

Class 12 Business Studies: Previous Year Questions, Chapter-wise

924 CBSE board exam questions, 2022–2026 · 12 chapters · sorted by question type

Each question shows its exam year and marks. A question repeated across paper sets appears once. Questions that need a figure from the original paper are left out. Questions only, no answers. Chapter headings link to free notes and MCQs for that chapter on studynos.co.in.

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1 Nature and Significance of Management

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MULTIPLE CHOICE AND ASSERTION-REASON (39)

Q1. CBSE 2026 · 1 mark Identify which of the following functions is Not performed by 'Top Level Management':

- (a) Cooperating with other departments for smooth functioning of the organisation.
- (b) Being responsible for the welfare and survival of the organization.
- (c) Analyzing the business environment and its implications for the survival of the firm.
- (d) Formulating overall organizational goals and strategies for their achievement.

Q2. CBSE 2026 · 1 mark Neha is working as a Manager at 'NutriBite', a company that makes protein rich snacks which are high in demand. She is responsible for implementing organisation's marketing plans, and ensuring that her department has necessary personnel to achieve goals as per company's policy. Identify the 'level' of management at which Neha is working:

- (a) Top level (b) Middle level (c) Operational level
- (d) Both Middle level and Operational level

Q3. CBSE 2026 · 1 mark 'The process of designing and maintaining an environment in which individuals working together in groups, efficiently accomplish selected aims' is known as:

- (a) Management (b) Planning (c) Organising
- (d) Co-ordination

Q4. CBSE 2026 · 1 mark 'CARO Tech Solutions' aimed at development of a software system for the company's growing operations. The project was to be completed within six months with a budget of ₹ 12,00,000. The software development team successfully completed its project on time by outsourcing a part of the project, leading to an additional expense of ₹ 2,00,000. From the following, identify whether the software development team is:

- (a) Efficient and Effective (b) Efficient but not effective
- (c) Effective but not efficient
- (d) Neither efficient nor effective

Q5. CBSE 2026 · 1 mark Due to severe winter and rising pollution levels, 'Green India Electronics' planned to launch a new eco-friendly heater in the market. It conducted a survey and found that the demand of this product was very high. As the winter season lasts only for 2 to 3 months, the Chief Executive Officer wanted that there should be close coordination among all the managers to deliver orders on time. Top level managers were asked to work in coordination with their subordinates to ensure that company's policies were properly followed. To ensure that the heaters would be ready on time, the production manager co-ordinated with the operational level managers. Operational level managers co-ordinated the activities of the workers to ensure that work proceeded according to plans. As a result 'Green India Electronics' was able to launch its heaters on time, in the market. The feature of co-ordination discussed in the above case is:

- (a) Co-ordination is a deliberate function.
- (b) Co-ordination is the responsibility of all managers.
- (c) Co-ordination is a continuous process.
- (d) Co-ordination ensures unity of action.



Q6. CBSE 2026 · 1 mark 'A manager motivates and leads his team in such a manner that individual members are able to achieve personal goals while contributing to the organisational objective.' The point of importance of management highlighted above is:

- (a) Management helps in achieving group goals
- (b) Management helps in increasing efficiency
- (c) Management helps in achieving personal objectives
- (d) Management helps in the development of society

Q7. CBSE 2026 · 1 mark Dinkar, the General Manager at 'Tara Lamps' noticed that rising costs were affecting the company's profits. To increase the profits, he decided to reduce the costs and increase the productivity. He planned for rearrangement of work processes, assigned the tasks according to workers' skills, gave clearer directions to employees than before and regularly controlled the activities of the organisation. This not only resulted in cost reduction but also in increased productivity and profits. The point of importance of management highlighted in the above case is:

- (a) Management creates a dynamic organisation
- (b) Management helps in achieving personal objectives
- (c) Management helps in the development of a society
- (d) Management increases efficiency

Q8. CBSE 2026 · 1 mark Read the following statements carefully: Statement I: The entry to a profession is not restricted either through an examination or through acquiring an educational degree. Statement II: There is no restriction on anyone being designated or appointed as a manager in any business enterprise irrespective of the educational qualifications possessed. In the light of the given statements, choose the correct alternative from the following:

- (a) Statement I is true and Statement II is false.
- (b) Statement I is false and Statement II is true.
- (c) Both Statement I and Statement II are true.
- (d) Both Statement I and Statement II are false.

Q9. CBSE 2025 · 1 mark Which concept highlights the avoidance of wastage and optimum utilization of resources?

- (a) Effectiveness (b) Delegation (c) Efficiency
- (d) Cooperation

Q10. CBSE 2025 · 1 mark Management is considered a _____ because it involves a series of steps or functions.

- (a) Science (b) Profession (c) Process (d) Art

Q11. CBSE 2025 · 1 mark Which level of management is responsible for formulating the policies?

- (a) Middle management (b) Top management
- (c) Supervisory management (d) Operational management

Q12. CBSE 2025 · 1 mark When an organisation focuses on environment-friendly practices like recycling, it is fulfilling its responsibility towards:

- (a) Employees (b) Shareholders (c) Government
- (d) Society

Q13. CBSE 2025 · 1 mark Which of the following is NOT an objective of management?

- (a) Organisational (b) Social (c) Personal (d) Technical

Q14. CBSE 2024 · 1 mark _____ refers to doing the task correctly and with minimum cost.

- (a) Effectiveness (b) Coordination (c) Process
- (d) Efficiency

Q15. CBSE 2024 · 1 mark Read the following statements: Assertion (A) and Reason (R). Choose the correct alternative from the options given below: Assertion (A): Many enlightened business firms have set up their own consumer service and grievance cells. Reason (R): The consumer has a right to file a complaint and to be heard in case of dissatisfaction with a good or service.

- (a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
- (b) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
- (c) Assertion (A) is true, but Reason (R) is false.
- (d) Assertion (A) is false, but Reason (R) is true.

Q16. CBSE 2024 · 1 mark 'Bonfast Cement Ltd.' supports 7 villages with housing facilities, schools, safe drinking water, health and hygiene. The company sends its employees to visit a nearby village every 15 days to provide support and to see whether the facilities provided are being implemented on ground. The objective which 'Bonfast Cement Ltd.' is trying to achieve is:

- (a) Personal objective (b) Social objective
- (c) Organizational objective (d) Economic objective

Q17. CBSE 2024 · 1 mark Most of the organizations these days have adapted themselves to changing environment. To reach and engage with the target customers, they started to have a strong presence on social media like Facebook, Instagram, etc. From the following, identify the feature of management being highlighted:

- (a) Management is a group activity.
- (b) Management is a continuous process.
- (c) Management is multidimensional.
- (d) Management is a dynamic function.

Q18. CBSE 2024 · 1 mark Match the Levels of Management given in Column I with the functions performed at each level given in Column II: Column I: 1. Top Level Management, 2. Middle Level Management, 3. Operational Management. Column II: (i) They directly oversee the efforts of the workforce. (ii) They ensure that their department has the necessary personnel. (iii) They are responsible for the welfare and survival of the organisation.

- (a) 1-(i), 2-(ii), 3-(iii) (b) 1-(iii), 2-(ii), 3-(i)
- (c) 1-(iii), 2-(i), 3-(ii) (d) 1-(ii), 2-(iii), 3-(i)

Q19. CBSE 2024 · 1 mark 'Panmol Dairy' started using environment-friendly 'Bilona' method of making ghee, unlike other dairies which were using modern methods involving machines and chemicals. By doing this, 'Panmol Dairy' is providing employment to hundreds of illiterate people in the rural areas. Which objective of management is 'Panmol Dairy' trying to achieve:

- (a) National objective (b) Personal objective
- (c) Social objective (d) Economic objective



Q20. CBSE 2024 · 1 mark Match the Levels of Management given in Column I with the functions performed at each level given in Column II: Column I | Column II
1. Top Level Management | (i) They directly oversee the efforts of the workforce.
2. Middle Level Management | (ii) They ensure that their department has the necessary personnel.
3. Operational Management | (iii) They are responsible for the welfare and survival of the organisation.
Choose the correct option from the following:

- (a) 1-(i), 2-(ii), 3-(iii) (b) 1-(iii), 2-(ii), 3-(i)
(c) 1-(iii), 2-(i), 3-(ii) (d) 1-(ii), 2-(iii), 3-(i)

Q21. CBSE 2024 · 1 mark A multinational sweets and snacks company had been into catering business for the last many years. To add to its prospects and to grow in the long run, it wants to increase its sales volume, the number of products and capital investment. The organisational objective of management it seeks to achieve is:

- (a) Survival (b) Profit (c) Growth
(d) Corporate Social responsibility

Q22. CBSE 2024 · 1 mark With respect to levels of management choose the incorrect statement from the following:

- (a) Operational level management is responsible for maintaining safety standards in the organisation.
(b) At middle level management, managers ensure that their department has the necessary personnel.
(c) Chief Executive officer at Top Level management is responsible for all activities of first line managers.
(d) Top level management is responsible for all the activities of the business and for its impact on the society.

Q23. CBSE 2024 · 1 mark _____ is the process by which a manager synchronises the activities of different departments.

- (a) Management (b) Planning (c) Co-ordination
(d) Directing

Q24. CBSE 2024 · 1 mark Choose the incorrect statement with respect to levels of management from the following:

- (a) Operational level management is responsible for maintaining quality of output.
(b) At middle level management, managers carry out the plans formulated by the top level managers.
(c) At top level management, the managers are responsible for all the activities of the business and its impact on the society.
(d) At top level management, the managers co-operate with other departments for smooth functioning of the organisation.

Q25. CBSE 2024 · 1 mark _____ means doing the task correctly and with minimum cost.

- (a) Efficiency (b) Effectiveness (c) Management
(d) Coordination

Q26. CBSE 2024 · 1 mark Which of the following is the function of Top level management?

- (a) They ensure that their department has the necessary personnel.
(b) They interact with the actual work force and pass on instructions of the middle management to the workers.
(c) They co-operate with other departments for smooth functioning of the organisation.
(d) They analyse the business environment and its implications for the survival of the firm.

Q27. CBSE 2024 · 1 mark The activities involved in managing the enterprise are common to all organisations whether economic, political or social. Identify the feature of management:

- (a) Management is multidimensional.
(b) Management is all pervasive.
(c) Management is a continuous process.
(d) Management is a dynamic function.

Q28. CBSE 2023 · 1 mark Coordination integrates the efforts of different departments and at different levels. Identify the characteristic of coordination highlighted in the above statement.

- (a) Coordination ensures unity of action.
(b) Coordination is an all pervasive function.
(c) Coordination is a deliberate function.
(d) Coordination is the responsibility of all managers.

Q29. CBSE 2023 · 1 mark Statement I: Management is multi-dimensional. Statement II: The activities involved in managing an enterprise are common to all organisations whether economic, social or political. Choose the correct option from the options given below:

- (a) Statement I is true and II is false.
(b) Statement II is true and I is false.
(c) Both the statements are false.
(d) Both the statements are true.

Q30. CBSE 2023 · 1 mark Airline Ltd. is achieving all its objectives effectively and efficiently. It is earning sufficient revenue to cover the expenses of the business and the risks involved. Now the company wants to increase the sales volume, the capital investment, the number of employees and the number of products also. By doing this, the management wants to achieve its following objective:

- (a) Survival (b) Profit (c) Personal (d) Growth

Q31. CBSE 2023 · 1 mark Management has its own vocabulary of words and concepts. To understand their functional position well, managers need to communicate with one another with the help of a common vocabulary for the better understanding. Which characteristic of management as a science is highlighted in the above statement?

- (a) Principles based on experimentation
(b) Systematised body of knowledge (c) Universal validity
(d) Personalised application



Q32. CBSE 2023 · 1 mark Aell Fenzo Limited is achieving all its objectives in an efficient and effective manner. It is earning enough revenue to cover costs and the risks of the business. Now the company wants to increase the sales volume, the capital investment, the number of employees and the number of products also. By doing this, the management wants to achieve its following objective:

- (a) Survival (b) Profit (c) Personal (d) Growth

Q33. CBSE 2023 · 1 mark Management has its own vocabulary of words and concepts. To understand the work situation properly, managers need to communicate with one another with the help of a common vocabulary. Which characteristic of management as a science is highlighted in the above statement?

- (a) Principles based on experimentation
(b) Systematised body of knowledge (c) Universal validity
(d) Personalised application

Q34. CBSE 2023 · 1 mark Aelo Fenzo Limited is achieving all its objectives in an effective and efficient manner. It is earning enough revenue to cover costs and the risks of the business. Now the company wants to increase the sales volume, the capital investment, the number of employees and the number of products also. By doing this, the management wants to achieve its following objective:

- (a) Survival (b) Profit (c) Personal (d) Growth

Q35. CBSE 2023 · 1 mark Which of the following is not a function of middle level management?

- (a) Analysing the business environment and its implications for survival of the firm
(b) Interpreting the policies framed by top management
(c) Ensuring that their department has necessary personnel
(d) Motivating people in their department to achieve desired objectives

Q36. CBSE 2023 · 1 mark Management helps in providing good quality products and services, creating employment opportunities, adopting new technology for the greater good of the people and leads the path towards growth and development. This highlights the following point of importance of management:

- (a) Management helps in achieving group goals.
(b) Management creates a dynamic organisation.
(c) Management helps in the development of society.
(d) Management helps in achieving personal objectives.

Q37. CBSE 2023 · 1 mark Neeraj Tulip Public School is a school with 2000 students. The school has two Headmasters - one for Senior classes and another for Junior classes. 50 teachers are under the supervision of the Senior Headmaster and 60 teachers under the supervision of the Junior Headmaster. No teacher working under the supervision of the Senior Headmaster is happy and satisfied, which is affecting the result of the Senior classes. On the other hand the teachers working under the supervision of the Junior Headmaster are performing their duties willingly and achieving their objectives. All the teachers are happy and satisfied. The Director, Neeraj can feel how nicely the Junior Headmaster was managing his classes. The characteristic of management discussed above is:

- (a) Management is a goal-oriented process
(b) Management is a dynamic function
(c) Management is an intangible force
(d) Management is a continuous process

Q38. CBSE 2023 · 1 mark There are two Headmasters one for Senior classes and another for Junior classes. 50 teachers are under the supervision of the Senior Headmaster and 60 teachers under the supervision of the Junior Headmaster. No teacher working under the supervision of the Senior Headmaster is happy and satisfied, which is affecting the result of the Senior classes. On the other hand the teachers working under the supervision of the Junior Headmaster are performing their duties willingly and achieving their objectives. All the teachers are happy and satisfied. The Director, Neeraj can feel how nicely the Junior Headmaster was managing his classes. The characteristic of management discussed above is:

- (a) Management is a goal-oriented process
(b) Management is a dynamic function
(c) Management is an intangible force
(d) Management is a continuous process

Q39. CBSE 2023 · 1 mark Neeraj is the Director of a school with 2000 students. There are two Headmasters one for Senior classes and another for Junior classes. 50 teachers are under the supervision of the Senior Headmaster and 60 teachers under the supervision of the Junior Headmaster. No teacher working under the supervision of the Senior Headmaster is happy and satisfied, which is affecting the result of the Senior classes. On the other hand the teachers working under the supervision of the Junior Headmaster are performing their duties willingly and achieving their objectives. All the teachers are happy and satisfied. The Director, Neeraj can feel how nicely the Junior Headmaster was managing his classes. The characteristic of management discussed above is:

- (a) Management is a goal-oriented process
(b) Management is a dynamic function
(c) Management is an intangible force
(d) Management is a continuous process

VERY SHORT ANSWER (5)

Q40. CBSE 2026 · 3 marks State any three features of Management.

Q41. CBSE 2026 · 3 marks (a) State any three points of importance of Management.



Q42. CBSE 2026 · 3 marks (a) State any three functions of top level management.

Q43. CBSE 2023 · 3 marks After completing his MBA degree, Aman joined a multinational company organisation. He is responsible for integrating diverse elements and coordinating all the activities of the business and for its impact on society. His job is complex and stressful. (a) Identify the level of management at which Aman joined the organisation. (b) State any two functions to be performed by Aman at this level other than those discussed in the para.

Q44. CBSE 2023 · 3 marks (a) Identify the level of management at which Aman joined the organisation. (b) State any two functions to be performed by Aman at this level other than those discussed in the para. After completing his MBA degree, Aman joined a multinational company. He is responsible for integrating diverse elements and coordinating all the activities of the business and for its impact on society. His job is complex and stressful.

SHORT ANSWER (17)

Q45. CBSE 2026 · 4 marks 'GW Industries', known for its paper products, decided to produce and launch a new line of sustainable packaging called 'EcoPac'. As management is a complex activity, the Chief Executive Officer of the company translated the work into clear goals and assigned the means to achieve those. He knew that human resources are the greatest asset of an organization, so getting work done through them is also a major task. The production of high quality sustainable packaging also required a proper production process. This was put in place for managing the flow of input materials and technology to convert these materials into high quality sustainable packaging. In this way 'GW industries' took care of various aspects for successful launch of 'EcoPac'. A characteristic of management is discussed in the above case. Identify and explain the characteristic.

Q46. CBSE 2026 · 3 marks (a) State any three functions of operational level management.

