CBSE · CLASS 12 · BUSINESS STUDIES

CBSE Class 12 Business Studies Guess Paper 2027

Time: 3 hours · Maximum marks: 80 · 34 questions

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Section A

20 objective-type questions of 1 mark each (MCQ, assertion-reason, two-statement, match-the-columns and case/picture-based MCQ)

Q1. Identify the incorrect statement with respect to 'Motion Study', as a technique of scientific management: (A) Unnecessary movements are sought to be eliminated so that it takes less time to complete the job efficiently. (B) It refers to the study of movements like lifting, putting objects, sitting and changing positions etc., which are undertaken while doing a typical job. (C) Through this technique, Taylor was able to design suitable equipment and tools to educate workers on their use. (D) This technique helps to determine the number of workers to be employed, frame suitable incentive schemes and determine labour costs. 1 mark

Q2. Ramesh wanted to buy a room heater as it had become extremely cold. He went to the nearby market in search of a good room heater. He first visited a few big shops selling branded heaters and checked the design, quality and the price. Walking through the market he saw a road side shop displaying an attractive room heater. He walked into the shop to enquire about the room heater. The shopkeeper demonstrated how the heater worked and simultaneously explained its qualities like its rotating function, auto-cut etc. Ramesh asked about its price and decided to buy it, as in comparison to other room heaters, it was cheaper and had various additional features. However while focusing on the price and features, he did not check the ISI mark or the label which displayed the date of manufacturing, safety features, directions for use etc. The right exercised by Ramesh in the above case is: (A) Right to choose/be assured (B) Right to be heard (C) Right to consumer education (D) Right to safety 1 mark

Q3. 'Best Electronics' is led by its visionary Chief Executive Officer, Nikhil. It has a reputation for good quality products and customer service. Nikhil recognised the need to continually innovate and provide customers with the latest products. He wanted the company to be the market leader in electronics. Nikhil knew that to realise his ambitious vision, he needed a clear and well-defined plan that would provide broad contours of the company's business. His team conducted extensive market research to uncover emerging trends, customer preferences, and potential competitors. On its basis, a plan was prepared defining the company's direction and scope in the long run. On the implementation of the plan 'Best Electronics' became the market leader in two years. The type of plan which helped 'Best Electronics' to become the market leader was: (A) Policy (B) Rule (C) Strategy (D) Procedure 1 mark

Q4. 'Since business environment consists of numerous interrelated and dynamic conditions or forces which arise from different sources, it becomes difficult to comprehend at once what exactly constitutes a given environment.' The feature of business environment highlighted above is: (A) Relativity (B) Uncertainty (C) Complexity (D) Dynamic Nature — 1 mark

Q5. Identify which of the following functions is Not performed by 'Top Level Management': (A) Cooperating with other departments for smooth functioning of the organisation. (B) Being responsible for the welfare and survival of the organization. (C) Analyzing the business environment and its implications for the survival of the firm. (D) Formulating overall organizational goals and strategies for their achievement. — 1 mark

Q6. There are two statements, Assertion (A) and Reason (R). Assertion (A): The dividend in growth companies is more than that in the non-growth companies. Reason (R): Companies having good growth opportunities retain more money out of their earnings so as to finance the required investment. Choose the correct alternative from those given below: (A) Assertion (A) is false and Reason (R) is true. (B) Both Assertion (A) and Reason (R) are false. (C) Assertion (A) is true and Reason (R) is false. (D) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A). — 1 mark

Q7. Spiceworks, a company providing financial services to its clients is keeping a close check on the employee's activities by using biometric and retina scanning as modes of accessing the office premises, in order to ensure greater security of information in the organisation. Choose the correct point of significance of controlling highlighted above: A. controlling helps in achievement of organisational goals B. controlling helps in ensuring order and discipline C. controlling helps in improving employees motivation D. controlling enables optimum utilisation of resources — 1 mark

Q8. [Picture depicting employees referring someone looking for a job] Identify the incorrect statement about the type of source of recruitment depicted above. a) Management can attract qualified people to apply for vacant positions in the organisation. b) It may lead to dissatisfaction and frustration among existing employees. c) Such employees are not likely to be good employees as their background is not sufficiently known. d) Management has a wider choice while selecting people for employment. — 1 mark

Q9. Alka Motors is one of the leading automobile companies in India. Due to growing demand for electric vehicles, Alka Motors planned to expand its business and for this, it wanted to raise funds. The finance manager suggested that it should raise funds through equity as the market was bullish. As per the suggestion of finance manager, the company decided to raise Rs 3,500 crore from equity for its expansion plan for electric vehicles. The factor that the finance manager took into consideration to raise funds through equity was: (A) Cash flow position (B) Flexibility (C) Cost of debt (D) Stock-market conditions — 1 mark

Q10. The process by which a manager synchronizes the activities of different departments is known as: (A) Management (B) Planning (C) Organising (D) Co-ordination — 1 mark

