CBSE EXAMINATION PAPER-2023

BUSINESS STUDIES

(Solved)

Time allowed : 3 hours | Maximum Marks : 106

General Instructions :

Read the following instructions carefully and follow them :

i. This question paper contains **40 questions.** All questions are **compulsory.**

ii. This question paper is divided into **4 sections.**

iii. **Section A** – questions number **1 to 20** are multiple choice questions

iv. **Section B** – questions number **21 to 26** are short answer type i

v. **Section C** – questions number **27 to 34** are short answer type ii

vi. **Section D** – questions number **35 to 40** are long answer

vii. There is no overall choice given in the question paper. However, an internal choice has been provided in few questions.

viii. Use of calculator is NOT allowed.

Section A

Question 1.

Statement I : Financial planning is essentially the preparation of financial blueprint of an organisation's future operations.

Statement II : Financial planning is done only for long-term and focuses on capital expenditure programmes only.

Choose the correct option from the options given below :

[1 Marks]

(A) Statement I is true and Statement II is false.

(B) Statement II is true and Statement I is false.

(C) Both the statements are false.

(D) Both the statements are true.

Question 2. Which of the following functions of management completes one cycle of management process and improves planning in the next cycle ?

[1 Marks]

(A) Staffing

(B) Organising

(C) Controlling

(D) Directing

Question 3. In organising process, which of the following step is performed just before establishing reporting relationship between individuals ?

[1 Marks]

(A) Assignment of duties

(B) Imparting training to employees

(C) Identification and division of work

(D) Departmentalization

Question 4. _____ is a standing plan.

[1 Marks]

(A) Programme

(B) Strategy

(C) Rule

(D) Budget

Question 5. Which of the following consumer rights under Consumer Protection Act, 2019 gives the freedom to consumers to access variety of products at competitive prices ?

[1 Marks]

(A) Right to be informed

(B) Right to consumer education

(C) Right to be assured/Right to choose

(D) Right to be heard

Question 6. From 2003, all transactions in securities are to be settled within two days after the trade date. This system is known as :

[1 Marks]

(A) Rolling settlement system

(B) Automatic settlement system

(C) Rotational settlement system

(D) Mutual settlement system

Question 7.

_____ provides the prescribed ways or manner in which a task has to be performed, considering the objective.

[1 Marks]

(A) Programme

(B) Budget

(C) Method

(D) Procedure

Question 8.

Project **'**Nanhi Kali**'** run by Shivam and Sohan Ltd. was started in 1998 and is one of the largest programmes that enables underprivileged girls to complete 10 years of schooling. The project has impacted the lives of over 5 lakh girls from low income group families across the country. The objective achieved by Shivam and Sohan Ltd. by doing so is :

[1 Marks]

(A) Personal objective

(B) Both (a) and (c)

(C) Social objective

(D) Organizational objective

Question 9.

From the following, identify the Incorrect Statement as per Consumer Protection Act, 2019 :

[1 Marks]

(A) Appeal against District Commission's order can be filed in National Commission.

(B) District Commission and State Commission are set by the State Governments.

(C) National Commission has territorial jurisdiction over the whole country for consumer protection.

(D) District Commission entertains complaints where value of goods or services paid as consideration does not exceed < 1 crore.

Question 10. From the following, identify the statement which is correct about capital budgeting decision :

[1 Marks]

(A) These decisions are reversible.

(B) These decisions do not affect the earning capacity of the business in the long run.

(C) These decisions include committing huge amounts of finance on a long-term basis, therefore need to be taken with utmost care.

(D) Size of assets, profitability and competitiveness are not affected by capital budgeting decisions.

Question 11. Which of the following is not a disadvantage of functional structure of organisation ?

[1 Marks]

(A) Less emphasis on overall enterprise objectives than the objectives pursued by a functional head.

(B) A conflict of interests may arise when the interests of two or more departments are not compatible.

(C) It may lead to problems in coordination as information has to be exchanged across functionally differentiated departments.

