? (A) 1 and 3 only (B) 2 only (C) 4 only (D) All are correct</p>	1
8	<p>Based on the following information given, answer the <u>Question 8, 9 and 10</u></p> <p><i>BrightTech Electronics</i> is rapidly expanding. The HR Manager, Ms. Kavya, realizes that the company needs 50 new technicians. She first analyses how many technicians are currently available in the organization and how many more will be required. Then she decides the qualifications needed and prepares job descriptions. After that, she invites applications through online portals and shortlists suitable candidates. Later, professionally trained interviewers conduct interviews and tests. Finally, selected candidates are appointed and placed in the respective departments.</p>	1

	<p>The step followed when the HR Manager checked the current number of technicians is:</p> <p>(A) Recruitment (B) Selection (C) Workforce planning (Estimating manpower requirement) (D) Placement</p>	
9	<p>Preparing job description and deciding qualifications refers to:</p> <p>(A) Recruitment (B) Job design (C) Job analysis (D) Training</p>	1
10	<p>Shortlisting applicants is part of:</p> <p>(A) Recruitment (B) Selection (C) Placement (D) Induction</p> <p style="text-align: center;">OR</p> <p>Inviting applications through job portals represents:</p> <p>(A) Recruitment (B) Selection (C) Placement (D) Orientation</p>	1
11	<p>The element of directing which helps in creating mutual understanding between employees and management is:</p> <p>(A) Supervision (B) Leadership (C) Motivation (D) Communication</p>	1
12	<p>Assertion (A): Planning and controlling are independent functions of management.</p> <p>Reason (R): Planning provides the basis for controlling, while controlling helps in revising plans.</p>	1

	<p>Which of the following is correct?</p> <p>(A) Both A and R are true and R is the correct explanation of A</p> <p>(B) Both A and R are true but R is not the correct explanation of A</p> <p>(C) A is true but R is false</p> <p>(D) A is false but R is true</p>	
13	<p>Identify the correct sequence for analyzing the impact of economic factors on a business:</p> <ol style="list-style-type: none"> 1. Assess inflation rates. 2. Evaluate consumer purchasing power. 3. Analyze interest rates. 4. Study overall economic growth. <p>(A) 1, 3, 2, 4</p> <p>(B) 4, 1, 2, 3</p> <p>(C) 1, 2, 3, 4</p> <p>(D) 3, 1, 2, 4</p>	1
14	<p>Assertion (A): Derivatives are used for hedging risks in financial markets.</p> <p>Reason (R): They provide a way to lock in prices for underlying assets.</p> <p>Which of the following is correct?</p> <p>(A) Both A and R are true, and R is the correct explanation of A.</p> <p>(B) Both A and R are true, but R is not the correct explanation of A.</p> <p>(C) A is true, but R is false.</p> <p>(D) A is false, but R is true.</p>	1
15		1

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16	<div><p>Match the Following:</p><div><div><p>List I</p><p>(a) Goals</p><p>(b) Strategies</p><p>(c) Objectives</p><p>(d) Procedures</p></div><div><p>List II</p><p>(i) Long-term direction</p><p>(ii) Specific plans for the future</p><p>(iii) Outlining policies</p><p>(iv) Defining the short-term targets</p></div></div><p>Options:</p><p>(A) a-i, b-iv, c-ii, d-iii</p><p>(B) a-ii, b-i, c-iv, d-iii</p><p>(C) a-iii, b-i, c-iv, d-ii</p><p>(D) a-i, b-iii, c-ii, d-iv</p></div>	1
17	<div><p>The marketing concept assumes that a company can achieve its goals by:</p><p>(A) Maximizing production output</p><p>(B) Focusing on product quality alone</p><p>(C) Understanding and meeting customer needs</p><p>(D) Implementing aggressive selling techniques</p></div>	1
18	<div><p>According to Taylor, 'Fatigue Study' aims to determine:</p></div>	1

