



REVISION SHEET

SUBJECT: BUSINESS STUDIES

CLASS-XII

TERM 1

One-Mark Questions

Q1. Which of the following best describes management?

- (a) A group of managerial personnel only
- (b) An ongoing, continuous process
- (c) A discipline/field of study only
- (d) A group of managerial personnel, an ongoing process, and a discipline

Q2. The characteristic of management as a 'goal-oriented process' means:

- (a) Management has no purpose
- (b) Management directs group efforts towards attainment of pre-determined goals
- (c) Management is only concerned with individual goals
- (d) None of these

Q3. Which level of management is primarily concerned with policy formulation?

- (a) Top level
- (b) Middle level
- (c) Lower/operational level
- (d) Supervisory level

Q4. Management is regarded as a profession because it possesses:

- (a) No formal education requirement
- (b) A well-defined body of knowledge and restricted entry
- (c) No code of conduct
- (d) Only a profit motive

Q5. Who is known as the father of scientific management?

- (a) Henri Fayol
- (b) F.W. Taylor
- (c) Peter Drucker
- (d) Elton Mayo

Q6. 'Espirit de Corps', which emphasises team spirit and unity, is a principle given by:

- (a) F.W. Taylor
- (b) Henri Fayol
- (c) Peter Drucker
- (d) Elton Mayo

Q7. The technique of scientific management that involves finding the one best way of doing a job is called:

- (a) Time study
- (b) Motion study
- (c) Method study
- (d) Fatigue study

Q8. The principle of 'Unity of Command' means:

- (a) One superior may issue orders to many subordinates
- (b) One subordinate should receive orders from one superior only
- (c) Work should be divided among specialists
- (d) None of these

Q9. Which of the following is a component of the micro/task environment of business?

- (a) Economic environment
- (b) Suppliers and customers
- (c) Political environment
- (d) Technological environment

Q10. Liberalisation, as part of India's economic reforms, refers to:

- (a) Reduction of government controls and restrictions on business
- (b) Increase in import tariffs
- (c) Nationalisation of private industries
- (d) None of these

Q11. Globalisation refers to:

- (a) Integration of the domestic economy with the world economy
- (b) Complete isolation of a country from world markets
- (c) Restriction of foreign trade
- (d) None of these

Q12. Which of the following is a feature of business environment?

- (a) Static in nature
- (b) Dynamic and ever-changing
- (c) Fully certain and predictable
- (d) Relevant only to large businesses

Q13. Planning, as a function of management, is:

- (a) A one-time activity

- (b) A continuous and ongoing process
- (c) Applicable only at the top level
- (d) Static in nature

Q14. Which of the following is a single-use plan?

- (a) Policy
- (b) Procedure
- (c) Budget
- (d) Rule

Q15. A broad, general guide that provides a framework for decision-making and channels thinking in a particular direction is called a:

- (a) Policy
- (b) Rule
- (c) Method
- (d) Programme

Q16. Which of the following is the first step in the planning process?

- (a) Setting objectives
- (b) Developing premises
- (c) Identifying alternative courses of action
- (d) Selecting an alternative

Q17. Which of the following is a step in the process of organising?

- (a) Identification and division of work
- (b) Departmentalisation
- (c) Assignment of duties and establishing reporting relationships
- (d) All of the above

Q18. In a functional structure, departments are created on the basis of:

- (a) Product lines
- (b) Functions such as production, marketing and finance
- (c) Geographical territory
- (d) None of these

Q19. Formal organisation is characterised by:

- (a) A deliberately defined structure with clear rules and hierarchy
- (b) Spontaneous relationships among members
- (c) Absence of any hierarchy
- (d) No defined authority-responsibility relationships

Q20. Delegation of authority involves the transfer of:

- (a) Ownership of the organisation

- (b) Authority from a superior to a subordinate, while accountability remains with the superior
- (c) Ultimate accountability permanently
- (d) None of these

Q21. Staffing, as a function of management, is mainly concerned with:

- (a) Recruitment alone
- (b) Obtaining, utilising and maintaining a satisfactory workforce – the right person for the right job
- (c) Only training of employees
- (d) None of these

Q22. Which of the following is an internal source of recruitment?

- (a) Campus recruitment
- (b) Transfer and promotion of existing employees
- (c) Advertisement in newspapers
- (d) Placement agencies

Q23. Which of the following is an on-the-job training method?

- (a) Vestibule training
- (b) Apprenticeship training
- (c) Classroom lectures
- (d) Case study method

Q24. The selection process generally begins with:

- (a) Preliminary screening of applications
- (b) Medical examination
- (c) Final interview
- (d) Job offer/letter of appointment

Q25. Which of the following is NOT an element of directing?

- (a) Supervision
- (b) Motivation
- (c) Staffing
- (d) Communication

Q26. According to Maslow's hierarchy of needs, the first (lowest) level of needs is:

- (a) Self-actualisation needs
- (b) Physiological needs
- (c) Esteem needs
- (d) Safety/security needs

Q27. The grapevine is an example of:

- (a) Formal communication
- (b) Informal communication arising out of social interaction

- (c) Written communication only
- (d) None of these

Q28. Which of the following is a financial incentive used to motivate employees?