Q47. CBSE 2026 · 4 marks Arjun and Neha were close friends. They had studied together in the same school. After completing their higher education, both of them joined a company named 'Apex Ltd.' in different roles, based on their qualifications. Arjun's role involved analysing the business environment and its implications for the survival of the firm. He was also responsible for the welfare and survival of the organisation. Neha, on the other hand, was heading the marketing department in the organisation. Her responsibility was to ensure that her department had the necessary personnel. In addition to many other responsibilities, she had to motivate them to achieve desired objectives. Apart from the functions mentioned in the above case, state two more functions each for Arjun and Neha that they would perform at the level at which they are working.

Q48. CBSE 2026 · 4 marks (a) State any four features of coordination.

Q49. CBSE 2026 · 4 marks Rishabh purchased a car for ₹ 8,00,000. He insured the car on the same day from Alex Insurance Company. Rishabh's car was stolen in Kedwan while he was on vacation with his family. He promptly filed a First Information Report (FIR), informed the insurer and submitted all the required documents. To Rishabh's shock, the insurance company rejected his claim, alleging he had failed to take due care and had parked the car in an unsafe manner. Determined to challenge this, Rishabh wrote multiple letters to the insurance company, but the insurance company refused to pay the compensation. Rishabh filed a case with District Commission. The District Commission was satisfied with the genuineness of the complaint and ordered the insurance company to pay a reasonable amount. Identify and explain two consumer rights which have been exercised by Rishabh.

Q50. CBSE 2026 · 4 marks (b) State any four functions performed by middle level managers.

Q51. CBSE 2025 · 3 marks Discuss three points of importance of entrepreneurship for an economy.

Q52. CBSE 2025 · 3 marks Why is management considered a profession? Explain with three points.

Q53. CBSE 2025 · 3 marks How does management help in achieving group goals? Give three points.

Q54. CBSE 2024 · 4 marks (a) State any four characteristics of management.

Q55. CBSE 2024 · 4 marks (a) State any four points that highlight the importance of management.

Q56. CBSE 2024 · 4 marks Anuj, after a lot of research, paid 'SS Developers' an advance of ₹2 crore to build a lavish house for him. They promised to deliver the property within 18 months. At the end of 18 months, Anuj asked for the delivery of the property many times but the developer did not respond. Anuj realized that 'SS Developers' was not in a position to hand over the property to him. Anuj asked for a refund of the money with interest, which 'SS Developers' refused. Anuj approached the consumer court with his complaint. (i) Which grievance redressal agency had Anuj approached? (ii) State any three reliefs Anuj is likely to get, if the consumer court is satisfied with the complaint.



Q57. CBSE 2024 · 3 marks Two ambitious friends, Sana and Mihir, having passion for creating innovative software applications, established a tech startup named 'Quick Solutions'. Their software was developed in such a way that it caters to the needs of all sections. Since its inception, 'Quick Solutions' was earning enough revenue to cover the costs. They faced countless challenges from competing with large and well-established companies. But they learned from their mistakes and continuously improved their product. Slowly, their software gained recognition for its quality and uniqueness and the company started making profits. It was a big incentive for Sana and Mihir for the continued successful operation of the enterprise. Within two years, the customer base increased manifold. Now, Sana and Mihir decided to make additional capital investment and hired more employees. They invested in research and development and expanded their product line to meet emerging market demands. 'Quick Solutions' ultimately became the industry leader because of the tireless efforts of Sana and Mihir. Quoting lines, identify and state the objectives of management discussed in the above case which 'Quick Solutions' seeks to achieve.

Q58. CBSE 2024 · 3 marks Three friends, Aman, Ashish and Ashi after completing their MBA from a reputed management institute, formed a start up named 'Solutions'. The goal of the start up was to make a social and environmental impact through its services. 'Solutions' supports social business ideas to improve living conditions in slums of Mumbai. As all the three friends are specialised in social work, they adopted three different slums of Mumbai and started educating the slum dwellers in their own creative manner. Aman used 'playway method', Ashish used 'music' as a method of learning while Ashi used 'activity based method of learning'. They used basic knowledge in their unique manner and were able to educate the slum dwellers. It implies that skillful and personal application of acquired knowledge varies from individual to individual in achieving desired results. (a) Identify and state the nature of management discussed in the above case. (b) Quoting lines from the above para, state any two features of nature of management identified in (a) above.

Q59. CBSE 2023 · 3 marks Hitesh owns a garments factory. During the festive season, Hitesh got an additional order of 10,000 garments which he had to supply within two days. Due to his goodwill in the market, he did not want to lose the order. So, he decided to achieve the target by operating on double shifts. He achieved the target and supplied the order within two days. But due to double shifts, his cost of production was higher than the regular production cost. Identify and give the meaning of the two concepts of management discussed in the above para.

Q60. CBSE 2023 · 3 marks Praveen and Naveen are friends. Praveen became a professional after completing his MBA from IIM, Bangalore. In a discussion with Praveen, Naveen said that he too is a professional and is working with a multinational company as a senior manager getting a good package. Praveen was not convinced about the fact that Naveen was a professional in spite of being aware that nowadays there is increasing emphasis on professional management in managed business concerns. Praveen gave three reasons in support of his opinion. Explain the three reasons that Praveen might have given.

Q61. CBSE 2023 · 3 marks (a) After completing his MBA degree, Aman joined a multinational company organisation. He is responsible for integrating diverse elements and coordinating all the activities of the business and for its impact on society. His job is complex and stressful. Identify the level of management at which Aman joined the organisation. (b) State any two functions to be performed by Aman at this level other than those discussed in the para.

LONG ANSWER (3)

Q62. CBSE 2024 · 6 marks Nalini has an online flower and gifts retail business. She has eight outlets in four cities of India. From November to February, during the wedding season, the demand shoots up. She coordinates the efforts of her staff in a conscious and deliberate manner and plans for the wedding season demand in the month of June itself. She ensures that there is adequate workforce and continuously monitors whether work is proceeding according to plans. She also briefs the marketing department in time to prepare their promotional and advertising campaigns. Thus, her coordination with all departments of the organization begins at the planning stage and continues till controlling. This acts as a binding force between the departments and ensures that all action is aimed at achieving organizational goals. As a result, Nalini is able to give a common focus to group effort to ensure that the business is performing as planned, year after year. Quoting lines from the above paragraph, identify and explain four features of an important concept of management highlighted in the above case.

Q63. CBSE 2023 · 6 marks (a) Explain the following characteristics of management: (i) Management is a goal-oriented process (ii) Management is a continuous process (iii) Management is all pervasive OR (b) Explain the following as nature of principles of management: (i) Universal applicability (ii) Flexible (iii) Mainly behavioural

Q64. CBSE 2023 · 6 marks (a) Explain the following characteristics of management: (i) Management is a group activity (ii) Management is a dynamic function (iii) Management is multidimensional

CASE-BASED (3)

CASE STUDY · CBSE 2025

A reputed manufacturing company introduced a new product in the market. The marketing team noticed that there was a rise in sales, but some customers had complaints about the after-sales service. The operations department felt that they needed to coordinate better with the customer service team to maintain brand value.

Q65. CBSE 2025 · 4 marks Which type of organisational objective is addressed by providing after-sales service?

Q66. CBSE 2025 · 4 marks Mention one possible way to strengthen coordination between the two departments mentioned.

CASE STUDY · CBSE 2024



Two ambitious friends, Sana and Mihir, having passion for creating innovative software applications, established a tech startup named 'Quick Solutions'. Their software was developed in such a way that it caters to the needs of all sections. Since its inception, 'Quick Solutions' was earning enough revenue to cover the costs. They faced countless challenges from competing with large and well-established companies. But they learned from their mistakes and continuously improved their product. Slowly, their software gained recognition for its quality and uniqueness and the company started making profits. It was a big incentive for Sana and Mihir for the continued successful

operation of the enterprise. Within two years, the customer base increased manifold. Now, Sana and Mihir decided to make additional capital investment and hired more employees. They invested in research and development and expanded their product line to meet emerging market demands. 'Quick Solutions' ultimately became the industry leader because of the tireless efforts of Sana and Mihir.

Q67. CBSE 2024 · 3 marks Quoting lines, identify and state the objectives of management discussed in the above case which 'Quick Solutions' seeks to achieve.

2 Principles of Management

Notes & MCQs →

MULTIPLE CHOICE AND ASSERTION-REASON (20)

Q1. CBSE 2026 · 1 mark Identify the incorrect statement with respect to 'Motion Study', as a technique of scientific management:

- (a) Unnecessary movements are sought to be eliminated so that it takes less time to complete the job efficiently.
- (b) It refers to the study of movements like lifting, putting objects, sitting and changing positions etc., which are undertaken while doing a typical job.
- (c) Through this technique, Taylor was able to design suitable equipment and tools to educate workers on their use.
- (d) This technique helps to determine the number of workers to be employed, frame suitable incentive schemes and determine labour costs.

Q2. CBSE 2026 · 1 mark 'Taylor believed that industrial efficiency depends to a large extent on personnel competencies. He was of the view that the concern for efficiency could be built in right from the process of employee selection. Each person should be scientifically selected. The work assigned should suit her/his capabilities. To increase efficiency, they should be given the required training.' The principle of scientific management discussed above is:

- (a) Science, not Rule of Thumb
- (b) Harmony, Not Discord
- (c) Cooperation, Not Individualism
- (d) Development of Each and Every Person to His or Her Greatest Efficiency and Prosperity.

Q3. CBSE 2026 · 1 mark The workers in Alpha manufacturing company were using traditional methods for production of metal parts. Since no standard procedure existed, workers relied on personal experience and guess work. As a result, productivity in the assembly line began to decline. To improve productivity, the company hired a consultant specializing in scientific management. The consultant explained that there was only one best method to maximize efficiency and this method could be developed through proper study and analysis. He emphasized that the scientific method should replace the old method, that the workers were using. So, to develop the scientific method, the consultant carefully investigated the traditional methods through work-study and by unifying the best practices, he developed a standard method that would be followed by everyone in the organization. After applying scientific method, there was a three fold increase in productivity within six months. The principle of scientific management which helped the company in increasing the productivity was:

- (a) Science, not Rule of Thumb
- (b) Harmony, Not Discord
- (c) Cooperation, Not Individualism
- (d) Development of Each and Every Person to His or Her Greatest Efficiency and Prosperity

Q4. CBSE 2026 · 1 mark Match the principle of management given in Column – I with its explanation given in Column – II: (a) Discipline – (i) There should be one and only one boss for every individual employee in the organisation. (b) Unity of direction – (ii) There should be a place for everything (everyone) and everything (everyone) should be in its (his/her) place. (c) Order – (iii) There should be obedience to organisational rules and employment agreement which is necessary for the working of the organisation. (d) Unity of command – (iv) Each group of activities having the same objective must have one head and one plan. Choose the correct option from the following:

- (a) (a)-(iii) (b)-(iv) (c)-(i) (d)-(ii)
- (b) (a)-(iv) (b)-(iii) (c)-(ii) (d)-(i)
- (c) (a)-(iv) (b)-(iii) (c)-(i) (d)-(ii)
- (d) (a)-(iii) (b)-(iv) (c)-(ii) (d)-(i)



Q5. CBSE 2026 · 1 mark Match the principle of management given in Column – I with its explanation given in Column – II: Column – I: (a) Discipline (b) Unity of direction (c) Order (d) Unity of command; Column – II: (i) There should be one and only one boss for every individual employee in the organisation. (ii) There should be a place for everything (everyone) and everything (everyone) should be in its (his/her) place. (iii) There should be obedience to organisational rules and employment agreement which is necessary for the working of the organisation. (iv) Each group of activities having the same objective must have one head and one plan. Choose the correct option from the following:

- (a) (a)-(iii), (b)-(iv), (c)-(i), (d)-(ii)
- (b) (a)-(iv), (b)-(iii), (c)-(ii), (d)-(i)
- (c) (a)-(iv), (b)-(iii), (c)-(i), (d)-(ii)
- (d) (a)-(iii), (b)-(iv), (c)-(ii), (d)-(i)

Q6. CBSE 2026 · 1 mark 'Agri Solutions', a fast-growing agri-tech company, was facing a problem of employees leaving the organisation frequently. As a result, work suffered and time and money were spent repeatedly on recruitment and training. On investigation, it was found that the problem was due to employees not getting sufficient time to settle into their new roles. So the company decided to keep their employees at the same position for a minimum tenure and give them sufficient time to show results. This led to a significant reduction in employee turnover and improvement in organisational efficiency. The principle of management highlighted in the above case is:

- (a) Order (b) Stability of Personnel (c) Division of Work
- (d) Authority and Responsibility

Q7. CBSE 2026 · 1 mark "The application of principles of management is dependent upon the prevailing situation at a particular point of time." This statement highlights which of the following features of principles of management?

- (a) General guidelines (b) Flexible (c) Mainly behavioural
- (d) Contingent

Q8. CBSE 2025 · 1 mark Which principle of management states that 'work must be divided as per specialisation'?

- (a) Unity of direction (b) Scalar chain (c) Division of work
- (d) Discipline

Q9. CBSE 2025 · 1 mark "Do not waste resources" refers to which principle of scientific management?

- (a) Science, not rule of thumb (b) Harmony, not discord
- (c) Maximum, not restricted output
- (d) Science of motion study

Q10. CBSE 2025 · 1 mark Which principle of management advocates personal development and initiative by employees?

- (a) Discipline (b) Remuneration (c) Initiative
- (d) Unity of Command

Q11. CBSE 2025 · 1 mark Who is known as the 'Father of Scientific Management'?

- (a) Elton Mayo (b) Henry Fayol (c) F.W. Taylor
- (d) Peter Drucker

Q12. CBSE 2025 · 1 mark 'Scalar Chain' principle insists upon:

- (a) Direct communication only
- (b) Proper flow of communication through levels
- (c) Centralisation of authority (d) Decentralisation

Q13. CBSE 2025 · 1 mark The principle of unity of command states:

- (a) An employee must receive orders from one superior only
- (b) Employees can receive orders from multiple superiors
- (c) Orders should be given only in writing
- (d) Chain of command should be ignored for efficiency

Q14. CBSE 2024 · 1 mark 'Vanguard Inc.', a company manufacturing footwear for men, women and children has been earning consistent profits for the last many years. It has a democratic style of working. Workers are encouraged to develop and carry out plans for improvement in the organisation. Varun who is working in the production department gave a suggestion which resulted in 10% reduction in the cost of production of shoes. He was rewarded for his suggestion. Identify the principle of management followed by 'Vanguard Inc.' in the above case:

- (a) Esprit De Corps
- (b) Subordination of Individual Interest to General Interest
- (c) Initiative (d) Equity

Q15. CBSE 2023 · 1 mark Sangita visited a dentist for her tooth pain. She observed that the receptionist was seated at the reception desk, the place fixed for her. Dental instruments were laid neatly in dental instrument trays and the used instruments were placed in the sterilisation area. There was a fixed place for everything and it was present there. There was no hindrance in the work of the dentist and she was working with her maximum efficiency. The principle of management followed at Smile Dental is:

- (a) Equity (b) Discipline (c) Order (d) Initiative

Q16. CBSE 2023 · 1 mark Management has words and assumptions of its own vocabulary. For better understanding of their work situation, managers need to communicate with one another with the help of a common vocabulary. The characteristic of management as a science highlighted in the above statement is:

- (a) Principles based on experimentation
- (b) Systematised body of knowledge (c) Universal validity
- (d) Personalised application

Q17. CBSE 2023 · 1 mark Sangita went to Smile Dental Clinic for her tooth pain. She observed that the receptionist was seated at the reception desk, the place fixed for her. Dental instruments were laid neatly in dental instrument trays and the used instruments were placed in the sterilisation area. There was a fixed place for everything and it was present there. There was no hindrance in the work of the dentist and she was working with her maximum efficiency. The principle of management followed at Smile Dental Clinic is:

- (a) Equity (b) Discipline (c) Order (d) Initiative



Q18. CBSE 2023 · 1 mark Sangita went to Smile Dental Clinic for the pain in her teeth. She observed that the receptionist was seated at the reception desk, the place fixed for her. Dental instruments were laid neatly in dental instrument trays and the used instruments were placed in the sterilisation area. There was a fixed place for everything and it was present there. There was no hindrance in the work of the dentist and she was working with her maximum efficiency. The principle of management followed at Smile Dental Clinic is:

- (a) Equity (b) Discipline (c) Order (d) Initiative

Q19. CBSE 2023 · 1 mark Taylor called for complete mental revolution on the part of both management and workers. It meant that management and workers should transform their thinking. Management should share the gains of the company, if any, with the workers. At the same time, workers should work hard and be willing to embrace change for the good of the company. The principle of management highlighted above is:

- (a) Science, not the Rule of Thumb
(b) Cooperation, not Individualism
(c) Harmony, not Discord
(d) Development of Each and Every Person to His or Her Greatest Efficiency and Prosperity

Q20. CBSE 2023 · 1 mark Statement I: Values are general rules for behaviour of individuals in society formed on the basis of common practice and principles after research in work situations. Statement II: While practising principles of management, values cannot be neglected as businesses have to fulfil social and ethical responsibilities towards society. Choose the correct option from the options given below:

- (a) Statement I is true and II is false.
(b) Statement II is true and I is false.
(c) Both the statements are true.
(d) Both the statements are false.