(D) May lead to increase in costs since there may be duplication of activities across products.

Question 12. Ashita works in a company where her basic task is to integrate diverse elements and co-ordinate the activities of different departments according to the overall objectives of the organisation. At which level of management is Ashita working ?

[1 Marks]

(A) Top level management

(B) Middle level management

(C) Both (b) and (c)

(D) Supervisory level management

Question 13. Which of the following is not a factor affecting price of a product or service ?

[1 Marks]

(A) Government and legal regulations

(B) Product cost

(C) Extent of competition in the market

(D) Standardization and Grading

Question 14. Match the features of planning given in Column I with their respective explanation given in Column II.

[1 Marks]

	Column I		*Column II*
A.	Planning is a mental exercise	(i)	Planning involves thorough examination and evaluation of each alternative and choosing the most appropriate one
B.	Planning is all-pervasive	(ii)	Planning is required at all levels of management as well as in all departments of the organisation
C.	Planning involves decision-making	(iii)	Planning requires logical and systematic thinking rather than guess work or wishful thinking

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

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

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

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

Question 15.

Providing job security and pension plan, etc. will satisfy which of the following needs of employees ?

[1 Marks]

(A) Safety/Security needs

(B) Esteem needs

(C) Basic physiological needs

(D) Belongingness needs

Question 16. With rising pollution levels, consumers are becoming conscious about the harmful effects of polluted air, so the demand for home air-purifiers is increasing day-by-day. Which dimension of business environment is discussed here ?

[1 Marks]

(A) Technological Environment

(B) Political Environment

(C) Economic Environment

(D) Social Environment

Question 17. In advertising **'**there is no direct face-to-face contact between the prospect and the advertiser**'**. The feature of advertising stated here is :

[1 Marks]

(A) Paid form

(B) Impersonality

(C) Identified sponsor

(D) Economical

Question 18.

The picture given below depicts important information related to a decision that a marketer has to take in the area of product.

Identify from the following the correct option :

[1 Marks]

Manufacturing Date : 10/3/23	Organic Honey : 	Quantity : 500 ml
Expiry Date : 10/3/25		No added sugar 100% pure
Max. Retail Price : ₹ 500		Manufacturer : Organic Agro products ---------- Uttarakhand

(A) Branding

(B) None of the above

(C) Labelling

(D) Packaging

Question 19.

'Managing public opinion of an organisation is an important task performed by the marketing department' It is included under which of the following element of marketing mix ?

[1 Marks]

(A) Place mix

(B) Promotion mix

(C) Product mix

(D) Price mix

Question 20. Which of the following statements is Incorrect with respect to Autocratic Leadership style ?

[1 Marks]

(A) Subordinates are expected to obey the orders of the leader.

(B) An autocratic leader does not wish to be contradicted.

(C) Subordinates are given high degree of independence.

(D) Quick decision-making is facilitated.

Section B

Question 21.

'Burgers and Fudge' was among the first fast food chains in India which pioneered the concept of family-style restaurants. However, over the years it started losing business to multinational food chains like McDonalds and Pizza Hut, etc. and soon had to shut down.

The reason to shut down was the inability of managers to identify, understand, evaluate and to react to the forces external to their firm.

In the light of the above situation, explain with the help of any two points, how understanding of business environment is important for managers.

[3 Marks]

Question 22.

Explain any three points that highlight the relationship between 'planning' and 'controlling function of management.

[3 Marks]

Question 23.

Explain any two points of importance of 'directing' function of management.

[3 Marks]

Question 24.

State any three benefits of 'staffing' function of management to the organisation.

[3 Marks]

Question 25.

State any three benefits of training to employees.

[3 Marks]

Question 26.

Ananta Ltd. is a firm manufacturing electronic goods. To increase its sales and earn profits, its General Manager, Kamal is thinking in advance what to do and how to do it. He is also preparing forecasts to reduce the risk of uncertainty and to achieve its targets.

By doing so Kamal is performing an important function of management.

