

MH Board Class 12 ORGANISATION OF COMMERCE & MANAGEMENT 2025 Question Paper with Solutions

Time Allowed :3 Hours	Maximum Marks :80	Total Questions :35
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General Instructions

Important Instructions:

1. Each activity has to be answered in a full sentence/s. One word answers will not be given complete credit. Just the correct activity number written in case of options will not be given credit.
2. Web diagrams, flow charts, tables, etc. are to be presented exactly as they are with answers.
3. In point 2 above, just words without the presentation of the activity format, will not be given credit. Use of colour pencils/pens etc. is not allowed. (Only blue/black pens are allowed.)
4. Multiple answers to the same activity will be treated as wrong and will not be given any credit.
5. Maintain the sequence of the Sections/Question Nos./Activities throughout the activity sheet.

Q1. (A) Select the correct options and rewrite the sentences:

(1) is regarded as the Father of Scientific Management.

- i) Henry Fayol
- ii) F.W. Taylor
- iii) Philip Kotler

Correct Answer: (ii) F.W. Taylor

Solution:

Step 1: Understand the context.

F.W. Taylor is regarded as the Father of Scientific Management because of his contributions to the development of management practices based on systematic studies and analysis of work.

Step 2: Review other options.

- Henry Fayol is known for his contributions to administrative theory, not scientific management. - Philip Kotler is known for his work in marketing, not scientific management.

Step 3: Conclude.

Therefore, F.W. Taylor is the correct answer.

Final Answer:

F.W. Taylor

Quick Tip
F.W. Taylor is recognized for his development of scientific management, emphasizing efficiency and systematic methods.

Q2. creates time utility.

- i) Warehouse
- ii) Transport
- iii) Communication

Correct Answer: (ii) Transport

Solution:

Step 1: Understand the concept.

Time utility refers to the creation of value by making a product or service available at the right time.

Step 2: Review options.

- Warehouse creates place utility by storing goods. - Transport creates time utility by moving goods from one place to another, making them available when needed. - Communication creates information utility, not time utility.

Step 3: Conclude.

Therefore, Transport is the correct answer.

Final Answer:

Transport

Quick Tip
Transport creates time utility by ensuring goods are available at the right time and place.

Q3. Businessmen are of the society.

i) representatives

ii) members

iii) trustees

Correct Answer: (ii) members

Solution:

Step 1: Understand the concept.

Businessmen play a vital role in the economy by being part of the society and contributing to its growth.

Step 2: Review options.

- Representatives are chosen to speak on behalf of others, but not necessarily businessmen. - Members are part of a group, which fits the description of businessmen in society. - Trustees have specific duties and responsibilities but are not commonly used to describe businessmen in general.

Step 3: Conclude.

Therefore, the correct answer is Members.

Final Answer:

Members

Quick Tip
Businessmen are key members of society, contributing to its economic and social structure.

Q4. The term 'Market' is derived from the word 'Mercatus'.

- i) French
- ii) Latin
- iii) Italian

Correct Answer: (ii) Latin

Solution:

Step 1: Understand the origin of the term 'Market'.

The word 'Market' has its roots in the Latin language, specifically from the word 'Mercatus', meaning trade or commerce.

Step 2: Review options.

- French, though related, did not give rise to the word 'Market'. - Latin is the correct origin of the word. - Italian is a Romance language derived from Latin, but it did not give rise to the term 'Market'.

Step 3: Conclude.

Therefore, the correct answer is Latin.

Final Answer:

Latin

Quick Tip
The term 'Market' comes from Latin 'Mercatus', signifying trade or commerce.

Q5. Principle of indemnity is not applicable to insurance.

- i) life
- ii) marine
- iii) fire

Correct Answer: (i) life

Solution:

Step 1: Understand the principle of indemnity.

The principle of indemnity in insurance means that the insured should not receive more than the actual loss suffered.

Step 2: Review options.

- Life insurance is based on a fixed amount of coverage, not related to the principle of indemnity. - Marine and fire insurance both use the principle of indemnity to compensate for actual loss.

Step 3: Conclude.

