

UP Board Class 12 Business Studies - 350 - 2025 Question Paper with Solutions

Time Allowed :3 Hours	Maximum Marks :70	Total Questions :35
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General Instructions

Instruction:

1. *All* questions are compulsory. Marks allotted to each question are given in the margin.
2. In numerical questions, give all the steps of calculation.
3. Give relevant answers to the questions.
4. Give chemical equations, wherever necessary.

Q1. Maximum incentive giving function of management to employees is

- (a) Staffing
- (b) Motivation
- (c) Organisation
- (d) Controlling

Correct Answer: (b) Motivation

Solution:

Step 1: Recall the concept.

Motivation is the key function of management to inspire employees to perform well and achieve organizational goals.

Step 2: Conclusion.

Thus, the correct answer is (b) Motivation.

Final Answer:

Motivation

 Quick Tip

Motivation is essential for improving employee performance and achieving the organization's objectives.

Q2. By scientific management, profits are

- (a) increased
- (b) decreased
- (c) not affected
- (d) both (a) & (b)

Correct Answer: (a) increased

Solution:

Step 1: Recall the concept.

Scientific management focuses on improving efficiency, reducing waste, and increasing productivity, leading to higher profits.

Step 2: Conclusion.

Thus, the correct answer is (a) increased.

Final Answer:

Increased

 Quick Tip

Scientific management aims to maximize efficiency and profitability by optimizing work processes.

Q3. Economic Liberalisation Policy was implemented in India in the year

- (a) 1991
- (b) 1995
- (c) 2001
- (d) 2005

Correct Answer: (a) 1991

Solution:

Step 1: Recall the concept.

The Economic Liberalisation Policy in India was implemented in 1991, marking a major shift towards a market-driven economy.

Step 2: Conclusion.

Thus, the correct answer is (a) 1991.

Final Answer:

1991

 Quick Tip

The 1991 reforms opened up India's economy to global markets, resulting in significant economic growth.

Q4. Budget refers to

- (a) Planned target of performance
- (b) Sum of handling future activities
- (c) Systematic allocation of resources
- (d) Statement of expected results expressed in numerical terms

Correct Answer: (d) Statement of expected results expressed in numerical terms

Solution:

Step 1: Recall the concept.

A budget is a financial plan that outlines expected revenues and expenses, typically expressed in numerical terms.

Step 2: Conclusion.

Thus, the correct answer is (d) Statement of expected results expressed in numerical terms.

Final Answer:

Statement of expected results expressed in numerical terms
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 Quick Tip

Budgets are essential tools for planning and controlling financial resources in any organization.

Q5. depends on the willingness of employees.

- (a) Formal organisation
- (b) Functional organisation
- (c) Informal organisation
- (d) Divisional organisation

Correct Answer: (c) Informal organisation

Solution:

Step 1: Recall the concept.

The willingness of employees is typically seen in informal organisations where the employees' motivation is intrinsic.

Step 2: Conclusion.

Thus, the correct answer is (c) Informal organisation.

Final Answer:

Informal organisation

 Quick Tip

Informal organisations thrive on the willingness and initiative of employees, unlike formal organisations that rely on structured authority.

Q6. Staffing is the responsibility of

- (a) Lower Management
- (b) Middle management
- (c) Top Management
- (d) All of these

Correct Answer: (d) All of these

Solution:

Step 1: Recall the concept.

Staffing refers to the recruitment, selection, and placement of employees, a responsibility that can involve lower, middle, and top management.

Step 2: Conclusion.

Thus, the correct answer is (d) All of these.

Final Answer:

All of these

 Quick Tip

Staffing is a shared responsibility at all management levels, from top management's strategic planning to lower management's execution.

Q7. Motivated employees are rewarded

- (a) Negative
- (b) Positive
- (c) Intrinsic
- (d) None of these

Correct Answer: (b) Positive

Solution:

Step 1: Recall the concept.

Employees who are motivated are typically rewarded through positive reinforcement such as recognition, pay, and promotions.

Step 2: Conclusion.

Thus, the correct answer is (b) Positive.

Final Answer:

Positive

 Quick Tip

Positive reinforcement is a key motivator in the workplace, encouraging employees to maintain and improve performance.