Identify and state the function of management highlighted above. Also state any two points of importance of this function.

[3 Marks]

Section C

Question 27.

Ankush bought a high end microwave on Diwali from a leading electronic store. The microwave had ISI mark and Ankush diligently went through the instruction manual so that he could use it properly. However, due to faulty wiring there was a short-circuit in the microwave. He called up the consumer helpline of the company many times but no solution was provided by the company. Ankush now decided to file a case in the consumer court.

(a) Identify and explain the right which Ankush will exercise.

(b) State two responsibilities which Ankush had fulfilled while purchasing and using the microwave.

[4 Marks]

Question 28.

Srijan, after completing his bechelor's degree in culinary arts from a reputed institute, took over his family restaurant specialising in South Indian dishes. This business was promoted by his grandfather many years back in the form of a company. Now he wants to get the restaurant renovated to open a special section for bakery products. It is estimated

that an investment of ₹ 5 crore will be required to execute this plan. At present the cash flow position of the company is not strong and fixed operating costs of business are also high.

Keeping in view the above situation, name with two reasons, the source of finance which Srijan should choose for modernization and expansion of his business. Also explain one more factor, apart from those stated above which Srijan should keep in mind while taking this decision.

[4 Marks]

Question 29.

Explain the following as factors affecting the working capital requirements of a business :

(i) Business cycle

(ii) Operating efficiency

[4 Marks]

Question 30.

State any four points to difference between 'Primary Market' and 'Secondary Market.'

[4 Marks]

Question 31.

State any four protective functions of 'Securities and Exchange Board of India'.

[4 Marks]

Question 32.

Pallavi started a wedding planner company 'Dreams Unlimited' in 2026 and her target was to be amongst the top 10 companies in this field within the next three years. For this she employed people having different skills. She worked hard and united the efforts of different people to achieve this goal. The requirements of the customers in this industry changed very fast and the company adapted to keep pace with the changing environment. As planned, the company achieved its target within three years. All the employees of the organisation were happy and satisfied and the effect of management was noticeable in the organisation.

The way Pallavi was managing her business highlights some of the features of management. By quoting lines from the above paragraph, explain any two such features.

[4 Marks]

Question 33.

Explain any two features of 'motivation' as an element of directing function of management.

[4 Marks]

Question 34.

Explain the following as elements of communication process :

(i) Message

(ii) Encoding

(iii) Media

(iv) Decoding

[4 Marks]

Section D

Question 35.

F.M. Tech Ltd. is one of the leading information technology service provider company in Delhi. To enable smooth functioning of the enterprise, job description and rules and procedures related to work processes are laid down. The company specifies clearly the boundaries of authority and responsibility and there is a systematic co-ordination among the various activities to achieve organisational goals.

(a) Identify and explain the 'Type of organisation' discussed above.

(b) State any two advantages and two limitations of 'Type of organisation' identified in (a) above.

[6 Marks]

Question 36.

Abhishek studied management principles and techniques of Henri Fayol and F.W. Taylor when he was in class XII. Now he is trying to apply his knowledge while doing his business. By using different techniques and scientifically analysing work he found one best way of doing the job. By removing unproductive movements of the workers he reduces the time to complete the job. Not only this, to increase productivity and to regain stamina he started giving more rest intervals to his employees. He followed no discrimination policy on account of sex, religion, caste, etc. in his organisation. He ensured that the compensation should be fair to both, employees and the organisation.

Identify and explain any two techniques of scientific management and two principles of general management adopted by Abhishek.

[6 Marks]

Question 37.

Explain any four psychological barriers of communication.

[6 Marks]

Question 38.

Explain any four merits of external sources of recruitment.

[6 Marks]

Question 39.

Explain the following as functions of marketing :

(i) Gathering and analysing market information

(ii) Customer support services

(iii) Pricing of product

[6 Marks]

Question 40.

Explain the following as components of Physical Distribution :

(i) Order Processing

(ii) Transportation

(iii) Warehousing

[6 Marks]