Therefore, the correct answer is Life insurance, as indemnity does not apply.

Final Answer:

Life

Quick Tip

In life insurance, the insured amount is fixed, and the principle of indemnity does not apply.

Q1. (B) Give one word/phrase/term for the following statements:

(1) The right person at the right job with right pay.

Answer: Right Person for the Right Job

(2) The first step in online transaction.

Answer: Login

(3) An activity motivated by profit.

Answer: Business

(4) One who consumes or uses any commodity or service.

Answer: Consumer

(5) Giving of distinct name to one's product.

Answer: Branding

Final Answers:

1. Right Person for the Right Job, 2. Login, 3. Business, 4. Consumer, 5. Branding
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Quick Tip

Business and branding concepts are foundational for identifying market strategies and consumer relationships.

Q1. (C) State whether the following statements are true or false:

(1) Every function of management is not based on planning.

Answer: False

Solution: Planning is the foundation of all management functions. Without planning, organizing, leading, and controlling cannot be effectively carried out. Therefore, this statement is false.

(2) E-business allows you to work across the globe in any field.

Answer: True

Solution: E-business enables individuals and organizations to operate globally by using internet-based technologies, allowing work in various fields, such as marketing, finance, and customer service. Therefore, this statement is true.

(3) Business ethics is a code of conduct.

Answer: True

Solution: Business ethics refers to the set of moral principles and values that guide the behavior of individuals and organizations in business. It serves as a code of conduct for how business should be conducted. Thus, the statement is true.

(4) Consumer Protection Act provides protection to the producer.

Answer: False

Solution: The Consumer Protection Act is primarily designed to safeguard the rights of consumers, not producers. It protects consumers from unfair trade practices, defective goods, and services. Hence, this statement is false.

(5) Air transport is the cheapest mode of transport.

Answer: False

Solution: Air transport is generally the fastest mode of transport but is not the cheapest. Sea or road transport is often more economical, especially for bulk goods. Therefore, this statement is false.

Final Answers:

1.False, 2.True, 3.True, 4.False, 5.False

Quick Tip
Understanding the roles and limitations of various laws, ethics, and transport modes is important for making informed decisions in business.

Q1. (D) Find the odd one:

(1) District Commission, State Commission, NGO, National Commission.

Answer: NGO

Solution: - District Commission, State Commission, and National Commission are government-appointed bodies. - NGO (Non-Governmental Organization) is a non-profit organization that operates independently of the government. Hence, NGO is the odd one.

(2) NABARD, RBI, SIDBI, EXIM

Answer: SIDBI

Solution: - NABARD, RBI, and EXIM are related to national-level banking and financial services. - SIDBI (Small Industries Development Bank of India) focuses on promoting and financing small industries, making it different from the other institutions.

(3) Debit card, Credit card, Aadhar card, ATM card

Answer: Aadhar card

Solution: - Debit card, Credit card, and ATM card are financial instruments used for monetary transactions. - Aadhar card is an identity card, not a financial tool. Therefore, it is the odd one.

(4) Writing, Planning, Organising, Staffing

Answer: Writing

Solution: - Planning, Organising, and Staffing are functions of management. - Writing is not a management function, making it the odd one.

(5) Price, People, Promotion, Product

Answer: People

Solution: - Price, Promotion, and Product are part of the marketing mix (4 P's). - People, though important, is not traditionally included in the marketing mix, making it the odd one.

Final Answers:

1.NGO, 2.SIDBI, 3.Aadharcard, 4.Writing, 5.People

Quick Tip
Understanding the differences between various concepts helps in identifying the odd one out effectively.

Q2. Explain the following terms/concepts (Any FOUR):

(1) Motion Study

Solution: Motion study is a technique used in industrial engineering to analyze and improve the efficiency of work methods by eliminating unnecessary movements and simplifying tasks. It involves observing and recording the movements of workers while performing tasks and finding ways to reduce wasted motion, thereby increasing productivity.