Q8. Management control is done

- (a) By lower level managers
- (b) By middle level managers
- (c) By top level managers
- (d) By all levels of managers

Correct Answer: (d) By all levels of managers

Solution:

Step 1: Recall the concept.

Management control involves setting performance standards and evaluating performance, a responsibility shared by all management levels.

Step 2: Conclusion.

Thus, the correct answer is (d) By all levels of managers.

Final Answer:

By all levels of managers

 Quick Tip

Management control functions at every level ensure alignment with organizational objectives and standards.

Q9. The source of working capital is

- (a) Debtors
- (b) Cash sales
- (c) Bank overdraft
- (d) All of these

Correct Answer: (d) All of these

Solution:

Step 1: Recall the concept.

Working capital is financed through various sources, including debtors, cash sales, and bank overdrafts, which provide liquidity for daily operations.

Step 2: Conclusion.

Thus, the correct answer is (d) All of these.

Final Answer:

All of these

 Quick Tip

Working capital is essential for maintaining day-to-day business operations, sourced from assets like receivables and cash.

Q10. Money spent on marketing is

- (a) Wastage

- (b) Unnecessary expenditure
- (c) Burden on the customers
- (d) Investment

Correct Answer: (d) Investment

Solution:

Step 1: Recall the concept.

Marketing expenditures are viewed as investments aimed at generating future sales and improving brand visibility.

Step 2: Conclusion.

Thus, the correct answer is (d) Investment.

Final Answer:

Investment

 Quick Tip

Marketing is a strategic investment that helps build customer loyalty and drive long-term revenue growth.

Q11. What is meant by motion study?

Solution:

Motion study is the analysis of the motions involved in a particular task to identify unnecessary or inefficient movements. The goal is to simplify and improve the work process by reducing unnecessary motions and improving efficiency.

Step 1: Identify the task.

The first step is to observe and record all the motions involved in a specific task.

Step 2: Analyze and eliminate unnecessary motions.

After observing the motions, unnecessary or redundant movements are eliminated, and the process is simplified.

Step 3: Improve work methods.

New, efficient methods are introduced that minimize wasted motion and improve the performance of the task.

Final Answer: Motion study focuses on optimizing work processes by reducing unnecessary movements, leading to higher efficiency.

 Quick Tip

Motion study helps in reducing fatigue, improving productivity, and enhancing safety in the workplace.

Q12. What is procedure in planning?

Solution:

The procedure in planning refers to the systematic steps or process followed to formulate and execute a plan. The process typically includes the following steps:

Step 1: Setting objectives.

Clearly define the goals and objectives to be achieved through the plan.

Step 2: Identifying resources.

Evaluate the resources available, including human, financial, and physical resources, required for the plan.

Step 3: Developing alternatives.

Formulate different strategies and alternatives to achieve the objectives.

Step 4: Selecting the best course of action.

Choose the most effective and feasible alternative based on available resources.

Step 5: Implementation and evaluation.

Put the plan into action and monitor its progress to ensure successful completion.

Final Answer: The procedure in planning involves setting objectives, identifying resources, developing alternatives, selecting the best course of action, and implementing and evaluating the plan.

Quick Tip
A structured planning procedure ensures systematic decision-making and successful project execution.

Q13. Mention any two features of formal organisation.

Solution:

Two features of a formal organisation are:

Step 1: Defined Hierarchical Structure.

A formal organisation has a clear and structured hierarchy, where roles, responsibilities, and authority are clearly defined. This ensures clarity and efficient management within the organisation.

Step 2: Set Rules and Procedures.

Formal organisations establish specific rules, regulations, and procedures for all employees to follow. These guidelines help ensure consistency and maintain order within the organisation.

Final Answer: The two features of formal organisation are a defined hierarchical structure and set rules and procedures.

 Quick Tip

A formal organisation helps streamline operations and ensures that employees understand their roles and responsibilities clearly.

Q14. What is meant by Job Rotation?

Solution:

Job rotation is a management strategy where employees are moved between different tasks or job roles to gain experience and variety. It helps in the development of skills and can improve motivation by preventing monotony.

Step 1: Enhance Skill Development.

By rotating jobs, employees can develop a broader skill set, which can be beneficial for both the employee and the organization.

Step 2: Reduce Boredom.