Q11. Choose the correct statement about the controlling function of management. a) No corrective action is required when the deviation goes beyond the acceptable range in important areas. b) Deviations should be analysed for their causes. c) Measurement of actual performance should be done only after the task is complete. d) Managers must keep a check on each and every activity, otherwise the entire organisation may suffer. 1 mark

Q12. Name the element of marketing mix which includes deciding about the features, quality, packaging, labelling and branding of goods or services or 'anything of value' which is offered to the market for sale. a) promotion b) place c) product d) price 1 mark

Q13. There are two Statements, Assertion (A) and Reason (R). Assertion (A): Larger the lead time, larger is the quantity of material required to be stored and larger shall be the amount of working capital required. Reason (R): If the raw material do not have a record of un-interrupted availability, higher stock levels may be required. Choose the correct alternative: (A) Assertion (A) is false and Reason (R) is true. (B) Both Assertion (A) and Reason (R) are false. (C) Assertion (A) is true and Reason (R) is false. (D) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A). 1 mark

Q14. Arrange the following elements of communication process in the correct sequence: i) Media ii) Message iii) Sender iv) Decoding v) Receiver vi) Feedback vii) Encoding. Choose the correct option: a) iii,i,vii,ii,v,iv,vi b) iii,ii,vii,i,iv,v,vi c) ii,iii,vii,vi,iv,v,i d) ii,i,vii,iii,v,iv,vi 1 mark

Q15. 'Joining a job marks the beginning of socialisation of employees at the workplace. The employee should be given a post for which he has been selected.' Place the subsequent steps of staffing in a small organisation in the correct order: A. Training and development, promotion and career planning, performance appraisal, compensation B. Performance appraisal, training and development, promotion and career planning, compensation C. Training and development, performance appraisal, promotion and career planning, compensation D. Training and development, performance appraisal, compensation, promotion and career planning 1 mark

Q16. The project managers in an organisation set targets for the upcoming months and outline strategies to achieve them. At the same time, they assign specific roles and responsibilities to their team members. They motivate them to meet the deadline, by celebrating their achievements and taking their feedback. Thus, various functions are simultaneously performed by all managers all the time. Name the characteristic of Management discussed above. a) Management is a dynamic function b) Management is a continuous process c) Management is an intangible force d) Management is goal oriented 1 mark

Q17. Statement-I: Capital market instruments are safer than money market instruments both with respect to returns and principal repayment. Statement-II: The capital market deals in medium and long-term securities such as equity shares and debentures etc. Choose the correct option 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. 1 mark

Q18. Read the following statements: Assertion (A) and Reason (R). ASSERTION(A): Maslow's need hierarchy theory of motivation is widely recognised and appreciated yet criticised. REASON(R): Even though Maslow's theory focuses on needs as a basis of motivation and helps to develop understanding about the motivation phenomenon, his propositions are questioned on their classification and hierarchy. Alternatives: (a) Both Assertion (A) and Reason (R) are true. (b) Both Assertion (A) and Reason (R) are false. (c) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of the Assertion. (d) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of the Assertion. 1 mark

Q19. Statement-I: Regulation of takeover bids by companies is one of the Regulatory functions of Securities and Exchange Board of India. Statement-II: Training of intermediaries of securities market is one of the Development functions of Securities and Exchange Board of India. Choose the correct option from the following: (A) Statement I is correct and Statement II is incorrect. (B) Statement II is correct and Statement I is incorrect. (C) Both Statement I and Statement II are correct. (D) Both Statement I and Statement II are incorrect. 1 mark

Q20. There are two statements, Assertion (A) and Reason (R). Assertion (A): Controlling should not be misunderstood as the last function of management. Reason (R): Controlling is a function that brings the management cycle back to the planning function. Choose the correct alternative from those given below: (A) Assertion (A) is false and Reason (R) is true. (B) Both Assertion (A) and Reason (R) are false. (C) Assertion (A) is true and Reason (R) is false. (D) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A). 1 mark

Section B

4 Short Answer questions of 3 marks each (answers in about 50 to 75 words); includes case/situation-based questions

Q21. State how planning (I) reduces creativity (II) leads to rigidity. 3 marks

Q22. Explain the concept of leadership. Give two situations in which autocratic leadership style is most effective. 3 marks

Q23. Anabel Creations, an apparel designing company has a huge pile of young men's and women's garments to be sold across its branches in various cities. In order to clear the stock, the company has decided to give a heavy discount on its garments, with a view to lure the buyers. It is also visiting various colleges for sponsoring fashion shows in order to push its sales. However, the garments are not liked by the customers as they have not been made as per their needs and preferences. a) Identify and state the Marketing Management philosophy being followed by Anabel Creations. b) Name and state any two other philosophies of Marketing apart from the one identified in part a. 3 marks

Q24. 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 leader. (I) State the concept of business environment. (II) Identify and explain in what way, a good understanding of business environment enabled Mr. Vivek Vaswani to improve the performance of the enterprise. 3 marks

Section C

6 questions of 4 marks each (answers in about 150 words); includes case/situation-based questions