VERY SHORT ANSWER (5)

Q21. CBSE 2025 · 2 marks List any two features of 'Scientific Management'.

Q22. CBSE 2025 · 2 marks Explain any two features of scientific management.

Q23. CBSE 2023 · 3 marks Hitesh is the Chief Executive Officer of Kids Garments Limited. During the festive season, Hitesh got an additional order of 10,000 garments which he had to supply within two days. Due to his goodwill in the market, he did not want to lose the order. So, he decided to achieve the target by operating on double shifts. He achieved the target and supplied the order within two days. But due to double shifts, his cost of production was higher than the regular production cost. Identify and give the meaning of the two concepts of management discussed in the above para.

Q24. CBSE 2023 · 3 marks Praveen and Naveen are friends. Praveen became a professional after completing his MBBS from Hindu Medical College and his MBA from IIM, Bangalore. In a discussion with Praveen, Naveen said that he too is a professional and is working with a multinational company as a senior manager getting a good package. Praveen was not convinced about the fact that Naveen was a professional in spite of being aware that nowadays there is increasing emphasis on managed business concerns. Praveen gave three reasons in support of his opinion. Explain the three reasons that Praveen might have given.

Q25. CBSE 2023 · 3 marks Identify the principle of management applied by Yellow Pumpkin and explain it. Also state any three other principles of the same category. Yellow Pumpkin is an Italian restaurant in Delhi located with fresh and authentic dishes including pasta, pizza, etc. It has been serving its customers for the last 20 years. It had been winning various awards and recognition for its services. During Covid-19, it suffered huge losses. As the effect of Covid reduced, Yellow Pumpkin management decided to opt for home delivery service to increase its revenue and profit. For this they needed support of their workers to work and put in extra hours without additional payment to revive it out of losses. In return, they promised to increase the wages of the workers when the mission is accomplished. The workers put in extra hours as promised and the company not only increased the wages of the workers but also gave them bonus as an additional incentive.

SHORT ANSWER (10)

Q26. CBSE 2026 · 4 marks Rajiv was on the board of directors of 'Tako Solutions', a software development company and 'Sabka Mart Retail', a large supermarket chain. He wanted to apply management principles in both the companies to improve efficiency and profitability. He knew that management principles can be applied as much to 'Tako Solutions' as to 'Sabka Mart Retail' though the extent to which the principles can be applied will differ, because the nature of work, scale of operations and business activities in a software firm and a supermarket chain are not the same. Rajiv also knew that the management principles would not provide readymade solutions because real world situations faced by the two companies were very complex and dynamic. Still, he believed that even small guidelines could help in solving many problems and will improve the way both companies worked. Identify and explain the two points that highlight the nature of principles of management, in the above case.

Q27. CBSE 2026 · 4 marks (a) Explain the following features of principles of management: (i) Cause and effect relationship (ii) Contingent

Q28. CBSE 2026 · 4 marks (a) Explain the following features of the principles of management: (i) Flexible, (ii) Mainly behavioural

Q29. CBSE 2026 · 4 marks (a) Explain the following features of the principles of management: (i) Universal applicability (ii) General guidelines

Q30. CBSE 2026 · 4 marks (b) Explain the following techniques of Scientific Management: (i) Method study (ii) Standardisation and simplification of work



Q31. CBSE 2026 · 4 marks Hitesh started a garment manufacturing company recently. However, he soon began facing several problems like targets not met, conflicts among managers, high labour turnover, etc. He hired a management consultant to find out what was going wrong. The consultant conducted investigations and gave the following observations: (i) In Production Department, workers were receiving instructions from both, the Production Manager and the Marketing Manager. As a result, there was a lot of confusion regarding tasks to be done. (ii) Promotions were given only to women employees. Other employees did not get equal opportunities in the company to rise. Identify and explain the two principles of management given by Fayol which are not being followed in Hitesh's company.

Q32. CBSE 2026 · 4 marks (a) Explain the following points of importance of principles of management: (i) Scientific decisions (ii) Providing managers with useful insights into reality

Q33. CBSE 2026 · 4 marks (b) Explain the following techniques of Scientific Management : (i) Fatigue study (ii) Motion study

Q34. CBSE 2025 · 3 marks Discuss the significance of 'unity of direction' as a principle of management with the help of an example.

Q35. CBSE 2023 · 3 marks Hitesh is the Chief Executive Officer of Hitesh Kids Garments Limited. During the festive season, Hitesh got an additional order of 10,000 garments which he had to supply within two days. Due to his goodwill in the market, he did not want to lose the order. So, he decided to achieve the target by operating on double shifts. He achieved the target and supplied the order within two days. But due to double shifts, his cost of production was higher than the regular production cost. Identify and give the meaning of the two concepts of management discussed in the above para.

LONG ANSWER (25)

Q36. CBSE 2026 · 6 marks (a) Explain 'Science, not Rule of Thumb' as a principle of Scientific Management and 'Functional Foremanship' and 'Time study' as techniques of Scientific Management.

Q37. CBSE 2026 · 6 marks Explain 'Harmony, Not Discord' as a principle of Scientific Management and 'Method Study' and 'Standardization and Simplification of Work' as techniques of Scientific Management.

Q38. CBSE 2026 · 6 marks (a) Explain 'Co-operation, Not Individualism' as a principle of Scientific Management and 'Fatigue Study' and 'Differential Piece Wage System' as techniques of Scientific Management.

Q39. CBSE 2026 · 6 marks (a) Explain the following principles of management: (i) Discipline (ii) Unity of direction (iii) Equity

Q40. CBSE 2026 · 6 marks 'Global Tech Ltd.' was a multinational company that manufactured modern electronics devices and employed nearly 10,000 people from across the world. The company had a well-defined organisational structure with separate departments for finance, marketing and production. Every department had its own objectives, policies and style of working. As each department performed its activities in isolation from others, conflicts arose within the organisation. Further, due to complex technology involved in producing modern electronic devices, 'Global Tech Ltd.' relied heavily on specialists. The specialists were confident of their professional knowledge and often did not consider suggestions from others in matters pertaining to their area of specialisation. This resulted in conflict among different specialists and others in the organisation. As the company continued to grow, more employees from different backgrounds and work habits joined the organisation. The increasing size of workforce, along with departmental differences and dependence on specialists, made it difficult to ensure that everyone worked towards the same organisational goals. Therefore it became necessary for the management to harmonise individual goals with organisational goals and integrate the efforts of departments and specialists to achieve common objectives. (i) Identify and state the concept which would help 'Global Tech Ltd.' in bringing together the efforts of employees and specialists to achieve common goals of the organisation. (ii) Quoting lines from the given case, state any three points of importance of the concept identified in (i) above.

Q41. CBSE 2026 · 6 marks (a) Explain the following principles of management: (i) Division of work, (ii) Unity of command, (iii) Esprit de corps

Q42. CBSE 2026 · 6 marks (a) Explain the following principles of management: (i) Authority and Responsibility, (ii) Initiative, (iii) Subordination of individual interest to common good

Q43. CBSE 2024 · 6 marks (a) Explain the following techniques of Scientific Management: (i) Time study (ii) Differential piece wage system (iii) Motion study

Q44. CBSE 2024 · 6 marks (a) Explain the following characteristics of principles of management: (i) Universal applicability (ii) Flexible (iii) Cause and effect relationship

Q45. CBSE 2024 · 6 marks (a) Explain the following points of significance of principles of management: (i) Fulfilling social responsibility (ii) Meeting changing environment requirements (iii) Scientific decisions OR (b) Explain the following principles of management: (i) Unity of direction (ii) Subordination of individual interest to general interest (iii) Esprit de corps

Q46. CBSE 2024 · 6 marks (a) Explain the following principles of Scientific Management: (i) Science, Not Rule of Thumb (ii) Harmony, Not Discord (iii) Development of Each and Every Person to His or Her Greatest Efficiency and Prosperity

Q47. CBSE 2024 · 6 marks Explain the following principles of general management: (i) Unity of command (ii) Equity (iii) Initiative



Q48. CBSE 2024 - 6 marks Nalini has an online flower and gifts retail business. She has eight outlets in four cities of India. From November to February, during the wedding season, the demand shoots up. She coordinates the efforts of her staff in a conscious and deliberate manner and plans for the wedding season demand in the month of June itself. She ensures that there is adequate workforce and continuously monitors whether work is proceeding according to plans. She also briefs the marketing department in time to prepare their promotional and advertising campaigns. Thus, her coordination with all departments of the organization begins at the planning stage and continues till controlling. This acts as a binding force between the departments and ensures that all action is aimed at achieving organizational goals. As a result, Nalini is able to give a common focus to group effort to ensure that the business is performing as planned, year after year. Quoting lines from the above paragraph, identify and explain four features of an important concept of management highlighted in the above case.

Q49. CBSE 2024 - 6 marks Explain the following techniques of Scientific Management: (i) Fatigue study (ii) Differential piece wage system (iii) Standardisation and simplification of work

Q50. CBSE 2024 - 6 marks Explain the following techniques of Scientific Management: (i) Time study (ii) Method study (iii) Differential piece wage system

Q51. CBSE 2024 - 6 marks (a) Explain the following principles of general management: (i) Stability of Personnel (ii) Esprit de corps (iii) Order

Q52. CBSE 2024 - 6 marks (a) Explain the following principles of Scientific Management: (i) Science, Not Rule of Thumb (ii) Cooperation, Not Individualism (iii) Development of Each and Every Person to His/Her Greatest Efficiency and Prosperity

Q53. CBSE 2024 - 6 marks Ankur Sachdeva did his MBA from ITB University. He decided to apply his knowledge of scientific management in the fast food restaurant chain 'Coffee Bean' set up by him. This restaurant was providing burgers, fries, shakes etc. as a part of its menu. Now a days people are quality conscious, so he was using standardised raw materials, processes, methods, working conditions, machinery etc. The objective was to establish standards of excellence. By doing this he was not only able to reduce the cost but was also able to provide new varieties of burgers, fries and shakes leading to increased turnover. Ankur Sachdeva also believed that there was only one best method to maximise efficiency. As a result he developed best way of grilling burgers, cooking fries and preparing shakes. His main objective was to maximise the satisfaction of customers, which he was able to achieve. Not only to learn the best way of doing a job, but to perform their tasks efficiently, 'Coffee Bean' regularly invests in training and development programmes to equip employees with the necessary skill and knowledge. 'Coffee Bean' believed that efficient employees will produce more and earn more. This will ensure their greatest efficiency and prosperity for both company and workers. The above case highlights the use of Scientific principles and techniques by 'Coffee Bean'. Explain any one such principle and two techniques.

Q54. CBSE 2024 - 6 marks (a) Explain the following characteristics of Principles of Management: (i) General guidelines (ii) Flexible (iii) Cause and effect relationship OR (b) Explain the following techniques of Scientific Management: (i) Method Study (ii) Differential Piece Wage System (iii) Fatigue Study

Q55. CBSE 2024 - 6 marks (a) Explain the following characteristics of principles of management: (i) Universal applicability (ii) Formed by practice and experimentation (iii) Contingent OR (b) Explain the following principles of management: (i) Division of work (ii) Order (iii) Unity of command

Q56. CBSE 2024 - 6 marks (a) Explain the following points of significance of principles of management: (i) Providing managers with useful insights into reality. (ii) Meeting changing environment requirements. (iii) Scientific decisions

Q57. CBSE 2023 - 6 marks (a) Explain the following principles of management: (i) Discipline (ii) Unity of Command (iii) Unity of Direction

Q58. CBSE 2023 - 6 marks (a) Explain the following principles of management: (i) Division of work (ii) Remuneration of employees (iii) Subordination of individual interest to general interest

Q59. CBSE 2023 - 6 marks (a) Explain the following principles of Scientific Management: (i) Harmony, not Discord (ii) Science, not Rule of Thumb

Q60. CBSE 2023 - 6 marks A famous cricket coach, Alam Raza was hired by Sports College, Indore to coach the college cricket team for a National level competition. In the first meeting itself, the Principal of the college announced that the players would enter into an agreement with the college. The agreement would state the reporting time for players on the field and other rules and regulations. Failure to obey the agreement and rules would lead to judicious application of penalties. It was also announced by the College Principal that the players would receive orders from the coach and they would all be responsible only to the coach, to prevent confusion regarding tasks to be done. The coach was very determined to train the players to win, as the entire responsibility was on his shoulders. He promoted the spirit of mutual trust and belongingness among the team members without which he felt it would be difficult to win. The players were also enthusiastic and the training started in full swing. Identify and explain the three principles of management discussed in the above case.



MULTIPLE CHOICE AND ASSERTION-REASON (44)

Q1. CBSE 2026 · 1 mark 'Since business environment consists of numerous interrelated and dynamic conditions or forces which arise from different sources, it becomes difficult to comprehend at once what exactly constitutes a given environment.' The feature of business environment highlighted above is:

- (a) Relativity (b) Uncertainty (c) Complexity
(d) Dynamic Nature

Q2. CBSE 2026 · 1 mark Green-Eats is a start-up offering plant based meal kits. It gained popularity as more young consumers were becoming health conscious and awareness about environmental issues was increasing day-by-day. To promote sustainable eating, they collaborated with schools and colleges and organized workshops for them. Identify the element of business environment highlighted in the above case:

- (a) Economic Environment (b) Social Environment
(c) Political Environment (d) Technological Environment

Q3. CBSE 2026 · 1 mark 'It is very difficult to predict future happenings, especially when environment changes are taking place too frequently.' The feature of business environment highlighted above is:

- (a) Relativity (b) Uncertainty (c) Complexity
(d) Dynamic Nature

Q4. CBSE 2026 · 1 mark 'Business environment keeps on changing whether in terms of technological improvement, shifts in consumer preferences or entry of new competitors in the market.' The feature of business environment highlighted in the above statement is:

- (a) Totality of external forces (b) Complexity
(c) Dynamic nature (d) Relativity

Q5. CBSE 2026 · 1 mark Read the following statements carefully: Statement – I: Consumers should get together and form themselves into consumer associations for protection and promotion of their interests. Statement – II: The Consumer Protection Act provides for setting up a two-tier enforcement machinery for the redressal of consumer grievances. With reference to given statements, choose the correct alternative from the following:

- (a) Both the statements are true.
(b) Both the statements are false.
(c) Statement I is true, Statement II is false.
(d) Statement I is false, Statement II is true.

Q6. CBSE 2026 · 1 mark Ritika wanted to buy a new washing machine. She visited 'Elec Duniya', a large electronics store. She saw there many different brands and models on display like KM, Neo, Unipool, INH etc. The salesperson at the store explained the differences in quality, brand reputation and prices of different washing machines. Ritika could now compare fully automatic, semi-automatic, top load and front load washing machines. The salesperson encouraged her to take her time, check different brands and resolve her queries. Ritika also went to another shop nearby to compare prices and features of different washing machines. After comparing all the available options, Ritika chose a 'Neo' front load washing machine because it offered the best features within her budget. The consumer right exercised by Ritika in the above case is:

- (a) Right to be heard (b) Right to be assured
(c) Right to consumer education (d) Right to seek redressal

Q7. CBSE 2026 · 1 mark Ravi purchased gold jewellery from a reputed jewellery store. He ensured that the jewellery had a hallmark which confirm its purity and authenticity. To avoid paying goods and services tax (GST) he asked the salesperson to write the gold weight and making charges on a slip of paper and hand over it to him. Which of the following responsibilities of a consumer was not fulfilled by Ravi while purchasing jewellery?

- (a) Be aware about various goods and services available in the market so that an intelligent and wise choice can be made.
(b) Ask for a cash memo on purchase of goods and services.
(c) Buy only standardized goods as they provide quality assurance.
(d) Assert yourself to ensure that you get a fair deal.

Q8. CBSE 2026 · 1 mark Read the following statements – Assertion (A) and Reason (R): Assertion (A): Many enlightened business firms have set up their own consumer service and grievance cells. Reason (R): The consumer has a right to file a complaint and to be heard in case of dissatisfaction with a good or service. Choose the correct alternative from the alternatives given below:

- (a) Both Assertion (A) and Reason (R) are false.
(b) Assertion (A) is false and Reason (R) is true.
(c) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(d) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).

Q9. CBSE 2026 · 1 mark Read the following statements carefully: Statement I: Business environment includes both specific and general forces. Statement II: Specific forces have an impact on all business enterprises and thus may affect an individual firm only indirectly. In light of the given statements, choose the correct alternative from the following:

- (a) Statement I is true and Statement II is false.
(b) Statement I is false and Statement II is true.
(c) Both Statement I and Statement II are true.
(d) Both Statement I and Statement II are false.



Q10. CBSE 2026 · 1 mark 'Gamma Ltd.', with its state-of-the-art manufacturing set-up in Karnesha, produces smartphones for the Indian market. Rapid technological improvements, changing consumer preferences and the entry of new competitors in the market push the company to revise its plans frequently. This reflects which characteristic of business environment?