(2) Controlling

Solution: Controlling is one of the key management functions that ensures that the organization's activities are aligned with the established plans and objectives. It involves monitoring performance, comparing it with the set goals, and taking corrective actions whenever necessary to keep the organization on track. Controlling ensures that activities are carried out as planned.

(3) Bonded Warehouses

Solution: A bonded warehouse is a storage facility where imported goods can be stored without paying customs duties until they are released for sale or distribution. The goods are "bonded" because they are under the control of customs authorities, and duties are deferred until the goods leave the warehouse. This helps importers avoid paying duties on goods that are not yet sold.

(4) Consumer Protection

Solution: Consumer protection refers to laws and regulations designed to safeguard the interests of consumers. These laws ensure that consumers are protected from unfair trade practices, defective products, and misleading advertisements. Consumer protection also includes ensuring that consumers have access to accurate information about products and services so they can make informed decisions.

(5) E-mail

Solution: E-mail (electronic mail) is a method of exchanging digital messages between people using electronic devices. It allows users to send and receive messages, documents, and multimedia content over the internet. E-mail is one of the most commonly used forms of communication in both personal and professional contexts.

(6) Co-ordinating

Solution: Coordinating is a management function that involves organizing the efforts of people and resources to achieve the organization's objectives efficiently. It is the process of

ensuring that all departments, teams, or individuals work together towards a common goal. Effective coordination minimizes conflicts, improves communication, and ensures smooth workflow across different parts of an organization.

Final Answers:

1. *Motion Study*, 2. *Controlling*, 3. *Bonded Warehouses*, 4. *Consumer Protection*, 5. *E – mail*, 6. *Co – ordin*

Quick Tip

Understanding key management and business terms is essential for making informed decisions in various organizational roles.

Q3. Study the following case/situation and express your opinion (Any TWO):

(1) Mr. Sharad is a businessman. He has his own factories in Pune and Nashik. He lives in Pune with his wife and 2 daughters aged 5 and 8 years old:

(a) Can Mr. Sharad take a life insurance policy for his wife and 2 children?

Answer: Yes, Mr. Sharad can take a life insurance policy for his wife and children.

Solution: In life insurance, anyone who has an insurable interest can take a life insurance policy on the life of others. In this case, Mr. Sharad has an insurable interest in his wife and children as they are financially dependent on him. Therefore, he is eligible to take life insurance policies for them.

(b) Can Mr. Sharad take a marine insurance policy for his factories?

Answer: No, Mr. Sharad cannot take a marine insurance policy for his factories.

Solution: Marine insurance is specifically for goods or property in transit over sea or other waterways. Since Mr. Sharad's factories are stationary properties, they do not qualify for marine insurance. However, he can consider other types of property insurance for his factories, like fire or burglary insurance.

(c) Which types of insurance should Mr. Sharad take for protecting his factories from loss due to fire?

Answer: Mr. Sharad should take fire insurance for his factories.

Solution: Fire insurance is a type of property insurance that covers losses or damages caused to a property due to fire. Since Mr. Sharad is concerned about protecting his factories from loss due to fire, he should take fire insurance. This policy will cover the cost of repairing or replacing damaged property in case of fire incidents.

Final Answers:

(a) Yes, (b) No, (c) Fire Insurance

Quick Tip

Understanding different types of insurance policies helps in selecting the right coverage for various risks.

Q2. Mr. Suresh made his payment by cheque. At the same time Mr. Saksham made his payment by fund transfer:

(a) Whose payment is faster?

Answer: Mr. Saksham's payment

Solution: Payment via fund transfer is usually faster as the transaction occurs electronically in real-time, whereas cheque payments involve physical transfer and bank processing time, making them slower. Hence, Mr. Saksham's payment is faster.

(b) Whose payment is related to traditional business?

Answer: Mr. Suresh's payment

Solution: Cheque payment is associated with traditional business transactions where payments are made through physical instruments like cheques. In contrast, fund transfer is a modern electronic payment method.

(c) Whose payment is related to e-business?

Answer: Mr. Saksham's payment

Solution: Fund transfer is an electronic transaction method that is commonly used in e-business, where transactions are carried out over the internet or through electronic means. This makes Mr. Saksham's payment related to e-business.