- (a) Job security
- (b) Bonus
- (c) Employee participation in management
- (d) Employee status/recognition

Q29. The first step in the controlling process is:

- (a) Setting performance standards
- (b) Measurement of actual performance
- (c) Comparison of actual performance with standards
- (d) Taking corrective action

Q30. The relationship between planning and controlling can best be described as:

- (a) Completely independent of each other
- (b) Two sides of the same coin
- (c) Unrelated functions of management
- (d) Controlling precedes planning

Q31. Which of the following is a technique of managerial control?

- (a) Budgetary control
- (b) Delegation of authority
- (c) Staffing
- (d) Departmentalisation

Q32. The controlling function primarily ensures that:

- (a) Only future plans are made
- (b) Actual activities conform to planned activities
- (c) Recruitment of employees takes place
- (d) None of these

Q33. The marketing mix traditionally consists of:

- (a) 3 Ps
- (b) 4 Ps (Product, Price, Place, Promotion)
- (c) 5 Ps
- (d) 6 Ps

Q34. Which of the following is an element of the product mix?

- (a) Branding
- (b) Pricing method
- (c) Physical distribution channel
- (d) Advertising

Q35. 'Market skimming pricing' involves:

- (a) Setting a low initial price to penetrate the market quickly
- (b) Setting a high initial price to skim off customers willing to pay more, then lowering it gradually
- (c) Charging the same price for all customers regardless of segment
- (d) None of these

Q36. Which of the following is a component of the promotion mix?

- (a) Advertising
- (b) Warehousing
- (c) Branding
- (d) Packaging

Three Marks Questions

Q1. State any three characteristics of management.

Q2. Explain any three objectives of management (organisational, social and personal).

Q3. Distinguish between management as an art and management as a science on any three points.

Q4. State any three techniques of scientific management given by F.W. Taylor.

Q5. Explain the principle of 'Division of Work' given by Fayol, with a suitable example.

Q6. Distinguish between principles of management and techniques of scientific management on any three points

Q7. State any three features of business environment.

Q8. Explain any three components/dimensions of business environment.

Q9. Distinguish between the micro (task) environment and macro environment of business on any three points.

Q10. State any three features of planning.

Q11. Explain any three limitations of planning.

Q12. Distinguish between a policy and a procedure on any three points

Q13. State any three points of difference between formal and informal organisation.

Q14. Explain any three elements of delegation of authority.

Q15. Distinguish between a functional structure and a divisional structure of organisation on any three points

Q16. State any three internal sources of recruitment.

Q17. Explain any three steps involved in the selection process.

Q18. Distinguish between training and development on any three points.

Q19. State any three characteristics/features of directing as a function of management.

Q20. Explain any three financial incentives used by organisations to motivate employees.

- Q21. Distinguish between formal and informal communication on any three points.
- Q22. State any three steps involved in the controlling process.
- Q23. Explain any three techniques of managerial control.
- Q24. Explain the relationship between planning and controlling on any three points.

Four Marks Questions

- Q1. Rakesh, the CEO of a company, sets long-term goals, formulates policies, and coordinates the activities of the finance, marketing and production departments to achieve organisational objectives. Identify the level of management at which Rakesh is working and explain any three functions performed by managers at this level.
- Q2. "Management is considered to be both an art and a science." Explain this statement
- Q3. A factory owner is facing frequent disputes between management and workers due to a lack of trust and poor treatment of employees. Identify and explain any four principles given by Fayol that the owner should apply to improve the situation.
- Q4. Explain the technique of 'Differential Piece Wage System' introduced by F.W. Taylor.
- Q5. Explain how the Liberalisation, Privatisation and Globalisation (LPG) policies introduced in India since 1991 have impacted Indian businesses.
- Q6. "Understanding of business environment helps a firm to identify opportunities and get the first-mover advantage." Explain this statement with a suitable example.
- Q7. A company is planning to launch a new product in the market. Explain any four steps in the planning process that it should follow, from setting objectives to follow-up action.
- Q8. "Planning is looking ahead and controlling is looking back." Comment on this statement, explaining the relationship between planning and controlling.
- Q9. A company producing multiple, unrelated product lines wants to reorganise itself to improve accountability and efficiency for each product separately. Suggest a suitable organisational structure for the company and explain any four advantages of adopting it.
- Q10. Explain the importance of delegation of authority in an organisation.
- Q11. An organisation is facing high employee turnover because new recruits lack the specific skills required for their jobs. Suggest and explain any four training methods the organisation could use to bridge this skill gap.
- Q12. A manufacturing company frequently faces cost overruns and quality issues in its production process. Suggest and explain any four steps of the control process that the company should implement to address this.
- Q13. "Controlling is a continuous and dynamic process." Explain the importance of the controlling function in an organisation.
- Q14. Employees in a company feel undervalued and demotivated despite receiving good salaries. Suggest and explain any four non-financial incentives the company could use to improve employee motivation. *[4 Marks – Competency-Based]*
- Q15. Explain Maslow's need hierarchy theory of motivation with reference to any four levels of needs.
- Q16. A startup wants to launch a new smartphone in a highly competitive market and needs to decide on its packaging, branding and labelling strategy. Explain the importance of any four aspects of these elements in

attracting customers.