- (a) Inter-relatedness (b) Dynamic nature (c) Complexity
- (d) Relativity

Q11. CBSE 2026 · 1 mark 'Sumi', a well-established domestic car manufacturer, anticipates entry of a premium foreign automobile brand in the country. The management of the company foresees a decline in the market share, especially in the premium segment. To retain its market share and stay competitive, the company launches aggressive advertising and takes measures to reduce the cost of production. It further invests in improving product quality, introducing new features and aligning their cars with international standards. The point of importance of business environment described above is:

- (a) It helps in coping with rapid changes.
- (b) It helps in tapping useful resources.
- (c) It enables a firm to identify opportunities and getting the first mover advantage.
- (d) It helps the firm to identify threats and early warning signals.

Q12. CBSE 2026 · 1 mark Read the following statements carefully: Statement I: Business environment includes both specific and general forces. Statement II: Specific forces have an impact on all business enterprises and thus may affect an individual firm only indirectly. In light of the given statements, choose the correct alternative:

- (a) Statement I is true and Statement II is false.
- (b) Statement I is false and Statement II is true.
- (c) Both Statement I and Statement II are true.
- (d) Both Statement I and Statement II are false.

Q13. CBSE 2026 · 1 mark 'The business environment differs from country to country and even region to region.' The feature of business environment reflected in the above statement is:

- (a) Relativity (b) Complexity (c) Uncertainty
- (d) Dynamic nature

Q14. CBSE 2026 · 1 mark Identify the incorrect statement with respect to the importance of business environment:

- (a) It helps in coping with rapid changes
- (b) It helps in tapping useful resources
- (c) It helps in assisting in planning and policy formulation
- (d) It helps in increasing political instability and thus build the confidence of people to invest in long term projects

Q15. CBSE 2026 · 1 mark Kabir purchased a luxury car for ₹ 2 crores from a well-known car dealer named 'Global Motors'. Within a few days, he found serious defects in the car. When he contacted 'Global Motors', they refused to repair or replace the car. Kabir then filed a case in the appropriate consumer court. However, he was not satisfied with the orders of this court. Where can Kabir file an appeal now?

- (a) District Commission (b) State Commission
- (c) National Commission (d) Supreme Court

Q16. CBSE 2026 · 1 mark The top management of a smartphone manufacturing company recently observed that the government has ordered new safety standards for batteries used in smartphones to prevent overheating. It also noticed that the government announced a reduction in import duties on components used in mobile phones. The dimensions of business environment highlighted in the above case are:

- (a) Technological and legal environments
- (b) Political and technological environments
- (c) Legal and social environments
- (d) Political and legal environments

Q17. CBSE 2026 · 1 mark Read the following statements: Assertion (A) and Reason (R). Assertion (A): General forces such as social, political, legal and technological conditions affect an individual firm only indirectly. Reason (R): General forces have an impact on all business enterprises, in contrast to, specific forces that affect individual firms directly and immediately in their day-to-day working. Choose the correct alternative from the following:

- (a) Both Assertion (A) and Reason (R) are correct and Reason (R) is the correct explanation of Assertion (A).
- (b) Both Assertion (A) and Reason (R) are correct, but Reason (R) is not the correct explanation of Assertion (A).
- (c) Both Assertion (A) and Reason (R) are incorrect.
- (d) Assertion (A) is correct, but Reason (R) is incorrect.

Q18. CBSE 2025 · 1 mark A company issues shares and debentures to raise capital. What type of business environment does this represent?

- (a) Economic Environment (b) Legal Environment
- (c) Social Environment (d) Technological Environment

Q19. CBSE 2025 · 1 mark An increase in the price of input would lead to:

- (a) Increase in demand (b) Decrease in cost of production
- (c) Increase in cost of production
- (d) Decrease in price of output

Q20. CBSE 2025 · 1 mark Which statement is true regarding environmental scanning?

- (a) It is only relevant for government organisations
- (b) It helps identify threats and opportunities
- (c) It is irrelevant for business decision-making
- (d) It deals only with technology

Q21. CBSE 2024 · 1 mark Which of the following is an element of 'Social Environment'?

- (a) Rates of saving and investment
- (b) Expectations from the workforce
- (c) The nature of relationship of our country with foreign countries
- (d) Planned outlay in public and private sectors



Q22. CBSE 2024 · 1 mark 'SK Builders' became the market leader in the designer house segment as it was the first to recognize the need of using Artificial Intelligence in designing houses in the changing environment of technological advancement. This highlights the following point of importance of business environment:

- (a) It helps to identify threats and early warning signals.
- (b) It enables the firm to identify opportunities and getting the first mover advantage.
- (c) It helps in tapping useful resources.
- (d) It helps in improving performance.

Q23. CBSE 2024 · 1 mark Due to increasing presence of women in the workforce, 'Kisan Mart' comes out every Friday with big discount offers on daily use items to attract office-going women to shop on weekends. Which dimension of business environment is being highlighted in the above case?

- (a) Social environment (b) Legal environment
- (c) Political environment (d) Technological environment

Q24. CBSE 2024 · 1 mark Raunaq, while studying at the university, felt that there should be a food joint in the university campus to provide food to students round the clock. After passing out of college, he set up 'Hunger Point', a food joint with a varied menu ranging from burgers, pizzas, street food and much more, in the university campus. For this, he obtained necessary permissions from the university administration. Since he was the first one to recognize the need for a food joint for all the students in an environment where students study day and night, it soon became a popular eating joint. Within six months, 'Hunger Point' started earning good profits. Identify the point of importance of business environment discussed in the above case:

- (a) It enables the firm to identify opportunities and get the first mover advantage.
- (b) It helps the firm to identify threats and early warning signals.
- (c) It helps in assisting in planning and policy formulation.
- (d) It helps in improving performance.

Q25. CBSE 2024 · 1 mark Choose the incorrect statement with respect to demonetization:

- (a) The two largest denomination notes of ₹ 500 and ₹ 1000 were demonetized with immediate effect, ceasing to be legal tender except for buying properties.
- (b) The aim of this step was to curb corruption and accumulation of black money.
- (c) It led to the tax administration channelizing savings into the formal financial system.
- (d) Restrictions were placed on the convertibility of domestic money and bank deposits.

Q26. CBSE 2024 · 1 mark Statement – I: Business Environment is dynamic as it differs from country to country. Statement – II: Business Environment is largely uncertain as it is very difficult to predict future happenings. Choose the correct option from the following:

- (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 true.
- (d) Both the statements are false.

Q27. CBSE 2024 · 1 mark Which of the following is NOT a feature of demonetisation?

- (a) It leads to creation of a less-cash or cash-less (free) economy i.e. channeling more savings through the formal financial system and improving tax compliance.
- (b) It is interpreted as a shift on the part of the government indicating that tax evasion will no longer be tolerated or accepted.
- (c) It is viewed as a tax administration measure.
- (d) It led to tax administration channelising savings away from the formal financial system.

Q28. CBSE 2024 · 1 mark Samaira and her friend, Sana wanted to watch a movie over the weekend. They booked the movie tickets online and chose the seats as per their preference at the click of a button at the desired movie hall. Now going to theatre for booking of tickets is no longer required. The dimension of business environment reflected in the above para is:

- (a) Political environment (b) Social environment
- (c) Legal environment (d) Technological environment

Q29. CBSE 2024 · 1 mark Rajat was carrying on a business of manufacturing plastic disposables like plastic plates, plastic cups and plastic straws. He heard about the upcoming ban on single use plastics. He was able to identify this external environmental trend which could hinder his firm's performance. So he took action and shifted to manufacturing the plates, cups and straws from bamboo and palm leaves. As a result, his business not only survived but was able to generate profit. The point of importance of Business Environment highlighted above is:

- (a) It enables the firm to identify opportunities and getting the first mover advantage.
- (b) It helps the firm to identify threats and early warning signals.
- (c) It helps in tapping useful resources.
- (d) It helps in assisting in planning and policy formulation.

Q30. CBSE 2024 · 1 mark 'Since business environment consists of numerous interrelated and dynamic conditions or forces which arise from different sources, it becomes difficult to comprehend at once what exactly constitutes a given environment'. Thus it is relatively easier to understand the environment in parts but difficult to grasp in its totality. Identify the feature of business environment highlighted above:

- (a) Uncertainty (b) Complexity (c) Relativity
- (d) Dynamic nature



Q31. CBSE 2024 · 1 mark As per Plastic Waste Management Rule 2022, single use plastic items were prohibited in Delhi from 1st July, 2022. The dimension of business environment referred to here is _____.

- (a) Economic environment (b) Legal environment
(c) Technological environment (d) Political environment

Q32. CBSE 2024 · 1 mark Which of the following is not an element of social environment?

- (a) Composition of family (b) Consumption habits
(c) Rates of saving and investment
(d) Educational system and literacy rates

Q33. CBSE 2023 · 1 mark Which of the following are the examples of Legal Environment? (i) Advertisement of alcoholic beverages is prohibited (ii) Decrease in interest rate on loans (iii) Increase in demand for organic foods (iv) Digilockers for storing documents (v) In 1993, the Supreme Court passed an order to close the iron

- (a) (i) and (iv) (b) (i) and (ii) (c) (ii) and (iii) (d) (i) and (v)

Q34. CBSE 2023 · 1 mark Match the various characteristics of Business environment given in Column I with their respective explanations in Column II: Column I: A. Dynamic nature, B. Complexity, C. Relativity Column II: (i) Environment is a phenomenon that is relatively easier to understand in parts but difficult to grasp in its totality. (ii) Business environment differs from country to country and even region to region. (iii) Business environment keeps on changing, whether in terms of technological improvement or shifts in consumer preferences.

- (a) A(iii), B(ii), C(i) (b) A(ii), B(iii), C(i) (c) A(iii), B(i), C(ii)
(d) A(i), B(ii), C(iii)

Q35. CBSE 2023 · 1 mark Which of the following are the examples of Legal Environment? (i) Advertisement of alcoholic beverages is prohibited (ii) Decrease in interest rate on loans (iii) Increase in demand for organic foods (iv) Digilockers for storing documents (v) In 1993, the Supreme Court passed an order to close the iron smelting plants near the Taj Mahal

- (a) (i) and (iv) (b) (i) and (ii) (c) (ii) and (iii) (d) (i) and (v)

Q36. CBSE 2023 · 1 mark Which of the following are the examples of Legal Environment? (i) Advertisement of alcoholic beverages is prohibited (ii) Decrease in interest rate on loans (iii) Increase in demand for organic foods (iv) Digilockers for storing documents (v) In 1993, the Supreme Court passed an order to close the iron smelting units near the Taj Mahal

- (a) (i) and (iv) (b) (i) and (ii) (c) (ii) and (iii) (d) (i) and (v)

Q37. CBSE 2023 · 1 mark In a recent ruling, the Supreme Court of India has ordered an immediate stop on commercial activities in a 500-metre radius of the Taj Mahal and asked Agra Development Authority to ensure compliance of its directive. Which dimension of business environment is reflected here?

- (a) Social (b) Technological (c) Legal (d) Political

Q38. CBSE 2023 · 1 mark Which of the following is not a part of social environment of Business?

- (a) Life expectancy (b) Education system and literacy rates
(c) Consumption habits (d) Money supply in the economy

Q39. CBSE 2023 · 1 mark These days consumers are making eco-friendly and healthy choices and are saying no to all things made of plastic and replacing it with stainless steel and ceramic containers, thus forcing business to change as well. Identify the feature of business environment highlighted above:

- (a) Totality of external sources
(b) Specific and general forces (c) Inter-relatedness
(d) Dynamic nature

Q40. CBSE 2023 · 1 mark Government of India demonetised notes of ₹ 500 and ₹ 1000 on November 8, 2016. Demonetisation means:

- (a) They ceased to be legal tender except for a few specified purposes.
(b) These notes could not be banked but could be freely used otherwise.
(c) These notes could be converted into gold coins from Reserve Bank of India.
(d) These notes could be used for household purposes but not for business purposes.

Q41. CBSE 2023 · 1 mark Sarita bought a flat from Sugan Developers for ₹ 5 crore and was shocked to discover that the quality of construction was bad, roof leaked during the rainy season and plaster was coming off at various places. Which consumer forum should she approach for redressal of her grievance?

- (a) District Commission (b) State Commission
(c) National Commission (d) Supreme Court

Q42. CBSE 2023 · 1 mark Hitesh and Reena are entrepreneurs. They noticed that every year in the months of November and December, Delhi, the capital city of India, witnesses poor air quality and rise in pollution levels. They also observed that nowadays people are more concerned about quality of life. Sensing the need, they were the first to bring into the market a new pollution-resistant W-pollution mask which was not only helpful in reducing pollution but also in increasing the life expectancy of people. Their venture saw a massive success as there was no competitor. From the following, identify the importance of Business Environment highlighted above:

- (a) Business Environment helps the firm to identify threats and early warning signals.
(b) Business Environment helps in tapping useful resources.
(c) Business Environment helps in improving performance.
(d) Business Environment enables the firm to identify the opportunities and in getting the first mover advantage.



Q43. CBSE 2023 · 1 mark Plastic utensils are often used as a low cost, convenient option for business or personal use. These utensils are lightweight, easy to transport and can be disposed off easily instead of cleaned and reused. But plastic utensils are harmful from health point of view and create various environmental issues. Nowadays health and fitness trend is becoming popular. People are looking for different alternatives and have started opting for paper-made, steel or glass utensils which has tremendously increased the demand of these products. The above para discusses an important dimension of Business Environment which is:

- (a) Economic Environment (b) Social Environment
(c) Technological Environment (d) Political Environment

Q44. CBSE 2023 · 1 mark Hitesh and Reena are entrepreneurs. They noticed that every year in the months of November and December, Delhi, the capital city of India, witnesses poor air quality and rise in pollution levels. They also observed that nowadays people are more concerned about quality of life. Sensing the need, they were the first to bring into the market a new anti-pollution mask. This not only protected health in increasing the life expectancy of people. Their venture saw a massive success as there was no competitor. From the following, identify the importance of Business Environment highlighted above:

- (a) Business Environment helps the firm to identify threats and early warning signals.
(b) Business Environment helps in tapping useful resources.
(c) Business Environment helps in improving performance.
(d) Business Environment enables the firm to identify the opportunities and in getting the first mover advantage.

VERY SHORT ANSWER (3)

Q45. CBSE 2026 · 3 marks State any three points of significance of Business Environment.

Q46. CBSE 2026 · 3 marks (b) State any three points of importance of business environment.

Q47. CBSE 2024 · 3 marks (a) State any three features of business environment.

SHORT ANSWER (9)

Q48. CBSE 2026 · 3 marks State any three features of 'Demonetisation'.

Q49. CBSE 2026 · 3 marks 'Tiva Motors' planned to set up a new manufacturing unit for the electric scooters in Varanchal. One important consideration for setting up of the unit in Varanchal was that the government in Varanchal had been stable for several years. This had built confidence among business people to invest in long-term projects there. They understood that an adequate knowledge of the rules and regulations framed by the government is a prerequisite for a good business performance. So, before starting the operations, the company decided to obtain licences under environmental laws and necessary permissions from the government departments. Identify and explain the two dimensions of business environment that are highlighted in the above case.

Q50. CBSE 2026 · 4 marks State any four points of the importance of consumer protection from a business perspective.

Q51. CBSE 2026 · 4 marks 'Sabka Consumer Forum', a well-known non-governmental organisation (NGO), has been working for the welfare of the consumers. Its main aim is to educate the general public about consumer rights by organising training programmes, seminars and workshops. Seeing the growing need for awareness, the NGO started publishing periodicals and other publications to impart knowledge about consumer problems, legal reporting, reliefs available and other matters of consumer interest. These publications became very popular and people began approaching the NGO for guidance. One day, a group of residents from a nearby housing society approached 'Sabka Consumer Forum'. They had purchased water purifiers from a company, which turned out to be defective. Even after repeated complaints, the company had failed to respond. 'Sabka Consumer Forum' studied the case and decided to file a complaint on behalf of the consumers in the appropriate consumer court. Apart from the functions mentioned in the above case, state any four other functions which may be performed by 'Sabka Consumer Forum' for protecting and promoting consumer interests.

Q52. CBSE 2026 · 4 marks (a) Explain the following points of importance of business environment: (i) Helps in tapping useful resources (ii) Helps in coping with rapid changes

Q53. CBSE 2026 · 4 marks (a) State any four features of demonetisation.

Q54. CBSE 2024 · 3 marks (a) State any three features of business environment. OR (b) State any three features of 'Demonetization'.

Q55. CBSE 2024 · 4 marks VBR Cinema, an Indian multiplex cinema hall, was the first to recognize the change in consumption habits of people. It changed its food menu from burgers, pizza, soft drinks, etc. and switched over to healthier options like salads and smoothies, soups and anjeer-based sweets. Within a month, the revenue of the multiplex from sale of food items doubled. VBR Cinema, by continuously monitoring the environment and adopting suitable business practices, was able to improve its revenues and profits and was hopeful that it will continue to succeed in the market in the long run too. Identify and explain one dimension of business environment and one point of importance of understanding the business environment highlighted in the above case.