	(D) Statement II is true, Statement I is false.	
21	<p>Ms. Anjali Sharma purchased a silk saree from Jaipur Saree Emporium for ₹7,500. She wore the saree a few times, but even before giving it for a wash, it began to tear on its own. When she contacted the shopkeeper, he refused to help, stating that goods once sold cannot be returned or refunded. Which consumer right can the buyer exercise in this situation?</p>	3
22	<p>Ms. Neha, Operations Manager, and Mr. Arjun, HR Manager, were discussing the strategy for hiring new employees in their organization. Ms. Neha insisted that Mr. Arjun must use a scientific and systematic method to select candidates so that the job assigned matches their mental and physical abilities. Mr. Arjun suggested that the entire work should be broken down into specialized tasks and then allotted to workers according to their skills, which would improve productivity and overall efficiency in the company.”</p> <p>The above situation shows that the principles of Taylor and Fayol support each other. Identify and explain the principles of management being referred to.</p> <p style="text-align: center;">OR</p> <p>“Every action in the organization is initiated by directing.” In the light of this statement, describe any three importance of directing.</p>	3
23	<p>In 2022, after the COVID-19 wave, Ms. Kavita left her job in Mumbai and moved to Uttarakhand to fulfil her mother’s dream of starting a herbal wellness center on their family land. She set clear goals and listed activities needed to achieve them. Since she had no experience, she attended training to learn each step from soil preparation to processing herbs. She later planned to support locals by starting “Mountain Essence Naturals Pvt. Ltd.”</p> <p>The case highlights features of planning. Identify and explain any two features of planning.</p>	3
24	<p>State any three ‘Protective Functions’ of the Securities and Exchange Board of India (SEBI).</p> <p style="text-align: center;">OR</p> <p>Explain the meaning of ‘gathering and analyzing market information’ as a function of marketing.</p>	3

25	<p>Moksha Appliances Ltd. established a new unit in Bhiwadi, Rajasthan to manufacture air purifiers and supply them to retailers across India. The company set a target of 1,200 air purifiers per month. Management decided that a variation of ± 20 units would be acceptable.</p> <p>At the end of the first month, the actual production was 1,130 units. In the second month, it increased to 1,190 units, but in the third month, production again dropped to 1,110 units. After checking the records, it was found that the fluctuations were caused by frequent machine breakdowns and shortage of trained technicians.</p> <p>The above case highlights the steps involved in the controlling function of management. Explain these steps.</p>	4
26	<p>Distinguish between Functional Structure and Divisional Structure on the basis of:</p> <ul style="list-style-type: none"> (a) Formation (b) Specialization (c) Cost (d) Suitability <p style="text-align: center;">OR</p> <p>What is meant by delegation? State the importance of delegation in an organization.</p>	4
27	<p>It is an institution that offers a systematic and regulated marketplace where investors can trade previously issued financial instruments such as shares and debentures.”</p> <p>Identify this institution and state any three of its functions.</p> <p style="text-align: center;">OR</p> <p>“Decisions involving huge funds for acquiring long-term assets like new machinery, land, buildings, or technology require careful evaluation because they affect the profitability and survival of the business for many years.”</p> <p>Identify and briefly explain the type of financial decision referred to in the statement. Also, state any factors affecting this decision.</p>	4