Job rotation reduces the likelihood of employees getting bored with a repetitive task, thus enhancing job satisfaction.

Final Answer: Job rotation is the practice of moving employees between different jobs to develop skills, prevent boredom, and increase overall motivation.

 Quick Tip

Job rotation is an effective way to develop employees' versatility and keep them engaged.

Q15. Write two characteristics of good leadership.

Solution:

Two characteristics of good leadership are:

Step 1: Vision and Inspiration.

A good leader has a clear vision of where the organization should go and can inspire others to work towards that vision with enthusiasm and commitment.

Step 2: Decision-making Ability.

A good leader possesses strong decision-making skills, being able to analyze situations and make timely, informed choices that benefit the organization.

Final Answer: Two characteristics of good leadership are vision and inspiration, and strong decision-making ability.

 Quick Tip

Effective leadership fosters trust and inspires teams to achieve organizational goals through clear guidance and decisive actions.

Q16. Write the names of any two stages of control process.

Solution:

Two stages of the control process are:

Step 1: Setting Standards.

This stage involves setting clear and measurable performance standards for various activities or outcomes in the organization.

Step 2: Measuring Performance.

The next stage involves evaluating the actual performance against the set standards to determine any variances.

Final Answer: Two stages of the control process are setting standards and measuring performance.

 Quick Tip

Effective control ensures that operations align with the goals, helping managers make necessary adjustments.

Q17. What are the two main objectives of capital structure?

Solution:

The two main objectives of capital structure are:

Step 1: Maximizing Shareholder Wealth.

The primary objective of capital structure is to create a mix of debt and equity that maximizes shareholder wealth by ensuring optimal returns with minimal risk.

Step 2: Minimizing Cost of Capital.

The capital structure should aim to minimize the overall cost of capital, balancing debt and equity in a way that reduces financial expenses and enhances profitability.

Final Answer: The two main objectives of capital structure are maximizing shareholder wealth and minimizing the cost of capital.

 Quick Tip

A well-planned capital structure ensures financial stability and allows businesses to achieve growth with optimal financial leverage.

Q18. Write two benefits of packaging.

Solution:

The two benefits of packaging are:

Step 1: Protection.

Packaging protects the product from damage, contamination, and deterioration during handling, storage, and transportation. This ensures the product remains safe and usable for consumers.

Step 2: Convenience.

Packaging also makes the product easier to handle, store, and use. It often includes features like easy-to-open seals, portion control, and space-saving designs, providing added convenience to consumers.

Final Answer: The two benefits of packaging are protection and convenience.

 Quick Tip

Effective packaging is essential for protecting products and enhancing customer experience.

Q19. Write two elements included in communication process.

Solution:

Two elements included in the communication process are:

Step 1: Sender.

The sender is the individual or entity who initiates the message. They encode the message and choose the medium through which to send it.

Step 2: Message.

The message is the content that the sender intends to communicate. It can be in the form of spoken words, written text, or non-verbal cues, depending on the communication method.

Final Answer: The two elements in the communication process are the sender and the message.

 Quick Tip

Effective communication relies on clear messages and a reliable sender to ensure successful exchange of information.

Q20. Write two remedies available to consumers under Consumer Protection Act, 2019.

Solution:

Two remedies available to consumers under the Consumer Protection Act, 2019, are:

Step 1: Compensation.

Consumers have the right to seek compensation for any loss or injury caused by defective products or deficient services. The compensation can cover damages and any other related expenses.

Step 2: Replacement or Repair.

Consumers can request the replacement or repair of defective goods or services. If the product is found to be defective, the consumer is entitled to have it replaced or repaired at no additional cost.

Final Answer: The two remedies available to consumers under the Consumer Protection Act, 2019, are compensation and replacement or repair.

 Quick Tip

The Consumer Protection Act ensures that consumers have access to remedies like compensation and replacement for faulty products or services.

Q21. Write any five principles of scientific management.

Solution:

The five principles of scientific management are:

Step 1: Science, Not Rule of Thumb.

Work should be based on scientific methods rather than on trial and error. Tasks should be studied and optimized to achieve the best methods.

Step 2: Harmony, Not Discord.

Scientific management encourages a harmonious relationship between workers and management. There should be mutual understanding and cooperation to achieve common goals.