Q56. CBSE 2024 · 4 marks Kewalram started a sweets shop 'Karamati Sweets' in 1950. The sweets were famous all over India for their good quality and people would come from far and wide to purchase sweets from him. As he grew old, he could no longer run the shop. So, he sold the shop to one of his neighbours 'Bholaram'. After a few months, to further increase the revenue, 'Bholaram' started engaging in unfair trade practices like using adulterated khoya and paneer. He thought that no one would know about it as 'Karamati Sweets' had a good image in the eyes of the people. Slowly, people started falling sick after consuming sweets purchased from 'Karamati Sweets' but they did not know where to go and to whom to complain. Raghav, a resident of the village had recently completed his studies. He was also a member of a non-governmental organisation, 'Meri Voice'. He felt that the villagers should be made aware about the rights and reliefs available to them. He started creating awareness about consumer rights among the villagers to protect their interest through a series of talks and presentations in the village. (a) Identify and explain the consumer right discussed in the above para. (b) Also, identify and explain the consumer right violated by 'Bholaram' in the above case.

LONG ANSWER (1)

Q57. CBSE 2023 · 4 marks (a) What is meant by Consumer Protection? Explain any two points of importance of consumer protection from the point of view of consumers.

4 Planning

Notes & MCQs →

MULTIPLE CHOICE AND ASSERTION-REASON (23)

Q1. CBSE 2026 · 1 mark Identify the incorrect statement with respect to the importance of planning function of management:

- (a) Planning provides directions by stating in advance how work is to be done.
- (b) Planning eliminates uncertainty by looking ahead and anticipating changes.
- (c) Planning facilitates decision making by making a choice among various alternative courses of action.
- (d) Planning promotes innovative ideas as new ideas can take the shape of concrete plans.

Q2. CBSE 2026 · 1 mark Identify the feature of planning which states that the purpose of planning is to meet future events effectively to the best advantage of an organisation:

- (a) Planning involves decision making
- (b) Planning is futuristic (c) Planning is a mental exercise
- (d) Planning focuses on achieving objectives

Q3. CBSE 2026 · 1 mark 'CARO Tech Solutions' aimed at development of a software system for the company's growing operations. The project was to be completed within six months with a budget of ₹ 12,00,000. The software development team successfully completed its project on time by outsourcing a part of the project, leading to an additional expense of ₹ 2,00,000. From the following, identify whether the software development team is:

- (a) Efficient and Effective (b) Efficient but not effective
- (c) Effective but not efficient
- (d) Neither efficient nor effective

Q4. CBSE 2026 · 1 mark 'Radhe Textiles', a children's garment manufacturing business, and Ghanshyam Garments, a home furnishing manufacturing business operate in the same industrial area. Both companies jointly set up a common dyeing and finishing plant. This was because the scale of operations of each of them was not sufficient to make full use of the plant. With both of them jointly using the plant, the requirement of fixed capital for each company will now be:

- (a) Higher than earlier (b) Lower than earlier
- (c) Same as earlier (d) Nil

Q5. CBSE 2026 · 1 mark 'Planning requires application of mind involving foresight, intelligence, imagination and sound judgement.' The feature of planning reflected by the above statement is:

- (a) Planning is futuristic
- (b) Planning involves decision-making
- (c) Planning is a mental exercise (d) Planning is continuous

Q6. CBSE 2026 · 1 mark 'Cosy Garments' started the manufacturing of jackets in September, 2025. They expected a rise in the demand for jackets during the winter season. To handle the increased workload, the Production Manager estimated the number of workers required during peak production days and planned accordingly. The type of plan highlighted in the above case is:

- (a) Budget (b) Policy (c) Method (d) Objective



Q7. CBSE 2026 · 1 mark Read the following statements carefully:
Statement I: Planning and controlling are both forward-looking as well as backward-looking. Statement II: Planning is evaluative, whereas controlling is prescriptive. In the light of the given statements, choose the correct alternative from the following:

- (a) Statement I is true and Statement II is false.
- (b) Statement I is false and Statement II is true.
- (c) Both Statement I and Statement II are true.
- (d) Both Statement I and Statement II are false.

Q8. CBSE 2026 · 1 mark _____ is a detailed statement about a project which outlines the objectives, policies, procedures, rules, tasks, human and physical resources required and the budget to implement any course of action.

- (a) Rule (b) Strategy (c) Programme (d) Procedure

Q9. CBSE 2026 · 1 mark 'Renew Ltd.' was the pioneer in the Electric Vehicles segment and presently has 70% market share. Keeping in mind the rapidly increasing demand for Electric Vehicles due to the rising environment consciousness among people and lower operating costs, the company set a target to increase its market share to 80% in the current year. However, the incentives provided by the government to encourage manufacturing of Electric Vehicles attracted many new players in the market. As this change in the business environment happened suddenly, the company was not able to accurately assess future trends. As a result, the market share of 'Renew Ltd.' fell from 70% to 55% in the current year. Which limitation of planning has been discussed in the above case?

- (a) Planning may not work in a dynamic environment
- (b) Planning leads to rigidity
- (c) Planning does not guarantee success
- (d) Planning involves huge costs

Q10. CBSE 2026 · 1 mark Match the type of plan given in Column-I with its meaning in Column-II: Column-I: a. Policy, b. Programme, c. Method, d. Strategy. Column-II: (i) Prescribed way or manner in which a task has to be performed considering the objective. (ii) Detailed statement about a project which outline the objectives, policies, procedures, rules, tasks, human and physical resources required and the budget to implement any course of action. (iii) A comprehensive plan for accomplishing an organisation's objectives, taking business environment into consideration. (iv) A general statement that guides thinking or channelises energies towards a particular direction. Choose the correct alternative from the following:

- (a) a-(ii), b-(iv), c-(i), d-(iii) (b) a-(iv), b-(ii), c-(i), d-(iii)
- (c) a-(iv), b-(ii), c-(iii), d-(i) (d) a-(iv), b-(i), c-(ii), d-(iii)

Q11. CBSE 2026 · 1 mark Match the type of plan given in Column-I with its meaning in Column-II: a. Policy (i) Prescribed way or manner in which a task has to be performed considering the objective. b. Programme (ii) Detailed statement about a project which outline the objectives, policies, procedures, rules, tasks, human and physical resources required and the budget to implement any course of action. c. Method (iii) A comprehensive plan for accomplishing an organisation's objectives, taking business environment into consideration. d. Strategy (iv) A general statement that guides thinking or channelises energies towards a particular direction. Choose the correct alternative from the following:

- (a) a-(ii), b-(iv), c-(i), d-(iii) (b) a-(iv), b-(ii), c-(i), d-(iii)
- (c) a-(iv), b-(ii), c-(iii), d-(i) (d) a-(iv), b-(i), c-(ii), d-(iii)

Q12. CBSE 2025 · 1 mark Planning is considered as the _____ function of management.

- (a) first (b) last (c) supporting (d) coordinating

Q13. CBSE 2025 · 1 mark Identify the step which comes immediately after selecting an alternative in the process of planning.

- (a) Evaluating alternatives (b) Setting objectives
- (c) Implementing the plan (d) Developing premises

Q14. CBSE 2025 · 1 mark The process of identifying and choosing the best alternative for action is known as:

- (a) Planning (b) Decision-making (c) Organising
- (d) Forecasting

Q15. CBSE 2025 · 1 mark One of the features of the planning function is that it:

- (a) Brings rigidity in the system (b) Negates innovation
- (c) Focuses solely on present activities
- (d) Is not a continuous process

Q16. CBSE 2024 · 1 mark Plans are prepared for a specific period of time, may be for a month, a quarter or a year. At the end of that period, there is a need for a new plan to be drawn on the basis of new requirements and future conditions. The feature of planning reflected in the above lines is:

- (a) Planning is futuristic (b) Planning is continuous
- (c) Planning is pervasive (d) Planning is a mental exercise

Q17. CBSE 2024 · 1 mark 'Best Electronics' is led by its visionary Chief Executive Officer, Nikhil. It has a reputation for good quality products and customer service. Nikhil recognised the need to continually innovate and provide customers with the latest products. He wanted the company to be the market leader in electronics. Nikhil knew that to realise his ambitious vision, he needed a clear and well-defined plan that would provide broad contours of the company's business. His team conducted extensive market research to uncover emerging trends, customer preferences, and potential competitors. On its basis, a plan was prepared defining the company's direction and scope in the long run. On the implementation of the plan 'Best Electronics' became the market leader in two years. The type of plan which helped 'Best Electronics' to become the market leader was:

- (a) Policy (b) Rule (c) Strategy (d) Procedure



Q18. CBSE 2024 · 1 mark Resh Constructions, a construction company, decided to strictly enforce safety rules at their construction sites. Identify the type of plan indicated by the above sign:

- (a) Policy (b) Rule (c) Method (d) Programme

Q19. CBSE 2024 · 1 mark Sudha and Shweta were twin sisters. After completing their education from college, they decided to start a business. As they were Commerce students, they knew the importance of deciding in advance what to do and how to do. It was very challenging for them as this decision was to guide all their future actions. While discussing the same with their mother, they got a new idea of starting a Cloud Kitchen. Both the sisters were very excited to start this. The idea took the shape of a concrete plan and within a month, they were successful in starting their Cloud Kitchen. Identify the point of importance of planning highlighted in the above case:

- (a) Planning reduces the risk of uncertainty.
(b) Planning promotes innovative ideas.
(c) Planning establishes standards for controlling.
(d) Planning reduces overlapping and wasteful activities.

Q20. CBSE 2024 · 1 mark esh Constructions, a construction company, decided to strictly enforce safety rules at their construction sites. Identify the type of plan indicated by the above sign:

- (a) Policy (b) Rule (c) Method (d) Programme

Q21. CBSE 2024 · 1 mark esh Constructions, a construction company, decided to strictly enforce safety rules at their construction sites. Identify the type of plan indicated by the above sign:

- (a) Policy (b) Rule (c) Method (d) Programme

Q22. CBSE 2024 · 1 mark Which of the following statements is not highlighting the importance of financial planning:

- (a) It helps in forecasting what may happen under different business situations.
(b) It helps in avoiding business shocks and surprises and helps the company in preparing for the future.
(c) It provides a link between investment and financing decisions on a continuous basis.
(d) Detailed plans of action prepared under financial planning increases waste, duplication of efforts and gaps in planning.

Q23. CBSE 2023 · 1 mark In planning, generally managers have to follow pre-determined plans and they are not in a position to change it. This statement highlights the following limitation of planning:

- (a) Planning may not work in a dynamic environment
(b) Planning does not guarantee success
(c) Planning leads to rigidity
(d) Planning is time-consuming

VERY SHORT ANSWER (4)

Q24. CBSE 2026 · 4 marks (a) Explain the following features of planning : (i) Planning is futuristic. (ii) Planning involves decision-making.

Q25. CBSE 2025 · 2 marks Give two characteristics of an ideal plan.

Q26. CBSE 2025 · 2 marks Explain the meaning of 'budgeting' as a function of management.

Q27. CBSE 2023 · 3 marks (b) Explain the relationship between Planning and Controlling with the help of any three points.

SHORT ANSWER (21)

Q28. CBSE 2026 · 4 marks (a) Explain the following limitations of planning: (i) Planning leads to rigidity (ii) Planning may not work in a dynamic environment

Q29. CBSE 2026 · 4 marks Explain the following limitations of planning: (i) Planning reduces creativity (ii) Planning involves huge costs

Q30. CBSE 2026 · 4 marks Explain the following points of importance of planning: (i) Planning establishes standards for controlling (ii) Planning reduces overlapping and wasteful activities

Q31. CBSE 2026 · 4 marks (a) Explain the following steps of the planning process: (i) Setting objectives (ii) Developing premises

Q32. CBSE 2026 · 4 marks (a) Explain the following limitations of planning function of management: (i) Planning may not work in a dynamic environment. (ii) Planning reduces creativity.

Q33. CBSE 2025 · 3 marks Discuss any three limitations of planning.

Q34. CBSE 2025 · 3 marks 'Planning reduces creativity.' Do you agree? Justify your answer with reasons.

Q35. CBSE 2024 · 3 marks After studying Entrepreneurship in Class XII, Neel completed a baking course. He set a target of earning a modest 10% return on investment in the first year. As he was supplying healthy bakery products, the demand kept increasing. Cakes and Bakes became a famous bakery in a year. He now wanted to develop a plan to define the direction and scope of Cakes and Bakes for the long run. He made a marketing plan to decide if he could charge higher price to improve his return on investment, how to advertise the products, etc. Quoting lines from the above paragraph, identify and explain two types of plans discussed in the above case.

Q36. CBSE 2024 · 3 marks After studying Entrepreneurship in Class XII, Neel completed a baking course and started a bakery, . He set a target of earning a modest 10% return on investment in the first year. As he was supplying healthy bakery products, the demand kept increasing. Cakes and Bakes became a famous bakery in a year. He now wanted to develop a plan to define the direction and scope of Cakes and Bakes the long run. He made a marketing plan to decide if he could charge higher price to improve his return on investment, how to advertise the products, etc. Quoting lines from the above paragraph, identify and explain two types of plans discussed in the above case.



Q37. CBSE 2024 - 3 marks After studying Entrepreneurship in Class XII, Neel completed a baking course. He set a target of earning a modest 10% return on investment in the first year. As he was supplying healthy bakery products, the demand kept increasing. Cakes and Bakes became a famous bakery in a year. He now wanted to develop a plan to define the direction and scope of Cakes and Bakes in the long run. He made a marketing plan to decide if he could charge higher price to improve his return on investment, how to advertise the products, etc. Quoting lines from the above paragraph, identify and explain two types of plans discussed in the above case.

Q38. CBSE 2024 - 4 marks Explain any four limitations of 'Planning'.

Q39. CBSE 2024 - 4 marks Identify and explain two types of plans discussed in the above case. 'Leno' is a reputed car manufacturing company, which is going to complete its 75 years in October 2024. The Chief Executive Officer of the company decided to take the company to a higher level. For this he called a meeting of all departmental heads of the company. In the meeting, the Chief Executive Officer proposed a target to increase sales by 10% and profits by 20% in its Platinum Jubilee year. The Human Resource Manager estimated that an increase of 500 workers would be required to achieve the target. The Finance Manager suggested that the company must hold adequate cash balances for various purposes, and he will prepare a statement showing the estimated cash inflows and outflows for this particular period.

Q40. CBSE 2024 - 4 marks (a) Explain any four characteristics of planning.

Q41. CBSE 2024 - 4 marks 'Leno' is a reputed car manufacturing company, which is going to complete its 75 years in October 2024. The Chief Executive Officer of the company decided to take the company to a higher level. For this he called a meeting of all departmental heads of the company. In the meeting, the Chief Executive Officer proposed a target to increase sales by 10% and profits by 20% in its Platinum Jubilee year. The Human Resource Manager estimated that an increase of 500 workers would be required to achieve the target. The Finance Manager suggested that the company must hold adequate cash balances for various purposes, and he will prepare a statement showing the estimated cash inflows and outflows for this particular period. Identify and explain two types of plans discussed in the above case.

Q42. CBSE 2024 - 3 marks (a) 'Planning and controlling are inseparable twins of management'. Explain with the help of any three points.

Q43. CBSE 2024 - 4 marks (a) State any four limitations of planning. OR (b) Explain the following types of plans: (i) Strategy (ii) Procedure

Q44. CBSE 2024 - 4 marks (a) State any four points of importance of planning function of management. OR (b) Explain the following types of plans: (i) Objective (ii) Programme

Q45. CBSE 2024 - 4 marks (a) State any four characteristics of planning.

Q46. CBSE 2023 - 4 marks Kaveri is busy preparing a financial blueprint for her organisation's future operations. She feels that detailed plans of action reduce waste and duplication of efforts. However, her friend, Sana feels that in an uncertain and dynamic world, this type of planning may not work. Kaveri again stresses on her statement and explains why this financial blueprint is important. Identify the concept and state three points of its importance in addition to those explained in the above para.

Q47. CBSE 2023 - 4 marks Kaveri is busy in preparing the financial blueprint for future operations. She feels that detailed plans of action reduce waste and duplication of efforts. However, her friend, Sana feels that in an uncertain and dynamic world, this type of planning may not work. Kaveri again stresses on her statement and explains why this financial blueprint is important. Identify the concept and state three points of its importance in addition to those explained in the above para.

Q48. CBSE 2023 - 4 marks Kaveri is busy preparing a detailed financial blueprint for the future operations. She feels that detailed plans of action reduce waste and duplication of efforts. However, her friend, Sana feels that in an uncertain and dynamic world, this type of planning may not work. Kaveri again stresses on her statement and explains why this financial blueprint is important. Identify the concept and state three points of its importance in addition to those explained in the above para.

LONG ANSWER (25)

Q49. CBSE 2026 - 6 marks Greener Organic is a company producing eco-friendly fertilizers and soil boosters. With the growing interest in organic farming, the company is planning to expand its operations across India. Greener sets its target to increase its sales by 25% in the next year. This gave all departments – sales, production, marketing and logistics – a common target to work. To achieve this, Greener made a comprehensive plan to enter Tier-2 and Tier-3 cities by working with local farmer groups. They also plan to promote their brand through on-line campaigns focused on eco-friendly farming. The company also laid down broad parameters within which the managers could function. All raw materials used had to be certified organic and preferably sourced from local farmers. This would improve quality, support local people and build trust with customers. The company allocated ₹ 50 lakhs for marketing, which included funds for regional newspaper advertisements, digital marketing, promotional events and dealer incentives. By quantifying future facts and figures, the company planned to control costs and evaluate performance. Identify and explain any four type of plans discussed in the above case.