Q17. Explain any four factors that affect the pricing of a product.

Six Marks Questions

Q1. In a manufacturing company, the production, marketing and finance departments were working in isolation without coordinating their activities. This led to overproduction of goods that could not be sold, along with a shortage of funds to pay suppliers on time. (a) Identify the characteristic of management that is missing in this situation. (b) Explain any four characteristics of management with reference to the case, showing how proper management could have prevented this problem.

Q2. "Management is not an exact science like physics or chemistry, yet it is considered a science." Discuss this statement by explaining the features of science and examining the extent to which management satisfies them.

Q3. In XYZ Ltd., an employee named Rohan received conflicting instructions from both the production manager and the quality control manager on the same day, leading to confusion and delay in his work. (a) Identify the principle of management that has been violated in this case. (b) Explain any four other principles of Fayol that are relevant to ensuring smooth functioning of an organisation.

Q4. "Scientific management given by Taylor and the general principles of management given by Fayol are complementary to each other rather than contradictory." Discuss this statement, bringing out points of similarity and difference between the two approaches.

Q5. Company A did not track changes in government policy that allowed higher foreign direct investment (FDI) in its sector. A competitor, Company B, noticed this change early, attracted foreign investment, expanded rapidly, and captured a large market share before Company A could react. (a) Identify the importance of business environment highlighted in this case. (b) Explain any four reasons why it is important for a business to understand its environment.

Q6. Discuss the impact of the government's economic reform policies (Liberalisation, Privatisation and Globalisation) on Indian business and industry, with reference to any five specific effects.

Q7. A company had prepared rigid, detailed plans for the entire year. When a sudden disruption occurred in the market due to unforeseen circumstances, the company was unable to adapt its plans in time and suffered heavy losses, while competitors with more flexible plans coped better. (a) Identify the limitation of planning illustrated in this case. (b) Explain any four other limitations of planning.

Q8. "Planning is futile in a dynamic and uncertain business environment." Do you agree with this statement? Discuss the importance and the limitations of planning to justify your answer.

Q9. A departmental manager insists on personally approving every minor decision and refuses to assign authority to his subordinates, even for routine matters. As a result, decisions are delayed, the manager is overburdened, and subordinates feel demotivated. (a) Identify the concept of management missing in this situation. (b) Explain the elements of delegation and discuss its importance with reference to the case.

Q10. "Decentralisation is much more than delegation of authority; it extends to the lowest level of the management hierarchy." Explain the difference between delegation and decentralisation, and discuss the importance of decentralisation for an organisation.

Q11. A company hires new employees mainly on the basis of personal references from existing staff, without following a formal, structured selection process. Over time, this has resulted in several employees being unsuitable for their roles, leading to poor performance and high attrition. (a) Identify the problem with the company's approach to staffing. (b) Explain the steps involved in a scientific selection process that the

company should adopt.

Q12. "Staffing is equally important in profit-making as well as non-profit organisations." Justify this statement, discussing the importance of the staffing function in any organisation.

Q13. In a company, instructions from the manager are frequently misunderstood by workers due to the use of complex technical language, and important messages get distorted as they pass through several levels of the hierarchy. This has resulted in repeated production delays. (a) Identify the type of barriers to communication illustrated in the case. (b) Explain any four barriers to effective communication with reference to the case.

Q14. "Motivation is a continuous process that leads to better utilisation of resources and improved performance." Elaborate on the importance of motivation as an element of directing, and discuss any three types of incentives used to motivate employees.

Q15. A company sets detailed performance standards at the start of each year but never compares actual performance against these standards during the year, nor does it take any corrective action when problems arise. As a result, inefficiencies have accumulated over several years, leading to mounting losses. (a) Identify the steps of the controlling process that the company is missing. (b) Explain the complete controlling process, showing how it could help the company.

Q16. "Controlling has a limiting effect on the freedom and initiative of employees, yet it is indispensable to an organisation." Discuss the importance of controlling as well as its limitations.

Q17. A company launched a new food product with attractive packaging, an appealing brand name and clear labelling, but sales remained poor because the product was available only in a few select stores in major cities and was not reaching smaller towns where demand existed. (a) Identify the element of the marketing mix that needs attention in this case. (b) Explain any four factors that determine the choice of channels of distribution.

Q18. "Marketing management has evolved over time from a purely product/selling-oriented approach to a societal marketing concept." Trace this evolution of marketing philosophies/concepts and explain their relevance in today's business environment.