Step 3: Cooperation, Not Individualism.

Instead of individual work, scientific management emphasizes teamwork and collective effort to achieve productivity.

Step 4: Maximum Output, Not Restricted Output.

Scientific management aims at maximizing output by using scientific methods to increase efficiency rather than limiting production.

Step 5: Development of Workers.

Scientific management focuses on the systematic training and development of workers to ensure they perform tasks optimally.

Final Answer: The five principles of scientific management are: science over rule of thumb, harmony over discord, cooperation over individualism, maximum output, and development of workers.

 Quick Tip

Scientific management increases efficiency by optimizing work methods and promoting cooperation between workers and management.

Q22. Distinguish between recruitment and selection of employees.

Solution:

The distinction between recruitment and selection is as follows:

Step 1: Recruitment.

Recruitment is the process of attracting and encouraging potential candidates to apply for job openings. It is a positive process aimed at generating a pool of candidates.

Step 2: Selection.

Selection is the process of evaluating and choosing the most suitable candidate from the pool of applicants. It is a negative process, as it involves eliminating unqualified candidates.

Final Answer: Recruitment is the process of attracting candidates, while selection is the process of choosing the best candidates.

 Quick Tip

While recruitment builds a pool of candidates, selection ensures that the most qualified individual is chosen for the job.

Q23. What are the steps of organising?

Solution:

The steps in the organising process are:

Step 1: Identification of Activities.

The first step is to identify and list all the tasks and activities that need to be performed to achieve the objectives.

Step 2: Grouping of Activities.

The identified activities are grouped based on their similarity, function, or specialization to create different departments or units.

Step 3: Assigning Responsibilities.

Once the activities are grouped, specific responsibilities are assigned to individuals or teams.

Step 4: Delegating Authority.

Authority is delegated to those responsible for the activities so that they can make decisions and carry out tasks effectively.

Step 5: Coordination of Activities.

Finally, the activities of different departments are coordinated to ensure that they work together towards common organizational goals.

Final Answer: The steps of organising are identifying activities, grouping them, assigning responsibilities, delegating authority, and coordinating activities.

 Quick Tip

Effective organisation helps in achieving the organizational goals by properly assigning tasks and coordinating efforts.

Q24. What are the internal sources of recruitment?

Solution:

The internal sources of recruitment are:

Step 1: Promotions.

Promotions from within the organization are a key internal source of recruitment. Employees are given higher-level roles based on their performance.

Step 2: Transfers.

Transfers refer to moving employees from one department to another. It is an internal recruitment process that helps in filling vacancies.

Final Answer: The internal sources of recruitment are promotions and transfers.

 Quick Tip

Internal recruitment helps organizations retain talent and motivate employees by offering them growth opportunities.

Q25. Distinguish between 'formal' and 'informal' communication.

Solution:

The distinction between formal and informal communication is as follows:

Step 1: Formal Communication.

Formal communication follows officially prescribed channels and is typically used for work-related matters. It is structured, documented, and regulated by organizational policies.

Step 2: Informal Communication.

Informal communication, also known as the "grapevine," occurs spontaneously and is not regulated by organizational rules. It includes casual conversations and is often used for personal or social interactions.

Final Answer: Formal communication follows established channels, while informal communication is spontaneous and unregulated.

 Quick Tip

Both formal and informal communication are important in organizations. Formal communication ensures clarity and structure, while informal communication enhances relationships.

Q26. What is capital structure? Describe any three factors determining it.

Solution:

Capital structure refers to the mix of debt and equity that a company uses to finance its operations and growth.

Step 1: Cost of Capital.

One factor affecting capital structure is the cost of capital. Companies seek to minimize the overall cost by balancing debt and equity financing.

Step 2: Business Risk.

The level of business risk influences capital structure decisions. Riskier businesses may prefer more equity financing to avoid the burden of debt.

Step 3: Flexibility.

Companies also consider their financial flexibility. Firms with greater financial flexibility may take on more debt to take advantage of lower interest rates.

Final Answer: Capital structure is the combination of debt and equity financing, and it is influenced by the cost of capital, business risk, and financial flexibility.

 Quick Tip

A balanced capital structure is essential for reducing the cost of capital and maintaining financial stability.