Q50. CBSE 2026 - 6 marks (a) Explain the following limitations of planning: (i) Planning leads to rigidity (ii) Planning may not work in a dynamic environment (iii) Planning involves huge costs

Q51. CBSE 2026 - 6 marks (a) Explain the following points of importance of planning: (i) Planning reduces overlapping and wasteful activities, (ii) Planning reduces the risks of uncertainty, (iii) Planning provides directions

Q52. CBSE 2026 - 6 marks (a) Explain the following features of planning: (i) Planning is a primary function of management, (ii) Planning is continuous, (iii) Planning is a mental exercise



Q53. CBSE 2026 · 6 marks (a) Explain the following points of limitations of planning: (i) Planning reduces creativity (ii) Planning leads to rigidity (iii) Planning does not guarantee success

Q54. CBSE 2026 · 6 marks (a) Explain the following points of importance of planning: (i) Planning provides directions, (ii) Planning reduces the risk of uncertainty, (iii) Planning reduces overlapping and wasteful activities

Q55. CBSE 2026 · 6 marks (a) Explain the following points of importance of planning: (i) Planning facilitates decision-making (ii) Planning establishes standards for controlling (iii) Planning promotes innovative ideas

Q56. CBSE 2026 · 6 marks (b) Explain the following points of importance of planning: (i) Planning provides directions (ii) Planning reduces overlapping and wasteful activities (iii) Planning establishes standards for controlling

Q57. CBSE 2026 · 6 marks (a) Explain the following features of planning function of management: (i) Planning is a mental exercise (ii) Planning involves decision making (iii) Planning is futuristic

Q58. CBSE 2026 · 6 marks (a) Explain the following steps in the process of planning : (i) Setting objectives (ii) Developing premises (iii) Identifying alternative courses of action

Q59. CBSE 2025 · 5 marks Discuss the various steps involved in the process of planning. Illustrate your answer with suitable examples.

Q60. CBSE 2024 · 6 marks Atul Sharma was the Chief Executive Officer of a footwear company, 'Stepone Footwear'. The company manufactured innovative and comfortable footwear for all age groups. Atul Sharma was known for meticulous planning. He ensured that the goals and objectives of the company are clearly stated so that they act as a guide for deciding what action should be taken and in which direction. Before each season, 'Stepone Footwear' carefully analysed market trends, customer preferences and production schedules. This analysis enabled the company to look ahead and anticipate changes and develop managerial responses, wherever necessary. As a result, they were able to consistently deliver innovative and comfortable shoes to the market. During one season, there was a sudden surge in demand for eco-friendly shoes. 'Stepone Footwear' had already planned their production for the year with specific goals to be achieved within a specific time frame. The managers of 'Stepone Footwear' did not have the flexibility to change the plan to cope with the changed circumstances. Another shoe company 'Eco Step' quickly adapted and started manufacturing comfortable eco-friendly shoes. By not being able to adjust to the rapidly changing market, 'Stepone Footwear' faced inventory surplus while 'Eco Step' emerged as a market leader in sustainable eco-friendly footwear. Quoting lines from the above paragraph, identify and explain two benefits and two limitations of 'Planning' function of management discussed in the above case.

Q61. CBSE 2024 · 6 marks (b) Explain any four points of importance of Planning function of management.

Q62. CBSE 2024 · 6 marks Nalini has an online flower and gifts retail business. She has eight outlets in four cities of India. From November to February, during the wedding season, the demand shoots up. She coordinates the efforts of her staff in a conscious and deliberate manner and plans for the wedding season demand in the month of June itself. She ensures that there is adequate workforce and continuously monitors whether work is proceeding according to plans. She also briefs the marketing department in time to prepare their promotional and advertising campaigns. Thus, her coordination with all departments of the organization begins at the planning stage and continues till controlling. This acts as a binding force between the departments and ensures that all action is aimed at achieving organizational goals. As a result, Nalini is able to give a common focus to group effort to ensure that the business is performing as planned, year after year. Quoting lines from the above paragraph, identify and explain four features of an important concept of management highlighted in the above case.

Q63. CBSE 2024 · 6 marks The process of organising involves a series of steps in order to achieve the desired goals. Explain these steps.

Q64. CBSE 2024 · 6 marks (a) Explain the following types of plans: (i) Strategy (ii) Method (iii) Budget

Q65. CBSE 2024 · 6 marks (a) Explain the following as types of plans: (i) Objectives (ii) Policy (iii) Programme

Q66. CBSE 2024 · 6 marks Explain the following as features of planning function of management: (i) Planning focuses on achieving objectives. (ii) Planning is futuristic. (iii) Planning involves decision making.

Q67. CBSE 2023 · 6 marks Setting objectives is the first step in the process of one of the significant functions of management. (a) Identify the function of management referred above. (b) State the next five steps of the process.

Q68. CBSE 2023 · 6 marks Planning sets objectives for a given time period, identifies the various alternative courses of action to achieve them and then selecting the best possible alternative from amongst the various alternative courses of action. (a) Identify the function of management referred above. (b) State any five points of importance of the function of management identified in (a) above.

Q69. CBSE 2023 · 6 marks Planning involves setting the objectives of the organisation and defining various alternative courses of action from amongst the different alternative courses of action to achieve these objectives. (a) Identify the function of management referred above. (b) State any five features of the function of management identified in (a) above.



Q70. CBSE 2023 · 6 marks Diamond Logistics Company had a turnover of ₹ 25 lakh during the year ended 31st March, 2022. In a board meeting held on 15th April, 2022, it was decided to achieve a turnover of ₹ 45 lakh for the next year. To accomplish this objective after taking into consideration the business environment, a comprehensive plan was drawn. The Chief Executive Officer (CEO) of the company also released a plan that would not only guide the thinking of the managers and their decision-making but also channelise their energies towards achievement of this target. Identify and explain the three types of plans discussed in the above para.

Q71. CBSE 2023 · 6 marks Total sales of a company stood at ₹ 25 lakh during the year ended 31st March, 2022. In a board meeting held on 15th April, 2022, it was decided to achieve a turnover of ₹ 45 lakh for the next year. To accomplish this objective after taking into consideration the business environment, a comprehensive plan was drawn. The Chief Executive Officer (CEO) of the company also released a plan that would not only guide the thinking of the managers and their decision-making but also channelise their energies towards achievement of this target. Identify and explain the three types of plans discussed in the above para.

Q72. CBSE 2023 · 6 marks Identify and explain the type of plans in the following cases: (a) Ananta Travel and Tourism Pvt. Ltd. is providing tourism and hospitality services to its customers. To achieve its objectives the company prepares a comprehensive plan taking into consideration the business environment. (b) Amit is Chief Executive Officer of Mannat Raj Industries. He developed the broad parameters within which the managers may function. By doing so he tried to provide a base for interpreting strategy which was stated in general terms.

Q73. CBSE 2023 · 6 marks Identify and explain the type of plans in the following cases: (a) Ananda Travels and Tourism Private Limited provides adventure and hospitality services to its customers. To achieve its objectives the company prepares a comprehensive plan taking into consideration the business environment. (b) Amit is Chief Executive Officer of Raj Industries. He has developed broad parameters within which the managers may function. By doing so he tried to provide a base for interpreting strategy which was stated in general terms.

5 Organising

Notes & MCQs →

MULTIPLE CHOICE AND ASSERTION-REASON (43)

Q1. CBSE 2026 · 1 mark The process by which a manager synchronizes the activities of different departments is known as:

- (a) Management (b) Planning (c) Organising
(d) Co-ordination

Q2. CBSE 2026 · 1 mark Organising is the process that initiates implementation of plans by clarifying jobs and working relationships and effectively deploying resources for attainment of identified and desired results. Organising process thus involves a series of steps that need to be taken in order to achieve the desired goal. Arrange the steps of the process of organizing in the correct order:

- (a) Identification and Division of work, Assignment of duties, Departmentalisation, Establishing authority and reporting relationships
(b) Identification and Division of work, Assignment of duties, Establishing authority and reporting relationships, Departmentalisation
(c) Departmentalisation, Identification and Division of work, Establishing authority and reporting relationships, Assignment of duties
(d) Identification and Division of work, Departmentalisation, Assignment of duties, Establishing authority and reporting relationship

Q3. CBSE 2026 · 1 mark Which of the following is not an advantage of divisional structure of an organisation?

- (a) It helps in development of varied skills in the divisional head which prepares him for higher positions.
(b) It promotes flexibility and initiative, because each division functions as an autonomous unit, leading to faster decision making.
(c) It facilitates expansion and growth as new divisions can be added without interrupting the existing operations.
(d) It leads to minimal duplication of effort which results in economies of scale and lowers cost.

Q4. CBSE 2026 · 1 mark Match the step of the process of organising given in Column-I with its explanation given in Column-II: 1. Departmentalisation (i) Each individual is told who he has to take orders from and to whom he is accountable 2. Establishing authority and reporting relationships (ii) The work is divided into manageable activities so that duplication can be avoided and burden of work can be shared among the employees 3. Identification and division of work (iii) Work of different job positions is defined and work allocated to various employees in accordance with their skills and competencies 4. Assignment of duties (iv) Activities of a similar nature are grouped together, which facilitates specialization. Choose the correct option from the following:

- (a) 1-(i), 2-(ii), 3-(iii), 4-(iv) (b) 1-(iv), 2-(i), 3-(ii), 4-(iii)
(c) 1-(iv), 2-(i), 3-(iii), 4-(ii) (d) 1-(ii), 2-(iii), 3-(i), 4-(iv)



Q5. CBSE 2026 · 1 mark Match the step of the process of organising given in Column-I with its explanation given in Column-II:

Column-I: 1. Departmentalisation, 2. Establishing authority and reporting relationships, 3. Identification and division of work, 4. Assignment of duties Column-II: (i) Each individual is told who he has to take orders from and to whom he is accountable, (ii) The work is divided into manageable activities so that duplication can be avoided and burden of work can be shared among the employees, (iii) Work of different job positions is defined and work allocated to various employees in accordance with their skills and competencies, (iv) Activities of a similar nature are grouped together, which facilitates specialization

- (a) 1-(i), 2-(ii), 3-(iii), 4-(iv) (b) 1-(iv), 2-(i), 3-(ii), 4-(iii)
(c) 1-(iv), 2-(i), 3-(iii), 4-(ii) (d) 1-(ii), 2-(iii), 3-(i), 4-(iv)

Q6. CBSE 2026 · 1 mark Sharad was the Operations Manager at 'Nova Ltd.' He assigned the task of completing an urgent order to Anita, the Production Supervisor. She was given the authority to plan the work and meet the deadline. Anita further assigned the work to Rohit, a machine operator and asked him to finish it by the end of the day. Rohit did not complete the task on time, due to which the company failed to deliver the order. Who is accountable to Sharad for non-completion of the work?

- (a) Rohit (b) Anita (c) Both Rohit and Anita
(d) Sharad himself

Q7. CBSE 2026 · 1 mark _____ is the framework within which the managerial and operating tasks are performed.

- (a) Organising (b) Organisational structure (c) Delegation
(d) Decentralisation

Q8. CBSE 2026 · 1 mark Choose the statement that correctly highlights the advantage of Divisional Structure:

- (a) It facilitates expansion and growth, as new divisions can be added without interrupting the existing operations.
(b) It helps in increasing managerial and operational efficiency, resulting in increased profit.
(c) It makes training of employees easier, as the focus is on a limited range of skills.
(d) It promotes control and coordination within a department because of similarity in the tasks being performed.

Q9. CBSE 2026 · 1 mark _____ refers to the entrustment of responsibility and authority to another and the creation of accountability for performance.

- (a) Delegation (b) Decentralisation (c) Organising
(d) Formal Organisation

Q10. CBSE 2026 · 1 mark 'Deccan Motors Ltd.' is a renowned name in the automobile sector in India. It deals in both commercial vehicles like bus, truck and lorries, as well as passenger vehicles like cars, scooters, etc. It presently has a functional organisational structure. The Board of Directors have now decided to shift to divisional structure, with separate divisions for commercial vehicles and passenger vehicles. Identify the benefit the company will get as a result of shifting to divisional structure:

- (a) It will promote flexibility and initiative because each division will function as an autonomous unit.
(b) It will lead to minimal duplication of effort, which will result in economies of scale.
(c) It will make training of employees easier as the focus will be on limited range of skills.
(d) It will lead to occupational specialisation since emphasis will be placed on specific functions.

Q11. CBSE 2026 · 1 mark Obligation of a subordinate to properly perform the assigned duty is known as _____.

- (a) Delegation (b) Accountability (c) Responsibility
(d) Authority

Q12. CBSE 2026 · 1 mark Answerability for outcome of the assigned task is known as _____.

- (a) Authority (b) Responsibility (c) Accountability
(d) Delegation

Q13. CBSE 2026 · 1 mark Right of an individual to command his subordinates and to take action within the scope of his position is known as _____.

- (a) Authority (b) Responsibility (c) Accountability
(d) Delegation

Q14. CBSE 2025 · 1 mark Assertion (A): Delegation increases the workload of managers. Reason (R): By delegating, managers transfer work to subordinates. Choose the correct option:

- (a) Both A and R are true; R is the correct explanation of A.
(b) Both A and R are true; R is not the correct explanation of A.
(c) A is true but R is false. (d) A is false but R is true.

Q15. CBSE 2025 · 1 mark Which type of organisation structure is suitable for small firms with limited product lines?

- (a) Divisional (b) Functional (c) Matrix (d) Project

Q16. CBSE 2025 · 1 mark Which statement best describes 'decentralisation' in an organisation?

- (a) All power with top management
(b) Delegation of decision-making at all levels
(c) No delegation of authority
(d) Decision-making limited to supervisors

Q17. CBSE 2025 · 1 mark A tall organisational structure facilitates:

- (a) Short chain of command (b) Wider span of control
(c) Quick decision making (d) Narrow span of control



Q18. CBSE 2025 · 1 mark Span of management refers to:

- (a) Number of levels in hierarchy
- (b) Number of subordinates a manager can effectively manage
- (c) Length of chain of command
- (d) None of these

Q19. CBSE 2025 · 1 mark Which function of management involves determining who will do what and how?

- (a) Controlling
- (b) Organising
- (c) Directing
- (d) Planning

Q20. CBSE 2025 · 1 mark Which one of the following is not an element of delegation?

- (a) Responsibility
- (b) Accountability
- (c) Authority
- (d) Supervision

Q21. CBSE 2025 · 1 mark Functional structure is most suitable when:

- (a) Organisation needs product specialisation
- (b) Organisation offers diverse products
- (c) Organisation is small and produces limited products
- (d) None of the above

Q22. CBSE 2025 · 1 mark Which type of organisational structure groups activities on the basis of product lines?

- (a) Divisional structure
- (b) Functional structure
- (c) Network structure
- (d) Matrix structure

Q23. CBSE 2025 · 1 mark Assertion (A): Decentralisation reduces the workload of top management. Reason (R): Decentralisation restricts the initiative of employees. Choose the correct option:

- (a) Both A and R are correct; R is the correct explanation of A.
- (b) Both A and R are correct; R is not the correct explanation of A.
- (c) A is correct but R is incorrect.
- (d) A is incorrect but R is correct.

Q24. CBSE 2025 · 1 mark The process of dividing work into smaller jobs and assigning these to different individuals is called:

- (a) Coordination
- (b) Delegation
- (c) Departmentalisation
- (d) Controlling

Q25. CBSE 2025 · 1 mark The process of identifying and grouping the work to be performed and defining and delegating responsibility and authority is:

- (a) Planning
- (b) Organising
- (c) Directing
- (d) Staffing

Q26. CBSE 2024 · 1 mark Statement I: Delegation is the entrustment of responsibility and authority to another, and the creation of accountability for performance. Statement II: Irrespective of the extent of delegated authority, the manager shall still be accountable to the same extent as before delegation. Choose the correct option from the following:

- (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 true.
- (d) Both the Statements are false.

Q27. CBSE 2024 · 1 mark Online retailer 'Bizen' has grown to be the biggest provider worldwide in the field of e-commerce. Its revenues are growing steadily year after year. It owes its success to the rapid rate of digitisation and its organisational structure. 'Bizen's Managing Director, Mohit makes strategic decisions and has control over the entire organisation. In 'Bizen', jobs of similar nature are grouped together into Human Resource Department, Marketing Department, Purchase Department and Research and Development Department. These departments are further divided into sections and all departmental heads report to Mohit who is the co-ordinating head. This ensures efficiency in the utilization of manpower and minimizes duplication of efforts. The type of organizational structure of 'Bizen' is:

- (a) Informal organisational structure
- (b) Divisional organisational structure
- (c) Functional organisational structure
- (d) Both (B) and (C)

Q28. CBSE 2024 · 1 mark Read the following statements: Assertion (A) and Reason (R). Choose the correct alternative from those given below: Assertion (A): Decentralization is an optional policy decision. Reason (R): It is done at the discretion of the top management.

