

# Class 12 CBSE Business Studies

## Model Question Paper– (Set- 4)

**Time: 3 Hours**

**Maximum Marks: 80**

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### Section A – MCQs (1 × 20 = 20 Marks)

1. Planning reduces risk by:
  - a) Eliminating uncertainty
  - b) Anticipating future events
  - c) Ignoring external factors
  - d) Avoiding decision-making
2. The principle of “Equity” implies:
  - a) Strictness
  - b) Fairness and justice
  - c) Centralisation
  - d) Unity of command
3. Which of the following is not an element of delegation?
  - a) Authority
  - b) Responsibility
  - c) Accountability
  - d) Centralisation
4. Decentralisation is suitable for:
  - a) Small organisations only
  - b) Large organisations
  - c) Single department firms
  - d) Informal organisations
5. Which step in staffing ensures right person at right job?
  - a) Recruitment
  - b) Selection
  - c) Training
  - d) Placement
6. Financial leverage is concerned with:
  - a) Debt component

- b) Equity component
  - c) Reserves
  - d) Dividend policy
7. Investment decision affects:
- a) Asset structure
  - b) Capital structure
  - c) Dividend payout
  - d) Recruitment
8. Money market instruments are generally:
- a) Long-term
  - b) Risky
  - c) Short-term
  - d) Unsecured
9. The marketing mix is also known as:
- a) 4Cs
  - b) 7Ps
  - c) 4Ps
  - d) 5Ms
10. Which of the following is not a consumer right?
- a) Right to Safety
  - b) Right to be Heard
  - c) Right to Strike
  - d) Right to Information
11. The first step in controlling process is:
- a) Measurement of performance
  - b) Setting standards
  - c) Comparing performance
  - d) Taking corrective action
12. Which of the following is a barrier to communication?
- a) Feedback
  - b) Noise
  - c) Clarity
  - d) Cooperation
13. Which leadership style allows complete freedom to subordinates?
- a) Autocratic
  - b) Democratic

- c) Laissez-faire
  - d) Bureaucratic
14. Retained earnings are:
- a) External source
  - b) Short-term loan
  - c) Internal source
  - d) Debt
15. Overcapitalisation results in:
- a) High returns
  - b) Low returns
  - c) Optimum profit
  - d) High dividend
16. SEBI performs which function?
- a) Regulation of stock exchanges
  - b) Production of goods
  - c) Recruitment
  - d) Training
17. Which pricing method is based on cost plus margin?
- a) Skimming pricing
  - b) Penetration pricing
  - c) Cost-plus pricing
  - d) Competitive pricing
18. Personal selling is most effective for:
- a) Mass communication
  - b) Industrial goods
  - c) Public awareness only
  - d) Social marketing
19. Consumer disputes at National Commission are above:
- a) ₹1 crore
  - b) ₹2 crore
  - c) ₹5 crore
  - d) ₹10 crore
20. Which of the following is not a function of management?
- a) Planning
  - b) Staffing
  - c) Accounting
  - d) Controlling

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**Section B – Short Answer I (3 × 6 = 18 Marks)**

21. State any three limitations of Planning with examples.
22. Explain any three principles of Management by Fayol.
23. State any three objectives of Financial Management.
24. Differentiate between Centralisation and Decentralisation (any three points).
25. Explain any three functions of Stock Exchange.
26. State any three features of Marketing.

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**Section C – Short Answer II (4 × 5 = 20 Marks)**

27. Explain the steps involved in Organising process.
28. Describe Maslow's Need Hierarchy Theory with diagram explanation.
29. Explain any four factors affecting Capital Structure.
30. Explain four functions of SEBI.
31. Distinguish between Formal and Informal Organisation.

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**Section D – Long Answer (6 × 4 = 24 Marks)**

32. Explain the importance of Planning in detail.  
OR  
Explain the complete process of Controlling.
  33. Explain the Staffing process with steps.  
OR  
Explain different leadership styles with merits and demerits.
  34. Explain the elements of Marketing Mix (4Ps) in detail.  
OR  
Explain the factors affecting Pricing Decisions.
  35. Explain any six factors affecting Working Capital requirement.  
OR  
Explain Financial Planning and its importance.
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**Section E – Case Study (6 × 3 = 18 Marks – Analytical)**

36. Case Study on Planning & Controlling (Application-based).
37. Case Study on Financial Management (Capital Structure / Dividend).
38. Case Study on Consumer Protection & Marketing Strategy.