Final Answers:

(a) Mr. Saksham's payment, (b) Mr. Suresh's payment, (c) Mr. Saksham's payment

Quick Tip

E-business relies heavily on electronic transactions, which are faster and more efficient compared to traditional business methods.

Q3. An organisation manufacturing paints has been enjoying a prominent market position since many years. It has been dumping its untreated poisonous waste on the river bank, which has created many health problems for the nearby villages:

(a) Which responsibility is neglected by manufacturing organisation?

Answer: Environmental Responsibility

Solution: The manufacturing organisation is neglecting its environmental responsibility. Companies are required to dispose of their waste in a safe manner that does not harm the environment or public health. Dumping poisonous waste into the river is a violation of environmental norms and causes harm to the surrounding ecosystem and communities.

(b) What kind of pollution are they doing?

Answer: Water Pollution

Solution: By dumping untreated poisonous waste into the river, the organisation is causing water pollution. This type of pollution occurs when harmful chemicals, waste, or toxins are

released into water bodies, making the water unsafe for drinking, bathing, and other uses. It also harms aquatic life and the ecosystem.

(c) State any one precautionary measure they need to take.

Answer: Proper Waste Treatment and Disposal

Solution: The organisation should implement proper waste treatment and disposal methods. This could include installing a treatment plant that neutralizes or filters out the harmful chemicals before the waste is released. The waste should then be disposed of in an environmentally responsible manner, ensuring that it does not contaminate water bodies or harm public health.

Final Answers:

(a) Environmental Responsibility, (b) Water Pollution, (c) Proper Waste Treatment and Disposal

Quick Tip

Organisations must ensure that they adhere to environmental laws and practices that protect the environment and public health.

Q4. Distinguish between the following (Any THREE):

(1) Road Transport and Water Transport

Answer: Distinction between Road Transport and Water Transport

Solution:	Road Transport	Water Transport
	Used mainly for short and medium distances.	Used for long distances, especially international trade.
	Comparatively faster and flexible.	Slower but economical for bulky goods.
	Not suitable for heavy or bulky goods in large quantities.	Most suitable for transporting heavy and bulky goods.
	Affected by road conditions and traffic.	Affected by weather and navigational conditions.

(2) Life Insurance and Fire Insurance

Answer: Distinction between Life Insurance and Fire Insurance

Solution:	Life Insurance	Fire Insurance
	Provides financial protection to the family in case of death of the insured.	Provides protection against loss or damage to property due to fire.
	It is not based on the principle of indemnity.	It is based on the principle of indemnity.
	Covers human life and risk of death.	Covers property risk from fire.
	Premium is generally paid for a longer duration.	Premium is paid annually for property protection.

(3) Organising and Staffing

Answer: Distinction between Organising and Staffing

Solution:	Organising	Staffing
	It is concerned with grouping activities and assigning duties.	It is concerned with recruiting, training, and developing personnel.
	Focuses on creating a structure of authority and responsibility.	Focuses on placing the right person at the right job.
	Deals with physical and human resources.	Deals exclusively with human resources.
	Comes before staffing in management process.	Comes after organising in management process.

(4) District Commission and State Commission

Answer: Distinction between District Commission and State Commission

Solution:	District Commission	State Commission
	Operates at district level to solve consumer disputes.	Operates at state level to solve consumer disputes.
	Handles cases involving claims up to a certain monetary limit (as per Consumer Protection Act).	Handles cases involving claims above district limit and up to state limit.
	Headed by a District Judge.	Headed by a High Court Judge.
	Consumers can appeal to State Commission against District Commission decisions.	Consumers can appeal to National Commission against State Commission decisions.

Final Answers:

Any three distinctions explained as required.

Quick Tip

Always compare differences based on definition, scope, purpose, and authority for a clear distinction.

Q5. Answer in brief (Any TWO):

(1) Explain any four principles of management of Henry Fayol.