- (a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
- (b) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
- (c) Assertion (A) is true, but Reason (R) is false.
- (d) Assertion (A) is false, but Reason (R) is true.

Q29. CBSE 2024 · 1 mark Sushant was an able Project Manager at Keiro Ltd. Head, Naveen handed over a new project to Sushant. Sushant already had enough work in hand. So, Sushant decided to divide the work assigned to him, among three of his subordinates. He himself kept that part of the work which he himself could perform effectively and got his subordinates to help him with what remained. The project got completed well in time because of this. The concept of management used by Sushant to complete the project was:

- (a) Delegation
- (b) Decentralization
- (c) Accountability
- (d) Authority

Q30. CBSE 2024 · 1 mark Sunita opened her travel agency business in July, 2023. She created separate departments for reservations, hotel bookings, online queries and payment handling. Which organisation structure is used by Sunita:

- (a) Functional structure
- (b) Divisional structure
- (c) Informal structure
- (d) Vertical structure

Q31. CBSE 2024 · 1 mark , 2023. She created separate departments for reservations, hotel bookings, online queries and payment handling. Which organisation structure is used by Sunita:

- (a) Functional structure
- (b) Divisional structure
- (c) Informal structure
- (d) Vertical structure

Q32. CBSE 2024 · 1 mark Sunita opened her own travel agency in July, 2023. She created separate departments for reservations, hotel bookings, online queries and payment handling. Which organisation structure is used by Sunita:

- (a) Functional structure
- (b) Divisional structure
- (c) Informal structure
- (d) Vertical structure



Q33. CBSE 2024 · 1 mark Match the Levels of Management given in Column I with the functions performed at each level given in Column II: Column I: 1. Top Level Management, 2. Middle Level Management, 3. Operational Management; Column II: (i) They directly oversee the efforts of the workforce, (ii) They ensure that their department has the necessary personnel, (iii) They are responsible for the welfare and survival of the organisation. Choose the correct option from the following:

- (a) 1-(i), 2-(ii), 3-(iii) (b) 1-(iii), 2-(ii), 3-(i)
(c) 1-(iii), 2-(i), 3-(ii) (d) 1-(ii), 2-(iii), 3-(i)

Q34. CBSE 2024 · 1 mark 'Merely allocating work is not enough. Each individual should also know who he has to take orders from and to whom he is accountable'. The above statement is related to one of the steps of organising process. Identify the step from the following:

- (a) Identification and division of work
(b) Departmentalisation (c) Assignment of duties
(d) Establishing authority and reporting relationship

Q35. CBSE 2024 · 1 mark Which of the following is an advantage of Informal organisation?

- (a) It provides stability to the organisation because behaviour of employees can be fairly predicted since there are specific rules to guide them.
(b) It leads to effective accomplishment of goals by providing a framework for the operations to be performed.
(c) It enhances the employee's job satisfaction since it gives them a sense of belongingness in the organisation and allows them to find like minded people.
(d) It helps in avoiding duplication of efforts as there is no ambiguity in the role that each member has to play.

Q36. CBSE 2023 · 1 mark _____ refers to retention of decision-making authority by higher management levels.

- (a) Decentralisation (b) Departmentalisation
(c) Span of Control (d) Centralisation

Q37. CBSE 2023 · 1 mark The process of defining and grouping the activities of the enterprise and establishing authority relationship among them is:

- (a) Directing (b) Staffing (c) Management (d) Organising

Q38. CBSE 2023 · 1 mark _____ refers to the obligation of a subordinate to properly perform the assigned duty.

- (a) Authority (b) Responsibility (c) Accountability
(d) Delegation

Q39. CBSE 2023 · 1 mark _____ refers to the downward transfer of authority from a superior to a subordinate.

- (a) Organising (b) Decentralisation (c) Accountability
(d) Delegation

Q40. CBSE 2023 · 1 mark During Covid-19, to accommodate changes taking place in the business environment, it suitably modified its organisation structure in a way that work from home became the new way of working for all employees bringing cost benefits and flexibility in the organisation. The point of importance of organising discussed above is:

- (a) Benefits of specialisation (b) Adaptation to change
(c) Development of personnel
(d) Clarity in working relationships

Q41. CBSE 2023 · 1 mark The process that initiates implementation of plans by clarifying jobs and working relationships and effectively deploying resources for attainment of identified and desired results is known as:

- (a) Organising (b) Controlling (c) Staffing (d) Planning

Q42. CBSE 2023 · 1 mark Compro Solutions provides IT services across the nation. During Covid-19, to accommodate changes taking place in the business environment, it suitably modified its organisation structure in a way that work from home became the new way of working for all employees bringing cost benefits and flexibility in the organisation. The point of importance of organising discussed above is:

- (a) Benefits of specialisation (b) Adaptation to change
(c) Development of personnel
(d) Clarity in working relationships

Q43. CBSE 2023 · 1 mark Resident Welfare Association (RWA) of Noida, Sector 15 decided to organise Diwali mela on the eve of Diwali. They listed all the activities to be done, grouped them as per their nature and assigned the activities/duties to different people of their association. After completion of the mela they found that it was not a success. While analysing the reasons the President of RWA found that mere allocation of work was not enough in the organisation. He found that an important step in the organising process was missing. Identify the step from the following:

- (a) Assignment of duties
(b) Establishing authority and reporting relationships
(c) Identification and division of work
(d) Departmentalisation

VERY SHORT ANSWER (6)

Q44. CBSE 2026 · 3 marks (a) State any three features of Co-ordination.

Q45. CBSE 2025 · 2 marks State any two differences between formal and informal organisation.

Q46. CBSE 2025 · 2 marks What is the significance of decentralisation in large organisations?

Q47. CBSE 2025 · 2 marks What is meant by 'span of management'? Give an example.

Q48. CBSE 2025 · 2 marks Differentiate between 'authority' and 'responsibility'.

Q49. CBSE 2025 · 2 marks Define 'delegation'.



SHORT ANSWER (23)

Q50. CBSE 2026 · 4 marks Fresh Foods Pvt. Ltd. manufactures and distributes organic packaged food products. It's operations are divided into five main departments – Production, Marketing, Finance, Human Resources and Research and Development. Each department has its own head and a team that focuses only on the work related to their department. This promotes efficiency in utilization of manpower as employees perform similar tasks within a department and are able to improve performance. This also helps in increasing managerial and operational efficiency and results in increased profit. Since each department handles a narrow range of tasks and focus is on a limited range of skills, it is easier to train new employees. (i) Identify the organization structure followed by Fresh Foods Pvt. Ltd.

Q51. CBSE 2026 · 4 marks Fresh Foods Pvt. Ltd. manufactures and distributes organic packaged food products. It's operations are divided into five main departments – Production, Marketing, Finance, Human Resources and Research and Development. Each department has its own head and a team that focuses only on the work related to their department. This promotes efficiency in utilization of manpower as employees perform similar tasks within a department and are able to improve performance. This also helps in increasing managerial and operational efficiency and results in increased profit. Since each department handles a narrow range of tasks and focus is on a limited range of skills, it is easier to train new employees. (i) Identify the organization structure followed by Fresh Foods Pvt. Ltd. (ii) Also state three advantages of the structure identified in (i) above not discussed in the given case.

Q52. CBSE 2026 · 4 marks Explain the following points of importance of Decentralisation: (i) Quick decision-making (ii) Relief to top management

Q53. CBSE 2026 · 3 marks 'Soal Footwear Ltd.' is known for its high quality athletic shoes and casual sneakers. With increasing competition and changing consumer preferences, it decided to diversify its product range by adding clothing, bags and accessories under the same brand umbrella. This diversification aimed to capture a larger share of the market and increase customer loyalty. (i) Suggest with reason which type of organisational structure will be suitable for 'Soal Footwear Ltd.' (1+2) (ii) State any two advantages of the organisational structure suggested in (i) above.

Q54. CBSE 2026 · 3 marks State any three functions of middle level management.

Q55. CBSE 2026 · 4 marks 'Sheetal Cosmetics Ltd.', is a fast growing beauty and skin care company known for its innovative products and aggressive market expansion. As the company increased its marketing activities like new product launches, accelerated advertising campaigns, social media promotions and influencer collaborations etc., the workload of the marketing department grew sharply. Despite working long hours, the marketing manager Arjun couldn't give adequate attention to strategic planning and high impact decisions as minor operational issues began consuming most of his time. Noticing this, the Chief Executive Officer (CEO) advised Arjun that it was now impractical for him to handle the entire volume of work alone, so he should allow his subordinates to take up routine tasks. This would not only help him manage his time better but also satisfy the subordinate's need for recognition. This will also provide opportunities to the subordinates to develop and exercise initiative. (i) Identify the concept suggested by CEO that will help Arjun to manage volume of work effectively. (ii) State any three points of importance of the concept identified in (i) above.

Q56. CBSE 2026 · 3 marks (a) State any three points of difference between Formal organisation and Informal organisation.

Q57. CBSE 2026 · 4 marks The students of class 11 of 'AL Public School' decided to host a farewell party to students of class 12. A core team was formed that brainstormed and identified various activities that needed to be performed for the same. It was decided that the arrangements for refreshments, sound and music, tentage, gifts, invitations and cultural programme are required to be made. The students then divided the work into manageable activities so that duplication is avoided and burden of work is shared. The students were excited that they were managing the whole event themselves. (i) The students of class 11 have performed one of the steps in the process of organising. Identify the step. (ii) State the next three steps that the students need to perform to complete the process of organising successfully.

Q58. CBSE 2026 · 4 marks (a) Explain the following points of importance of coordination : (i) Growth in size (ii) Specialisation

Q59. CBSE 2025 · 3 marks Explain any three points highlighting the importance of 'organising' as a function of management.

Q60. CBSE 2025 · 3 marks State three features of the organising function of management.

Q61. CBSE 2024 · 4 marks Differentiate between 'Delegation' and 'Decentralisation' on any four bases.

Q62. CBSE 2024 · 4 marks Differentiate between formal organization and informal organization on any four bases.

Q63. CBSE 2024 · 4 marks (a) State any four characteristics of coordination. OR (b) State any four functions of Middle Level Management.

Q64. CBSE 2024 · 4 marks Differentiate between Functional structure and Divisional structure on any four bases.

Q65. CBSE 2024 · 4 marks Explain any four points of importance of 'Organising'.

Q66. CBSE 2024 · 4 marks (b) Explain any four points of importance of decentralisation.



Q67. CBSE 2024 - 4 marks (b) Explain the steps in the process of 'Organising' function of management.

Q68. CBSE 2024 - 3 marks 'Cortico Fabrics' was started by Ashish in 2001 to sell bed sheets, towels, comforters, pillows, cushions, bath mats etc. It is now a famous name and its branches are across India. To manage the work all over India, it has eight teams - two each for North, South, East and West India. Ashish spends a considerable amount of time to develop an orderly pattern of group efforts among different teams and to secure unity of action in pursuit of a common purpose. To ensure suitable allocation of tasks to the various members of the teams and to see that the tasks are performed with harmony among the members, he tries to balance the different teams at different locations. (a) Identify and explain the concept of management discussed in the above para. (b) Also, explain any one point of importance of the concept identified in (a) above.

Q69. CBSE 2024 - 4 marks Inspired by the success of Chandrayaan-3, the Chief Scientist at 'Space Rover' a private research group, decided to send some innovative ideas regarding the mission to the Chief Scientist of Chandrayaan-3. The Chief Scientist at 'Space Rover' formed four groups for the same. As it was an intellectual activity of thinking rather than doing, these four groups started interacting with each other and friendships developed. On the basis of their interaction and friendship, some members from each group formed 'Entertainment Through Reading' group which showed conformity in terms of their interest. 'Entertainment Through Reading' group had no written rules, was unstable in form and scope and had no fixed lines of communication. The members of this group enhanced the morale of each other, enjoyed drinking coffee together, read books, served different issues of their work areas and provided support to each other. Ultimately this group developed some innovative ideas which were sent by 'Space Rover' to the Chief Scientist of Chandrayaan-3. Though this group was formed for recreation but it contributed towards fulfilment of organisational objectives. (a) Identify and explain the type of organization which emerged as 'Entertainment Through Reading'. (b) State any three advantages of the type of organisation identified in (a) above.

Q70. CBSE 2024 - 4 marks Inspired by the success of Chandrayaan-3, the Chief Scientist at 'Space Rover' a private research group, decided to send some innovative ideas regarding the mission to the Chief Scientist of Chandrayaan-3. The Chief Scientist at 'Space Rover' formed four groups for the same. As it was an intellectual activity of thinking rather than doing, these four groups started interacting with each other and friendships developed. On the basis of their interaction and friendship, some members from each group formed 'Entertainment Through Reading' group which showed conformity in terms of their interest. 'Entertainment Through Reading' group had no written rules, was unstable in form and scope and had no fixed lines of communication. The members of this group enhanced the morale of each other, enjoyed drinking coffee together, read books, served different issues of their work areas and provided support to each other. Ultimately this group developed some innovative ideas which were sent by 'Space Rover' to the Chief Scientist of Chandrayaan-3. Though this group was formed for recreation but it contributed towards fulfillment of organisational objectives. (a) Identify and explain the type of organization which emerged as 'Entertainment Through Reading'. (b) State any three advantages of the type of organisation identified in (a) above.

Q71. CBSE 2023 - 3 marks Specialisation involves grouping of related tasks together for performing specific duties. By adopting a specific process, this process benefits the organisation in many ways. State any three benefits of this process to the organisation.

Q72. CBSE 2022 - 2 marks State any two other functions of the same category.

LONG ANSWER (21)

Q73. CBSE 2026 - 6 marks (i) Identify the types of organisation discussed in the above and give their meaning. (ii) State two advantages of each of the types of organisation identified in (i) above, not discussed in the given case. 'Kia Tyres' is a company manufacturing tyres for cars, two-wheelers, trucks and buses. It has a well-defined organisational structure designed by the management to facilitate smooth functioning of the organisation. It specifies the relationships among various job positions and the nature of their inter-relationship. It is easier to fix responsibility, since mutual relationships are clearly defined. There is no ambiguity in the role that each member has to play, as duties are specified. This also helps in avoiding duplication of work. As a result, 'Kia Tyres' is able to effectively accomplish its goals. However, during lunch breaks and after office hours, employees from different departments of 'Kia Tyres' meet regularly. This helps to fulfil the social needs of employees and allows them to interact with like-minded people. This enhances their job satisfaction by giving them a sense of belongingness in the organisation.



Q74. CBSE 2026 - 6 marks 'Kia Tyres' is a company manufacturing tyres for cars, two-wheelers, trucks and buses. It has a well-defined organisational structure designed by the management to facilitate smooth functioning of the organisation. It specifies the relationships among various job positions and the nature of their inter-relationship. It is easier to fix responsibility, since mutual relationships are clearly defined. There is no ambiguity in the role that each member has to play, as duties are specified. This also helps in avoiding duplication of work. As a result, 'Kia Tyres' is able to effectively accomplish its goals. However, during lunch breaks and after office hours, employees from different departments of 'Kia Tyres' meet regularly. This helps to fulfil the social needs of employees and allows them to interact with like-minded people. This enhances their job satisfaction by giving them a sense of belongingness in the organisation. (i) Identify the types of organisation discussed in the above and give their meaning. (ii) State two advantages of each of the types of organisation identified in (i) above, not discussed in the given case.

Q75. CBSE 2026 - 6 marks 'Global Tech Ltd.' was a multinational company that manufactured modern electronics devices and employed nearly 10,000 people from across the world. The company had a well-defined organisational structure with separate departments for finance, marketing and production. Every department had its own objectives, policies and style of working. As each department performed its activities in isolation from others, conflicts arose within the organisation. Further, due to complex technology involved in producing modern electronic devices, 'Global Tech Ltd.' relied heavily on specialists. The specialists were confident of their professional knowledge and often did not consider suggestions from others in matters pertaining to their area of specialisation. This resulted in conflict among different specialists and others in the organisation. As the company continued to grow, more employees from different backgrounds and work habits joined the organisation. The increasing size of workforce, along with departmental differences and dependence on specialists, made it difficult to ensure that everyone worked towards the same organisational goals. Therefore it became necessary for the management to harmonise individual goals with organisational goals and integrate the efforts of departments and specialists to achieve common objectives. (i) Identify and state the concept which would help 'Global Tech Ltd.' in bringing together the efforts of employees and specialists to achieve common goals of the organisation. (ii) Quoting lines from the given case, state any three points of importance of the concept identified in (i) above.

Q76. CBSE 2026 - 6 marks (b) Explain the following points of importance of organising: (i) Adaptation to change (ii) Effective administration (iii) Expansion and growth

Q77. CBSE 2026 - 6 marks (b) Explain the following points of importance of delegation: (i) Facilitation of growth (ii) Basis of management hierarchy (iii) Better coordination

Q78. CBSE 2026 - 6 marks (a) Explain the following points of importance of delegation: (i) Employee development (ii) Motivation of employees (iii) Effective management

Q79. CBSE 2026 - 6 marks (b) Explain the following points of importance of decentralisation : (i) Quick decision making (ii) Develops initiative among subordinates (iii) Relief to top management

Q80. CBSE 2024 - 6 marks (a) Distinguish between Formal Organization and Informal Organization on any six bases.