28	<p>Due to the Government's push for Digital India, many global technology companies have begun setting up their data centers and digital service units in the country. These policy changes have enabled new Indian start-ups to obtain better digital infrastructure, easier access to online markets, and supportive funding schemes.</p> <p>Existing Indian companies have also begun upgrading their technology and improving customer service, as they expect strong competition from global digital service providers entering the Indian market.</p> <p>Quoting lines from the above, identify and explain any two importance of understanding business environment.</p>	4
29	<p>Mr. Arvind Malhotra, the Managing Director of Techcore Appliances Ltd., called the HR Manager and asked, "Why are employees losing interest in their work? We offer one of the highest salary packages in the industry. Our factory has excellent facilities and we provide good benefits too. Still the workers are not motivated. What more do they want?"</p> <p>The HR Manager replied, "Sir, I have mentioned earlier that salary, facilities and benefits alone cannot motivate employees. Yesterday, one of the supervisors told me that the real issue is that <i>hard-working employees do not get any appreciation</i>. Our promotion policies are based only on seniority. Even those who do not perform well get the same benefits as those who put in extra effort."</p> <p>Identify the type of incentive being referred to in the above case. Also suggest any three other non-financial incentives that the HR Manager may introduce to motivate employees.</p>	4
30	<p>At Sunrise Textiles Pvt. Ltd., production targets were not being met for several months. The new Production Head, Mr. Dev, immediately started giving strict orders and expected complete obedience from workers. He did not ask for their suggestions and wanted all decisions to be followed exactly as instructed.</p> <p>On the other hand, in the Marketing Department, Ms. Priya, the Marketing Head, encouraged her team to discuss ideas freely. She invited suggestions before finalizing any campaign and considered everyone's opinion important.</p> <p>Meanwhile, the R&D Head, Mr. Kabir, gave complete freedom to his team to plan work, take decisions and execute projects in their own way. He only intervened when necessary.</p>	4

	Identify and explain the leadership style adopted by above mentioned leaders.	
31	<p>Two firms, Alpha Ltd. and Beta Ltd., have a total capital of ₹50 lakhs each.</p> <ul style="list-style-type: none"> Alpha Ltd. has ₹20 lakh equity and ₹30 lakh debt. Beta Ltd. has ₹50 lakh equity and no debt. <p>Both firms have EBIT of ₹10 lakhs. The rate of interest on debt is 12% and the corporate tax rate is 30%.</p> <p>Which company enjoys favourable financial leverage?</p> <p style="text-align: center;">OR</p> <p>While reviewing the financial statements of StarTech Engineering Ltd., two management trainees, Mehul and Ankit, noticed something unexpected. Mehul was confused and said, "How is this company functioning smoothly when its working capital is so low? The current assets are barely higher than the current liabilities!"</p> <p>StarTech Engineering Ltd. is a medium-sized company dealing in solar equipment installations, operating mainly in Haryana. Ankit had studied the business model earlier and understood that such companies can operate successfully with lower working capital.</p> <p>Help Ankit explain any six factors that may justify why the company has low working capital despite being successful.</p>	6
32	<p>Mrs. Kavita Sharma purchased a pack of organic green tea from FreshMart Superstore and paid ₹550. She kept the bill safely. At home, she noticed that the MRP printed on the packet was only ₹480, but the shopkeeper had stuck a new price tag of ₹550 over the original one.</p> <p>(a) Identify whether any consumer right has been violated. If yes, name and explain the right.</p> <p>(b) Suggest any two other rights and two responsibilities of a consumer apart from the one relevant in this case.</p>	6
33	<p>Name the concept of management that binds together all the functions of management. Discuss its features.</p> <p style="text-align: center;">OR</p>	6

	<p>Training is a lifelong necessity both for the employees as well as for the organization. Justify the statement by giving three arguments each in favour of the employees and the organization.</p>	
34	<p>FitWell Equipments Pvt. Ltd. manufactured premium-quality exercise bikes and had been the only major supplier in the region for many years.</p> <p>The company regularly achieved its goal of 15% annual growth in profit. Encouraged by this performance, Mr. Karan, the CEO, set a target of 25% profit growth for the next year.</p> <p>However, during that year, a global brand entered the market, drastically increasing competition. Consumer preferences also shifted toward smart, app-connected fitness machines, a trend the company had not anticipated.</p> <p>As a result, FitWell Equipments was unable to meet the new ambitious target.</p> <p>Identify and explain the limitation of the management function due to which the company failed to achieve its target.</p>	6