Q27. Explain the functions of Management.

Solution:

Management functions are the core activities that management performs to achieve organizational goals. These functions are:

Step 1: Planning.

Planning is the first and foremost function of management. It involves defining goals, developing strategies to achieve those goals, and determining the best course of action.

Step 2: Organizing.

Organizing involves arranging resources, tasks, and activities to implement the plan. It includes allocating responsibilities, authority, and resources to different individuals or teams.

Step 3: Leading.

Leading involves motivating, directing, and influencing employees to achieve organizational goals. It is about creating a conducive work environment that encourages employees to perform their best.

Step 4: Controlling.

Controlling is the process of monitoring and evaluating progress towards achieving the goals. It involves comparing actual performance with planned performance and making adjustments as needed.

Final Answer: The functions of management are planning, organizing, leading, and controlling. Each of these functions is essential for the success of any organization.

 Quick Tip

The effectiveness of management lies in the seamless execution of these four functions to achieve organizational success.

Q28. Outline the various steps involved in the selection process.

Solution:

The steps involved in the selection process are as follows:

Step 1: Job Analysis.

Job analysis involves identifying the specific requirements and skills needed for the position. It helps in creating a clear and accurate job description and specification.

Step 2: Sourcing Candidates.

Once the job is defined, candidates are sourced through internal or external methods like recruitment drives, advertisements, or agencies.

Step 3: Screening Resumes.

After receiving applications, resumes are reviewed to shortlist candidates who meet the required qualifications and experience.

Step 4: Interviewing.

Candidates are then interviewed to assess their skills, experience, and suitability for the job role. Interviews can be structured, semi-structured, or unstructured.

Step 5: Testing.

In some cases, candidates may be asked to complete various aptitude, skills, or personality tests to assess their potential.

Step 6: Background Check.

A thorough background check is done to verify the candidate's qualifications, work history, and references.

Step 7: Final Selection.

Based on the interview, test results, and background check, the final candidate is selected for the job offer.

Final Answer: The selection process includes job analysis, sourcing candidates, screening resumes, interviewing, testing, background check, and final selection.

 Quick Tip

A well-defined selection process helps in identifying the most suitable candidate, reducing hiring mistakes.

Q29. Define controlling. State the different steps in the process of controlling.

Solution:

Controlling is a management function that involves monitoring and evaluating the progress towards achieving organizational goals. It ensures that the performance aligns with the planned objectives and makes adjustments if needed.

Step 1: Setting Standards.

The first step in controlling is setting clear, measurable, and achievable standards or benchmarks that guide performance.

Step 2: Measuring Performance.

Performance is measured against the set standards to identify any deviations. This involves gathering data and comparing it with the established criteria.

Step 3: Analyzing Variance.

Any deviations from the standards are analyzed to understand their causes. This helps identify areas of improvement or corrective action.

Step 4: Corrective Action.

Based on the analysis, corrective actions are taken to align performance with the standards. These actions could include adjusting plans or improving processes.

Final Answer: Controlling involves setting standards, measuring performance, analyzing variance, and taking corrective actions to ensure organizational goals are met.

 Quick Tip

Effective controlling ensures that the organization stays on track and can adapt to changing conditions.

Q30. Explain the term "Product Mix" and describe its components.

Solution:

The product mix refers to the total range of products offered by a company. It represents the variety of product lines and products within each line.

Step 1: Product Line.

A product line is a group of related products offered by a company that serves a similar customer need. For example, a company that sells different types of beverages has a product line for drinks.

Step 2: Product Length.

Product length refers to the total number of products within a product line. A longer product line means a wider variety of choices for customers.

Step 3: Product Depth.

Product depth refers to the number of variations of a single product within a product line. For example, a shampoo brand may offer different variants for different hair types.

Step 4: Product Width.

Product width is the number of different product lines a company offers. A company with a broad product mix offers a wide variety of product lines to cater to various customer needs.

Step 5: Product Consistency.

Product consistency refers to how closely related the various product lines are in terms of their use, production, and distribution channels.

Final Answer: Product mix is the complete range of products offered by a company, consisting of product lines, product length, depth, width, and consistency.

 Quick Tip

A well-balanced product mix helps a company meet diverse customer needs while optimizing resources.