Answer: Four Principles of Management by Henry Fayol

Solution: Henry Fayol, regarded as the father of administrative management, proposed 14 principles of management. Four of them are:

- **Division of Work:** Specialization improves efficiency and productivity by assigning specific tasks to individuals according to their skills.
- **Authority and Responsibility:** Authority must be balanced with responsibility; managers should have the right to give orders, but they must also be accountable for results.
- **Discipline:** Employees must respect rules, agreements, and procedures. Discipline promotes harmony and smooth functioning in the organization.
- **Unity of Command:** An employee should receive orders from only one superior to avoid confusion and conflicts.

(2) Explain any four responsibilities of consumer.

Answer: Responsibilities of Consumers

Solution: Consumers not only enjoy rights but also have responsibilities. Four important responsibilities are:

- **Be Aware:** Consumers must be aware of their rights and the products/services they buy.
- **Read Labels and Instructions:** Consumers should carefully check product details, expiry dates, and usage instructions.
- **Seek Redressal:** Consumers must raise complaints against defective goods or unfair trade practices to ensure accountability.

- **Use Products Responsibly:** Consumers should avoid misuse and follow instructions for safe and sustainable consumption.

(3) Explain any four functions of marketing.

Answer: Functions of Marketing

Solution: Marketing involves various functions to ensure that goods and services reach consumers effectively. Four functions are:

- **Market Research:** Gathering information about consumer needs, preferences, and market trends to design appropriate strategies.
- **Product Development:** Designing and improving products to match consumer requirements and remain competitive.
- **Promotion:** Communicating with consumers through advertising, sales promotion, and publicity to increase sales.
- **Distribution:** Ensuring products are available at the right place and time through efficient channels of distribution.

Final Answers:

(1) Four principles of Fayol, (2) Four responsibilities of consumers, (3) Four functions of marketing

Quick Tip

Management principles, consumer responsibilities, and marketing functions are interconnected—understanding them helps build responsible businesses and informed consumers.

Q6. Justify the following statements (Any TWO):

(1) Organising facilitates administration as well as operation of the organisation.

Answer: Yes, this statement is justified.

Solution: Organising refers to arranging resources and activities in a structured way to achieve organizational goals. It facilitates administration because managers can clearly delegate authority and responsibility, making monitoring easier. It also facilitates operation because workers know their roles, duties, and reporting relationships, which ensures smooth day-to-day working. Thus, organising supports both administration and operations.

(2) Consumer organisations and Non-Government organisations play an important role in consumer education.

Answer: Yes, this statement is justified.

Solution: Consumer organisations and NGOs create awareness among consumers about their rights and responsibilities. They conduct workshops, publish educational material, and run campaigns to prevent exploitation of consumers by sellers. They also guide consumers in filing complaints and seeking redressal. Hence, they play an important role in consumer education.

(3) It is easy to set up e-business as compared to traditional business.

Answer: Yes, this statement is justified.

Solution: E-business can be set up with minimal investment in infrastructure, as it requires only internet connectivity, a website, and digital payment systems. Traditional business, on the other hand, requires physical space, stock maintenance, and higher capital investment. Therefore, setting up e-business is easier, quicker, and more economical compared to traditional business.

(4) Expectations of society towards business are changing.

Answer: Yes, this statement is justified.

Solution: Society today expects businesses not only to make profits but also to fulfill social responsibilities. Modern businesses are expected to ensure environmental protection, fair wages, ethical practices, and sustainable development. With increasing awareness,

consumers demand transparency, quality, and accountability from businesses. Hence, the expectations of society are constantly evolving.

Final Answers:

Any two justified explanations out of the four given.

Quick Tip

Justifying statements requires linking the concept to real-life roles and explaining why the statement holds true.

Q7. Attempt the following (Any TWO):

(1) Explain the functions of an Entrepreneur.

Answer: Functions of an Entrepreneur

Solution: An entrepreneur is a person who establishes, organizes, and manages a business venture while taking on financial risks. The main functions include:

- **Innovation:** An entrepreneur introduces new ideas, products, or methods to improve efficiency and meet consumer needs.
- **Risk-bearing:** An entrepreneur takes risks associated with uncertainties of business such as changes in demand, prices, and market conditions.
- **Organizing Resources:** The entrepreneur brings together land, labor, capital, and technology to carry out business operations.
- **Decision Making:** Entrepreneurs make strategic decisions regarding production, marketing, and finance to ensure business success.

