



D.A.V. PUBLIC SCHOOLS, JHARKHAND ZONE - J
HALF-YEARLY EXAMINATION
SESSION: 2026-2027

Class: XII

Time: 3 Hours

Subject: Business Studies (054)

Max. Marks: 80

General Instructions:

- 1) Read the questions carefully.
- 2) For 3-mark questions, answer should be in 50-75 words
- 3) For 4-mark question answers should be in 150 words
- 4) For 6-mark question answers approximately 200 words

Q. No.		Marks
1	Nova Tech launched a new smartphone. The team successfully delivered the final product ahead of schedule to capture the festival market, fulfilling the effectiveness criteria. However, to meet this aggressive deadline, they rushed the manufacturing process, resulting in excessive raw material wastage and heavy overtime wages for employees. Consequently, the overall cost per phone exceeded the budgeted amount, highlighting its managerial quality. The management of Nova Tech can be described as: (a) Efficient, but not effective (b) Effective, but not efficient (c) Both effective and efficient (d) Neither effective nor efficient	1
2	A garment company plans to introduce a new product next year. Before finalising its strategy, the management studies changes in customer preferences, competitors' activities, government policies and market conditions. Based on this information, it modifies its proposed strategy and prepares a suitable course of action. The management believes that considering such changes is necessary for achieving the desired results and remaining competitive. Which feature of planning is reflected in the case? (a) Planning is pervasive (b) Planning is futuristic (c) Planning is a mental exercise (d) Planning is a continuous process	1
3	A leading Indian retail company expanded its operations by opening branches in different cities. Instead of requiring the head office to approve every routine decision, the company allowed branch managers to decide matters related to local sales, customer offers, inventory requirements and day-to-day operations. These managers could take decisions within the limits prescribed by the top management. The head office continued to monitor the overall performance of each branch and remained responsible for major organisational policies. This arrangement enabled the branches to respond quickly to	1

	local customer preferences and changing market conditions. It also reduced the workload of senior executives and encouraged branch managers to take initiative and develop their decision-making abilities. Which concept of organising is highlighted in the above case? (a) Delegation (b) Decentralisation (c) Departmentalisation (d) Division of work	
4	A manufacturing company is expanding its operations and has increased its workforce considerably. The management has appointed a separate department to deal with employee-related matters. The department maintains employee records, assists in recruitment and selection, arranges training programmes, looks after performance evaluation and handles matters related to employee welfare and compensation. It also works towards developing employees and maintaining healthy relations between employees and management. Which of the following is the most appropriate term for the function described above? (a) Human Resource Management (b) Financial Management (c) Production Management (d) Marketing Management	1
5	A leading Indian company observed that employees were performing their routine duties but showed limited enthusiasm towards their work. To improve their motivation, the management introduced several measures. Employees who performed exceptionally well were publicly appreciated for their contribution. They were also given greater responsibility and opportunities for career advancement. In addition, employees were encouraged to participate in decisions related to their work. The management believed that such measures would make employees feel valued, develop a sense of belonging and encourage them to contribute more effectively towards organisational objectives. Which of the following is a non-financial incentive referred to in the case? (a) Bonus (b) Commission (c) Employee recognition (d) Profit sharing	1
6	A company had set a standard of producing 10,000 units in a month. At the end of the month, actual production was found to be 9,200 units. The manager calculated the difference between the actual performance and the predetermined standard and found a shortfall of 800 units. The deviation was then analysed to determine whether corrective action was required. The deviation in the case is: (a) 800 units favourable (b) 800 units unfavourable (c) 9,200 units unfavourable (d) 10,000 units favourable	1

7	A company fixed a standard of producing 20,000 units during a particular month. At the end of the month, the production manager reviewed the actual performance and found that only 18,500 units had been produced. He compared the actual output with the predetermined standard and calculated the difference of 1,500 units. The manager then examined the reasons for this difference to decide whether corrective measures were necessary. The difference between the standard performance and actual performance is known as: (a) Measurement of performance (b) Deviation (c) Corrective action (d) Setting standards	1
8	A company is planning its activities for the coming year. The top management decides the overall direction of the business, while departmental managers prepare specific approaches for achieving departmental objectives. The company also prepares guidelines for recurring situations and a financial statement showing expected income and expenditure. Employees are required to follow a fixed sequence of steps for certain activities. Which type of plan is represented by the financial statement showing expected income and expenditure? (a) Policy (b) Budget (c) Procedure (d) Strategy	1
9	A packaged food company noticed that customers were becoming more health-conscious and increasingly preferred products with less sugar and natural ingredients. At the same time, several competitors introduced similar products at competitive prices. The government also announced new regulations regarding food labelling and safety standards. The company studied these changes and modified its product design, pricing and packaging to remain competitive and comply with the new requirements. Which feature of business environment is reflected in the above case? (a) It is static in nature (b) It is complex in nature (c) It is dynamic in nature (d) It is certain in nature	1
10	Assertion (A): Principles of management are flexible and can be modified according to the changing circumstances of a business. Reason (R): Principles of management are rigid and must be applied in exactly the same manner in every organisation. (a) Both A and R are true, and R is the correct explanation of A. (b) Both A and R are true, but R is not the correct explanation of A. (c) A is true, but R is false. (d) A is false, but R is true.	1