Q25. Meera purchased a mixer-grinder of a reputed brand from a well-known electronic store for Rs 5,000. Within ten days, the mixer-grinder stopped working. Meera visited the shop for repair or replacement showing the cash memo and the warranty card but the shopkeeper refused to help her. Though the product was only for Rs 5,000, she filed a complaint at the District Consumer Disputes Redressal Forum. The Forum ordered the store to replace the product within 30 days. They also added Rs 1,000 as compensation for mental harassment and Rs 800 for legal costs. State two responsibilities fulfilled by Meera and two reliefs which Meera got through Consumer Redressal Forum. 4 marks

Q26. Explain why planning is considered as a) pervasive b) futuristic function of management. 4 marks

Q27. 'Priya Motors', a motorbike manufacturing company, launched a new model of bike in the market named 'Moto Glide III'. The company planned carefully to make this bike to young riders. The design team focused on making the bike attractive and stylish to the target customers, primarily the youth. They gave it a sleek body, sharp headlights and a digital speedometer. The design made the bike not just look good but also improved its aerodynamics and fuel efficiency. This helped the company stand out from other brands, thereby getting a competitive edge. The company followed strict quality standards in making each part of the bike which helped in achieving uniformity and consistency in output. 'Priya Motors' also offered different versions of bike with different prices based on features like Bluetooth connectivity, colour options etc. Identify and explain two functions of marketing discussed above. 4 marks

Q28. Anuj, after a lot of research, paid 'SS Developers' an advance of Rs 2 crore to build a lavish house for him. They promised to deliver the property within 18 months. At the end of 18 months, Anuj asked for the delivery of the property many times but the developer did not respond. Anuj realized that 'SS Developers' was not in a position to hand over the property to him. Anuj asked for a refund of the money with interest, which 'SS Developers' refused. Anuj approached the consumer court with his complaint. (i) Which grievance redressal agency had Anuj approached? (ii) State any three reliefs Anuj is likely to get, if the consumer court is satisfied with the complaint. 4 marks

Q29. Aditya owned a skincare company named 'Nat-Ayur'. In July, 2025, he decided to launch a new herbal face cream in the market using traditional herbs like turmeric, sandalwood, neem, aloe vera, saffron etc. The total cost of producing, packaging, distributing and selling the cream came to Rs 60 per tube. 'Nat-Ayur' decided that this would be the minimum price to cover the cost. They wanted to earn a fair margin of profit too. For this 'Nat-Ayur' conducted a survey and found that the expected demand would be high. Customers were ready to pay more for herbal and chemical free products. They also found that many face creams with similar features are available in the market priced between Rs 80 to Rs 120. To compete effectively, 'Nat-Ayur' decided to price the cream at Rs 99 to attract the customers while offering better benefits. To add value to the product 'Nat-Ayur' invested in eco-friendly packaging, free home delivery and on-line advertisements. This uniqueness gives 'Nat-Ayur' a competitive freedom in fixing price of its cream. Identify and explain any two factors that were taken into consideration by 'Nat-Ayur' for determining the price of their herbal face cream. 4 marks

Q30. PP Motors is a reputed automobile company known for manufacturing high performance four wheelers. The company plans to hire eight new engineers. Akhilesh Banerjee, the Human Resource Manager has eliminated unfit job seekers based on the information supplied in the application forms, conducted various tests and interviews and verified the information of the applicants. Identify and explain the remaining steps that Mr Banerjee must undertake in order to ensure that the organisation gets the best among the available, from the pool of prospective job candidates. 4 marks

Section D

4 Long Answer questions of 6 marks each (answers in about 200 words); includes case/situation-based questions

Q31. (b) Explain the following principles of General Management: (i) Unity of Command (ii) Esprit De Corps (iii) Stability of Personnel — 6 marks

Q32. (b) Explain the following features of principles of management: (i) General guidelines (ii) Mainly behavioural (iii) Formed by practice and experimentation — 6 marks

Q33. Malini and Shalini recently completed their web designing course from a reputed University in Mumbai. Malini opened her own website development company 'Rapid Software Private Limited'. In order to ensure a smooth flow of communication and better control over the operations of her business, she divided the entire work of a company into four departments i.e web designing, accounting, research and development and customer service. All departments are required to report to a coordinating head. The company became successful in the market as all operations were carried out with a high degree of specialisation. Shalini joined a big group named Babylon.com, Inc. which offered a variety of services like Babylon Web Services, Babylon Prime, Babylon Retail. She was appointed as the head of Babylon Web Services division and was made responsible for the profit or loss of her service division. She was happy to take the responsibility as the division would function as an autonomous unit, thus enabling her to make faster decisions. (a) Identify the types of the framework within which managerial and operating tasks are performed, in the organisations, of which, Malini and Shalini were a part of. (b) Give any four differences between the frameworks identified above. — 6 marks

Q34. (a) Give the meaning of 'Training'. Explain the following methods of training: (i) Apprenticeship Training (ii) Internship Training — 6 marks

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