(2) Explain importance of marketing to the consumers.

Answer: Importance of Marketing to Consumers

Solution: Marketing plays a vital role in providing value and satisfaction to consumers. Its importance includes:

- **Availability of Goods:** Marketing ensures goods are available to consumers at the right place and time.
- **Information:** Through advertisements and promotions, marketing provides necessary information about products, prices, and features.
- **Improved Quality:** Due to competition, businesses focus on providing better quality goods and services, benefiting consumers.
- **Consumer Satisfaction:** Marketing helps in identifying consumer needs and designing products accordingly, thus ensuring satisfaction.

(3) Explain nature of principles of management.

Answer: Nature of Principles of Management

Solution: Principles of management act as guidelines to managers in decision making and efficient functioning of the organization. Their nature is as follows:

- **Universal Application:** The principles are applicable to all types of organizations – business or non-business.
- **Flexible:** They can be adjusted and modified according to the changing needs and situations of the organization.
- **General Guidelines:** They do not provide ready-made solutions but act as broad guidelines for managerial action.
- **Based on Cause and Effect Relationship:** The principles explain the relationship between managerial actions and their outcomes.

Final Answers:

(1) Functions of Entrepreneur, (2) Importance of Marketing, (3) Nature of Principles of Management
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Quick Tip

Entrepreneurship, marketing, and management principles are interconnected pillars that ensure business growth and consumer satisfaction.

Q8. Answer the following question in detail (Any ONE):

(1) What is Marketing Mix? Explain 7 Ps of Marketing Mix.

Answer: Marketing Mix

Solution: The marketing mix refers to the set of controllable factors that a company uses to influence consumer purchase decisions. Traditionally, it included 4Ps (Product, Price, Place, Promotion), but now it has been extended to 7Ps in modern marketing:

- **Product:** The goods or services offered by a business to satisfy consumer needs. Includes features, design, quality, and branding.
- **Price:** The value consumers pay for the product. Pricing strategies include penetration pricing, skimming, and competitive pricing.
- **Place:** The distribution channels used to make products available to consumers at the right time and place.
- **Promotion:** Activities like advertising, sales promotion, and publicity used to inform and attract customers.
- **People:** Refers to all individuals involved in the delivery of service—employees, sales staff, and customer service representatives.
- **Process:** The procedures and flow of activities by which services are consumed, ensuring consistency and efficiency.
- **Physical Evidence:** The tangible cues (packaging, store design, website) that reassure customers about quality and trustworthiness.

Final Answer:

Marketing Mix includes 7 Ps: Product, Price, Place, Promotion, People, Process, Physical Evidence.

Quick Tip

The marketing mix helps businesses align their strategies with consumer needs and market demands.

(2) What is Bank? Explain in detail primary functions of commercial banks.

Answer: Commercial Banks and Their Functions

Solution: A commercial bank is a financial institution that accepts deposits from the public and provides credit for investment and consumption purposes. Its primary functions are:

- **Accepting Deposits:** Banks accept deposits from customers in forms like savings accounts, current accounts, and fixed deposits. This mobilizes public savings.
- **Providing Loans and Advances:** Banks lend money to individuals and businesses through loans, overdrafts, and cash credit. This promotes investment and consumption.
- **Credit Creation:** By lending more than the cash reserves, banks create credit in the economy, increasing the supply of money.
- **Agency Functions:** Banks act as agents for customers by providing services like bill payments, fund transfers, and investment advice.
- **Promoting Trade and Industry:** By providing finance, issuing letters of credit, and discounting bills of exchange, banks support trade and industrial growth.

Final Answer:

Commercial Banks perform functions such as accepting deposits, lending, credit creation, and supporting

Quick Tip

Commercial banks are the backbone of the financial system, ensuring liquidity, savings mobilization, and credit availability.