11	Mehta Textiles is a rapidly growing garment manufacturing firm based in Surat, operating in a highly competitive and fast-paced apparel industry. The top management regularly updates company policies, adopts modern stitching technologies, and restructures operations to keep pace with fluctuating government regulations, changing economic conditions, and shifting global fashion trends. Simultaneously, managers across all hierarchical levels—from floor supervisors to chief executives—collaborate continuously to ensure the firm efficiently utilizes its resources and meets its annual profit and production targets. Which of the following is not a characteristic of management? (a) Management is a dynamic function (b) Management is a rigid and unchanging process (c) Management is a continuous process (d) Management is a goal-oriented process	1
12	A technology company noticed that several newly appointed employees were finding it difficult to perform their jobs effectively. The management decided to arrange a structured programme in which employees would learn new skills, improve their existing abilities and understand better methods of performing their assigned tasks. The programme included practical activities, guidance from experienced personnel and opportunities to develop capabilities needed for their present and future responsibilities. The management expected the programme to improve employee performance and prepare them for greater responsibilities. Which step of the staffing process is highlighted in the case? (a) Recruitment (b) Training and Development (c) Selection (d) Performance Appraisal	1
13	A large Indian manufacturing company recruited a group of young employees for technical positions. Since the selected candidates had the required educational qualifications but limited practical experience, the management decided to provide them with systematic training before assigning them independent responsibilities. Each trainee was placed under the guidance of an experienced worker who demonstrated the correct methods of performing various tasks. The trainees observed the work, practised the skills themselves and gradually took up more complex activities. During the training period, they received practical exposure to the actual working conditions of the organisation and were closely supervised by experienced personnel. The programme continued for a specified period so that the trainees could develop the technical skills, accuracy and confidence required for their jobs. The company believed that such training would improve efficiency, reduce mistakes and prepare employees to handle their responsibilities effectively. Which type of training is described in the case? (a) Vestibule training (b) Apprenticeship training (c) Internship training (d) Induction training	1

14	A leading Indian automobile company fixes performance standards for its production units and regularly compares actual performance with these standards. The management has set permissible limits for deviations so that minor variations can be handled by departmental managers themselves. However, if the actual performance differs significantly from the predetermined standards, the matter is immediately brought to the attention of senior management. Senior managers then analyse the reasons for the major deviation and take suitable corrective action. This approach enables top managers to concentrate on important matters instead of spending time on routine and insignificant deviations. Which technique of controlling is being followed by the company? (a) Critical Point Control (b) Management by Exception (c) Budgetary Control (d) Break-even Analysis	1
15	A company is recruiting candidates for managerial positions. During selection, candidates are presented with different work-related situations and asked to explain how they would respond to them. The management observes their behaviour, confidence, attitude and ability to handle people in different situations. The purpose is to assess the personal qualities and behavioural characteristics of candidates before making the final selection. Which type of selection test is described in the case? (a) Intelligence Test (b) Personality Test (c) Trade Test (d) Aptitude Test	1
16	A company introduced a new performance-based reward system to encourage employees to improve their productivity. Some employees responded positively and increased their efforts, while others showed little change in their behavior. The manager found that employees had different needs, expectations, attitudes and perceptions. Even though the same reward was offered to everyone, its effect was different on different employees. The management therefore realised that motivating employees requires understanding their individual feelings and expectations rather than relying only on external rewards. Which feature of motivation is reflected in the case? (a) Motivation is goal-directed (b) Motivation is a continuous process (c) Motivation is a psychological phenomenon (d) Motivation is a psychological phenomenon.	1
17	A large company has clearly defined departments, positions and reporting relationships. Each employee is aware of their authority, responsibility and the person to whom they have to report. Communication for official matters follows the established channels. The management has deliberately created this structure to achieve organisational objectives and ensure coordination among different departments. Employees are expected to perform their assigned duties according to the prescribed organisational relationships. Which type of organisation is described in the above case?	1

	(a) Informal organisation (b) Formal organisation (c) Functional organisation (d) Divisional organisation	
18	A company prepared a detailed five-year plan for expanding its business. However, soon after implementation, the government introduced new regulations and market conditions changed unexpectedly. Customer preferences also shifted rapidly, making some assumptions of the plan outdated. The management had to revise several decisions and incur additional costs. Although the managers had carefully planned the expansion, they realised that planning could not completely eliminate the impact of external changes. The situation also required managers to make quick decisions beyond the existing plan. Which limitation of planning is highlighted in the case? (a) Planning reduces creativity (b) Planning may not work in a dynamic environment (c) Planning involves huge costs (d) Planning leads to rigidity	1
19	A company manufacturing electronic goods noticed several changes in its surroundings. The government introduced new rules regarding imports, changed tax rates and announced incentives for domestic manufacturers. At the same time, changes in interest rates and inflation affected the purchasing power of consumers. The management carefully studied these developments before deciding its production and pricing policies. It realised that such external factors could significantly influence the company's performance and future decisions. Which dimension of business environment is mainly reflected in the case? (a) Social environment (b) Economic environment (c) Technological environment (d) Legal environment	1
20	'Vertex Corp' is a large conglomerate that manufactures apparel, processes food items, and also manages a separate software development division. Although these business units operate in completely different industries and serve distinct markets, the fundamental managerial activities of planning, organizing, leading, and controlling are performed uniformly by the managers at every level across all these diverse departments. Which feature of management is highlighted in the above case? (a) Management is a dynamic function (b) Management is a continuous process (c) Management is all-pervasive (d) Management is a goal-oriented process	1

21	Tata Motors completed a major restructuring effective October 1, 2025, separating its Commercial Vehicles business from the Passenger Vehicles business. The change was intended to give each business sharper strategic focus and greater agility. The Commercial Vehicles business now operates as a standalone entity with its own leadership and business focus, while the Passenger Vehicles business continues separately. This arrangement enables each business to concentrate on its specific products, customers and market requirements. Identify and explain the type of organisational structure followed by Tata Motors after the restructuring.	3
22	Ravi is the production manager of a company. He directly assigns work to his employees and regularly checks their performance. However, he often changes their duties and transfers them from one department to another without giving them sufficient time to adjust. This results in confusion, dissatisfaction and reduced efficiency among employees. Identify and explain the principle of management being violated in the above case.	3
23	A retail company in India observed that customers were increasingly using online platforms and digital payments. Several new competitors also entered the market with attractive prices, faster delivery and personalised services. The company closely monitored these changes and introduced its own online sales platform, digital payment facilities and home-delivery services. It also identified new customer segments that preferred convenient and technology-based shopping. These changes helped the company adapt its operations, face competition and explore new areas for business growth. Name and explain significance of business environment is highlighted in the case?	3
24	manager observes that employees are not putting in their best efforts because their personal needs are not being adequately fulfilled. She discusses their concerns and introduces suitable incentives to encourage better performance. The employees respond positively, put in greater effort and achieve the desired organisational targets. The manager then reviews the results and considers further measures to maintain their motivation. Draw the process of motivation showing its stages. OR State assumptions of Maslows Need Hierarchy Theory.	3
25	A company manufacturing electrical appliances noticed that its workers were facing difficulties in completing production targets. The management decided to reorganise the supervision system. Instead of assigning all supervisory responsibilities to one person, different specialists were appointed to guide workers in different areas of work. Some supervisors worked mainly on preparing instructions and schedules, while others focused on maintaining discipline, checking the quality of work and ensuring that machines and tools were properly maintained. Workers were required to follow the guidance of these specialists according to the nature of the task. The new arrangement helped the company improve specialisation, reduce confusion in work methods and increase the efficiency of production. The management observed that workers were able to receive expert guidance whenever required.	4

	a) Identify the technique of Scientific Management used. (1) b) Present its structure through a suitable flow chart. (3)	
26	In November 2016, the Government of India announced the withdrawal of ₹500 and ₹1,000 currency notes from legal tender. People and businesses had to deposit or exchange the specified notes within the prescribed period. The decision encouraged greater use of bank accounts and digital payment methods. Businesses faced temporary difficulties due to cash shortages, while the economy gradually moved towards greater formalisation and digital transactions. a) Identify the features of business environment highlighted by this decision. (1) b) Explain any three impacts of demonetisation on business and economic activities. (3)	4
27	A growing Indian company noticed that employees were motivated by different factors at different stages of their careers. New employees were initially concerned about receiving adequate salary and having proper working conditions. After settling into their jobs, they wanted stability and assurance of continued employment. Later, employees sought friendly relations with colleagues and a sense of belongingness within their teams. Some experienced employees expected appreciation for their achievements and opportunities to gain status and recognition. Senior employees were also encouraged to take up challenging assignments, develop their abilities and realise their full potential. The management understood that employees' needs do not remain the same and designed its motivational practices accordingly. Answer the following: a) Identify and quote the lines from the case that represent any two needs of Maslow's Need Hierarchy. (2) b) Explain the two needs identified in part (a). (2)	4
28	A growing company decided to open a new production unit. The management first divided the entire work into different activities. Similar activities were then grouped together into separate departments. Specific duties were assigned to employees according to their abilities and qualifications. Finally, managers were given the necessary authority to perform their responsibilities and take decisions. This arrangement helped the company establish a clear structure and ensured that work was carried out smoothly. Explain the steps of the function of management referred to in the above case.	4
29	A leading Indian consumer goods company planned to increase its annual sales by 15% during the financial year. At the beginning of the year, the management fixed specific performance standards for different sales regions. Regional managers were informed about the expected sales targets and timelines. During the year, the management collected information about actual sales achieved by each region and compared the results with the predetermined standards. In some regions, sales were found to be lower than the expected level. The management examined the reasons for these deviations, such as weak distribution and reduced customer demand. After analysing the causes, corrective measures were taken, including improving distribution and revising sales strategies. The management continued to review the performance to ensure that the desired objectives were achieved. a) Identify the function of management described in the case. (1)	4

	b) Explain the steps involved in the process of this function of management. (3) OR Explain relationship between planning and controlling.	
30	1.A company decides to expand its business into two new cities during the next financial year. 2.The management decides to achieve a 20% increase in sales through this expansion and studies competitors before deciding the overall approach to enter the new markets. 3.For dealing with customers, the company decides that complaints will be handled within 48 hours and that priority will be given to long-term customers. 4.For opening each new branch, employees are required to follow a fixed sequence of activities. The finance department also prepares a statement showing the expected income and expenditure for the expansion Identify the type of plan represented by each of the four parts of the case.	4
31	A well-established Indian company is expanding its production capacity and requires employees for managerial, supervisory and technical positions. The Human Resource Department decides to use different methods to attract suitable candidates. For a few higher positions, the management considers employees who have already been working in the organisation and have demonstrated their capabilities. For other vacancies, the company reaches out to people registered with an agency that maintains information about job seekers. The company also visits reputed educational institutions to select young and qualified candidates for entry-level positions. In addition, the HR department keeps records of candidates who had applied for earlier vacancies and contacts suitable candidates whenever relevant positions become available. Answer the following questions: a) Identify and explain the internal source of recruitment used for filling higher positions. 2M b) Identify and explain the two external sources of recruitment used for filling other vacancies. 4M	6
32	A leading Indian company was facing difficulties in maintaining effective communication between its managers and employees. During a meeting, some managers used highly technical words and complicated expressions while giving instructions, which several employees failed to understand correctly. In another department, employees were reluctant to share their problems with senior managers because they feared criticism and negative reactions. Important instructions were sometimes communicated through several levels of authority before reaching the concerned employees, resulting in delay and distortion of the message. At the production unit, continuous machine noise also made it difficult for workers to hear verbal instructions clearly. These communication problems resulted in misunderstandings, delays and reduced coordination among employees. The management decided to identify the barriers and take suitable measures to improve the flow of communication. Answer the following: a) Identify and quote the lines from the case that represent any three barriers to effective communication. (3) b) Name and explain the three barriers identified in part (a). (3)	6

33	Aarav Industries manufactures consumer electronics. The company is divided into production, finance, marketing, and human resource departments. Each department operates with its own distinct objectives—for instance, the marketing department offers heavy discounts to boost sales, while the finance department restricts spending to maintain profit margins. To prevent departmental clashes and ensure the yearly profit target is met, top management deliberately integrates and synchronizes the efforts of all departments. Furthermore, this synchronization is not a one-time activity; rather, managers consciously coordinate operations continuously as the business adapts to changing market trends. Questions: 1. Identify the concept of management that acts as the binding force among all departments to ensure achievement of common goals. 2Marks 2. Explain any two points of importance of the concept identified in part (1). 4 Marks	6
34	A company manufacturing home appliances plans to increase its market share during the next financial year. The management first decides what it wants to achieve and fixes a specific target for the year. It then studies changes in customer preferences, competitors' strategies and other factors that may affect the business. After this, the managers consider different ways of achieving the target and compare their advantages and limitations. The most suitable alternative is selected and converted into a detailed course of action. The plan is then put into action by communicating responsibilities to the concerned employees. Finally, the management regularly reviews the progress and makes necessary changes whenever required. Answer the following: a) Identify and explain the two steps of the planning process referred to in the case. (2) b) Identify and explain the next three steps of the planning process referred to in the case. (3) c) State and explain the final step of the planning process referred to in the case. (1) OR Write short notes on 1. Planning does not guarantee success. 2. Developing Premises 3. Planning facilitate decision making.	6