Q81. CBSE 2024 - 6 marks Distinguish between Functional Structure and Divisional Structure on any six bases.

Q82. CBSE 2024 - 6 marks (i) Identify and explain the type of organisation whose existence the Chief Executive Officer felt was necessary. (ii) State any two advantages and two disadvantages of the type of organization identified in (i) above. 'Rewton Ltd.' was a reputed computer software company providing unique software all over India. The turnover of the company was very high resulting in good profits. The Chief Executive Officer, Vihaan, was very strict and disciplined. He specified the boundaries of authority and responsibility for achieving organizational goals. There was systematic coordination among the various activities and specific relationships among various job positions. The company provided facilities like a canteen, a gym, a library, a music room, and a rest area for its employees, which they could use during rest intervals. Using these facilities, the employees developed friendships and discussed not only their personal, social and emotional issues, but also the official ones. The General Manager was of a different view. He told the Chief Executive Officer that there was no use providing these facilities to the employees as it is an extra financial burden on the organization on one hand and on the other hand, it encourages groupism and whenever any change is required in the organization, they all resist. He suggested that they should do away with these facilities. But the Chief Executive Officer, Vihaan, explained to the General Manager that this type of social interaction is necessary, and is in the best interest of the organization. These interactions among people at work give rise to a network of social relationships among employees and have many benefits.



Q83. CBSE 2024 - 6 marks 'Rewton Ltd.' was a reputed computer software company providing unique software all over India. The turnover of the company was very high resulting in good profits. The Chief Executive Officer, Vihaan, was very strict and disciplined. He specified the boundaries of authority and responsibility for achieving organizational goals. There was systematic coordination among the various activities and specific relationships among various job positions. The company provided facilities like a canteen, a gym, a library, a music room, and a rest area for its employees, which they could use during rest intervals. Using these facilities, the employees developed friendships and discussed not only their personal, social and emotional issues, but also the official ones. The General Manager was of a different view. He told the Chief Executive Officer that there was no use providing these facilities to the employees as it is an extra financial burden on the organization on one hand and on the other hand, it encourages groupism and whenever any change is required in the organization, they all resist. He suggested that they should do away with these facilities. But the Chief Executive Officer, Vihaan, explained to the General Manager that this type of social interaction is necessary, and is in the best interest of the organization. These interactions among people at work give rise to a network of social relationships among employees and have many benefits. (i) Identify and explain the type of organisation whose existence the Chief Executive Officer felt was necessary. (ii) State any two advantages and two disadvantages of the type of organization identified in (i) above.

Q84. CBSE 2024 - 6 marks Preeti started her own cooking channel on Youtube 'Mood Art'. As her subscribers increased, she was not in a position to manage everything on her own. She hired Rahul and Riya to help her with filming, editing, lighting and content research. She granted authority to them to operate within prescribed limits. She was thus, able to use her time on high priority activities like developing new recipes and content development etc. As a result, Rahul and Riya were given opportunities to develop and exercise initiative. Preeti was now able to focus on objectives and meet the target of achieving a subscriber base of one million in six months. (a) Identify the concept of management used by Preeti to focus on objectives of her business and meet her targets. (b) Explain any five point of importance of the concept identified in (a) above.

Q85. CBSE 2024 - 6 marks The G20 Summit was organised in India. The government left no stone unturned to make G20 summit a success. At the higher level, the work to be performed was identified and grouped to enable people to work most effectively together for accomplishing objectives. This involved building infrastructure, beautification of the city, hospitality, security arrangements etc. Duties were assigned to different job positions which led to establishment of clear relationships. This helped in creating a hierarchical structure and in co-ordination amongst all working for the summit. (a) Identify and explain the function of management discussed in the above para. (b) Explain any four points of importance of the function identified in (a) above.

Q86. CBSE 2023 - 6 marks Sweets and More is one of the most popular brands in India for sweets and snacks. It offers a wide range of sweets, namkeens, cookies and frozen foods. Its organisational structure comprises of separate business units in each of the above categories. Each of these units has a manager responsible for performance, having authority over the unit. Moreover, each of these units is multi-functional as within each unit, different functions like production, marketing, finance, etc. are performed. Though this kind of organisational structure leads to increased cost because of duplication of activities across products, but it provides a proper basis for performance measurement as revenues and costs related to each of these business units can be easily identified. (a) Identify the organisational structure used by Sweets and More. (b) State three advantages and two disadvantages of the organisational structure identified in (a) above which are not discussed in the above case.

Q87. CBSE 2023 - 6 marks Sweets And More is one of the most popular brands for snacks and sweets in India. It offers a wide range of sweets, namkeens, cookies and frozen foods. Its organisational structure comprises of separate business units in each of the above categories. Each of these units have a manager responsible for performance, having authority over the unit. Moreover, each of these units is multi-functional as within each unit, different functions like production, marketing, finance, etc. are performed. Though this kind of organisational structure leads to increased cost because of duplication of activities across products, but it provides a proper basis for performance measurement as revenues and costs related to each of these business units can be easily identified. (a) Identify the organisational structure of Sweets And More. (b) State three advantages and two disadvantages of the organisational structure identified in (a) above which are not discussed in the above case.

Q88. CBSE 2023 - 6 marks (a) What is Formal Organisation? State any four advantages of Formal Organisation.

Q89. CBSE 2023 - 6 marks (a) What is Informal Organisation? State any two advantages and two disadvantages of Informal Organisation. OR (b) Explain the functional structure of an organisation. State any four advantages of this structure.

Q90. CBSE 2023 - 6 marks What is Decentralisation? State any four points that highlight the importance of Decentralisation.

Q91. CBSE 2023 - 6 marks (a) Explain the following points regarding the importance of the Organising function of management: (i) Benefits of specialisation (ii) Clarity in working relationships (iii) Adaptation to change OR (b) Explain the following points regarding the importance of Staffing: (i) Effective management (ii) Employee development (iii) Better coordination

Q92. CBSE 2023 - 6 marks (a) Explain the following points of importance of the organising function of management: (i) Optimum Utilisation of Resources (ii) Effective Administration (iii) Development of Personnel OR (b) Explain the following points of importance of directing: (i) Motivation of Employees (ii) Facilitation of Growth (iii) Basis of Management Hierarchy



Q93. CBSE 2023 · 6 marks (a) Explain the following points of importance of Organising function of management: (i) Benefits of specialisation (ii) Clarity in working relationships (iii) Adaptation to change

CASE-BASED (2)

CASE STUDY · CBSE 2023

Sweets and More is amongst the most popular brand for snacks and sweets in India. It offers a wide range of sweets, namkeens, cookies and frozen foods. Its organisational structure comprises of separate business units in each of the above categories. Each of these units have a manager responsible for performance, having authority over the unit. Moreover, each of these units is multi-functional as within each unit, different functions like production, marketing, finance, etc. are performed. Though this kind of organisational structure leads to increased cost because of duplication of activities across products, but it provides a proper basis for performance measurement as revenues and costs related to each of these business units can be easily identified.

Q94. CBSE 2023 · 6 marks Sweets and More is amongst the most popular brand for snacks and sweets in India. It offers a wide range of sweets, namkeens, cookies and frozen foods. Its organisational structure comprises of separate business units in each of the above categories. Each of these units have a manager responsible for performance, having authority over the unit. Moreover, each of these units is multi-functional as within each unit, different functions like production, marketing, finance, etc. are performed. Though this kind of organisational structure leads to increased cost because of duplication of activities across products, but it provides a proper basis for performance measurement as revenues and costs related to each of these business units can be easily identified. (a) Identify the organisational structure of Sweets and More.

CASE STUDY · CBSE 2022

After the outbreak of pandemic COVID-19, Yash Publishing Limited is planning to go digital as the teachers and students are now more interested in E-content. After due consultation with the top management, the company decided to publish E-books. For the same, they hired a recruitment agency to tap the right talent for the job. The company also approached a well-established university in the city of Indore to recruit qualified personnel for various managerial positions. For the post of E-content writer the company is using shine.com and monster.com.

Q95. CBSE 2022 · 5 marks Identify and explain the function of management highlighted above.

6 Staffing

Notes & MCQs →

MULTIPLE CHOICE AND ASSERTION-REASON (22)

Q1. CBSE 2026 · 1 mark Statement-I: Workforce analysis enables an assessment of the number and types of human resources necessary for the performance of various jobs and accomplishment of organizational objectives. Statement-II: Workload analysis reveals the number and type of human resources available. Choose the correct option from the following:

- (a) Statement-I is true and Statement-II is false.
- (b) Statement-I is false and Statement-II is true.
- (c) Both Statement-I and Statement-II are true.
- (d) Both Statement-I and Statement-II are false.

Q2. CBSE 2026 · 1 mark Which of the following statements are correct with respect to the benefits the organisation would get by imparting training to its employees? (i) Training equips the future manager who can take over in case of an emergency. (ii) Training makes an employee more efficient to handle machines and thus, they are less prone to accidents. (iii) Training increases the satisfaction and morale of the employees. (iv) Training enhances employee productivity, both in terms of quantity and quality, leading to higher profits.

- (a) (i), (ii), (iii) and (iv) (b) (ii) and (iii) (c) (i) and (iv)
- (d) (i) and (ii)

Q3. CBSE 2026 · 1 mark Which of the following is not a limitation of internal sources of recruitment?

- (a) It reduces the scope of induction of fresh talent in the organization.
- (b) The employees may become lethargic if they are sure of time-bound promotions.
- (c) It may lead to dissatisfaction and frustration among existing employees as they may feel that their chances of promotion are reduced.
- (d) The spirit of competition among the employees may be hampered.

Q4. CBSE 2026 · 1 mark Read the following statements: Assertion (A) and Reason (R). Assertion (A): Workload analysis and workforce analysis are important to understand the manpower requirements. Reason (R): It helps the organization to know whether it is overstaffed, understaffed or optimally staffed. Choose the correct alternative from the following:

- (a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
- (b) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
- (c) Assertion (A) is true, but Reason (R) is false.
- (d) Assertion (A) is false, but Reason (R) is true.



Q5. CBSE 2026 · 1 mark Match the incentives given in Column I with their meanings given in Column II. Column I: 1. Job Security 2. Job Enrichment 3. Career Advancement Opportunity 4. Employee Participation; Column II: (i) Involving employees in decision-making of the issues related to them (ii) Providing opportunities to employees to improve their skills and be promoted to higher level jobs (iii) Stability about future income and work (iv) Designing jobs that include greater variety of work content and higher levels of knowledge and skill. Choose the correct option from the following:

- (a) 1-(iii), 2-(iv), 3-(ii), 4-(i) (b) 1-(iii), 2-(i), 3-(ii), 4-(iv)
(c) 1-(iv), 2-(iii), 3-(ii), 4-(i) (d) 1-(i), 2-(ii), 3-(iii), 4-(iv)

Q6. CBSE 2026 · 1 mark A software company wants to expand its business. For this, it requires a large number of fresh graduates with innovative ideas in the field of Artificial Intelligence and Data Analytics. The existing staff members do not possess these specialized skills, so a notice was put up at the reception of the office asking the present employees to introduce any friend or relative who could possibly be possessing the required skills for the jobs. The source of recruitment that has been used by the software company is:

- (a) Direct Recruitment (b) Recommendation of employees
(c) Transfer (d) Promotion

Q7. CBSE 2026 · 1 mark The step of the staffing process in which an employee's current and/or past performance is evaluated against certain pre-determined standards is:

- (a) Placement and orientation (b) Performance appraisal
(c) Promotion and career planning (d) Recruitment

Q8. CBSE 2026 · 1 mark A leading newspaper company noticed that many of its talented editors were resigning despite being paid competitive salaries. On conducting an internal survey, it was revealed that employees were dissatisfied as they were not being offered benefits over and above the salary, like the employees of other competitive firms. Realising that such additional benefits play an important role in motivating employees, the management decided to provide car allowance, housing facilities, medical benefits, etc. to retain employees in the organisation and improve their satisfaction. Identify the incentive that the newspaper company decided to provide to their employees:

- (a) Bonus (b) Retirement benefits (c) Perquisites
(d) Profit sharing

Q9. CBSE 2025 · 1 mark Which of the following is a non-financial incentive?

- (a) Bonus (b) Job Security (c) Profit Sharing
(d) Commission

Q10. CBSE 2025 · 1 mark Off-the-Job training method among the following is:

- (a) Job Rotation (b) Apprenticeship (c) Vestibule Training
(d) Coaching

Q11. CBSE 2025 · 1 mark Which source of recruitment provides benefits such as increased employee morale and cost savings?

- (a) External sources (b) Internal sources (c) Job portals
(d) Consultancies

Q12. CBSE 2024 · 1 mark It is a career oriented process designed to help the employees in the progress towards maturity and actualization of their potential capabilities. Identify the process:

- (a) Staffing (b) Selection (c) Development (d) Training

Q13. CBSE 2024 · 1 mark Match the terms given in Column I with their meanings in Column II: 1. Placement (i) Introducing the selected employee to other employees and familiarising him with the rules and policies of the organisation; 2. Recruitment (ii) It refers to the employee occupying the position or post for which he/she has been selected; 3. Orientation (iii) Evaluating an employee's current and/or past performance as against certain predetermined standards; 4. Performance Appraisal (iv) The process of searching for prospective employees and stimulating them to apply for jobs in the organization. Choose the correct option from the following:

- (a) 1-(i), 2-(ii), 3-(iii), 4-(iv) (b) 1-(ii), 2-(iii), 3-(i), 4-(iv)
(c) 1-(ii), 2-(iv), 3-(i), 4-(iii) (d) 1-(ii), 2-(i), 3-(iv), 4-(iii)

Q14. CBSE 2024 · 1 mark _____ is the process of searching for prospective employees and stimulating them to apply for jobs in the organization.

- (a) Training (b) Selection (c) Development
(d) Recruitment

Q15. CBSE 2024 · 1 mark The selection tests which are used to measure individuals potential for learning new skills are called:

- (a) Aptitude Tests (b) Intelligence Tests
(c) Personality Tests (d) Interest Tests

Q16. CBSE 2024 · 1 mark _____ is concerned with designing jobs that include greater variety of work content, require higher level of knowledge and skill, and give workers more autonomy and providing them opportunity for personal growth and a meaningful work experience.

- (a) Job security (b) Perquisites
(c) Employee recognition programme (d) Job enrichment

Q17. CBSE 2024 · 1 mark 'Child-O' is a garment manufacturing company which makes clothes with unique and stylish designs for children. Naisha was working as the Human Resource Manager with 'Child-O'. Inspite of good pay and many other benefits offered, the company is facing problem of high turnover of its employees. Naisha tried to find out the reason but could not. She appointed a person with the permission of the Chief Executive Officer to find out the reason. It was found that other organisations were giving more autonomy and authority to their employees which made them feel that their jobs were important. This was attracting the employees of 'Child-O' to other organisations. The incentive which attracted the employees of 'Child-O' to other organisations is:

- (a) Employee Recognition programmes
(b) Employee Participation
(c) Career Advancement Opportunity
(d) Employee Empowerment



Q18. CBSE 2024 · 1 mark Many reputed business organisations keep a database of unsolicited applicants in their offices. Such job seekers can be a valuable source of manpower. A list of such job seekers can be prepared and can be screened to fill the vacancies as they arise. The source of recruitment discussed above is:

- (a) Direct recruitment (b) Casual callers
(c) Labour contractors (d) Campus recruitment

Q19. CBSE 2023 · 1 mark The next step after medical examination in the selection process is:

- (a) Medical examination (b) Selection decision
(c) Employment interview (d) Contract of employment

Q20. CBSE 2023 · 1 mark The method of training in which actual work environment is created in a classroom and employees use the same materials, files and equipment that are required to be used by them in their day-to-day working is:

- (a) Vestibule Training (b) Internship Training
(c) Induction Training (d) Apprenticeship Training

Q21. CBSE 2023 · 1 mark The next step after selection decision in the recruitment process is:

- (a) Medical examination (b) Selection decision
(c) Employment interview (d) Contract of employment

Q22. CBSE 2023 · 1 mark The next step in the selection process after submitting an application form is:

- (a) Medical examination (b) Selection decision
(c) Employment interview (d) Contract of employment

VERY SHORT ANSWER (16)

Q23. CBSE 2026 · 3 marks (a) Explain 'Transfers' and 'Promotions' as internal sources of recruitment.

Q24. CBSE 2026 · 4 marks (a) State any four merits of external sources of recruitment.

Q25. CBSE 2025 · 2 marks Name any two external sources of recruitment.

Q26. CBSE 2025 · 2 marks State two points of distinction between training and development.

Q27. CBSE 2025 · 2 marks Explain the concept of 'Unstructured Interview'.

Q28. CBSE 2025 · 2 marks State any two external sources of recruitment.

Q29. CBSE 2023 · 3 marks The attitudes, skills and abilities of employees to perform specific jobs are increased by adopting a specific process. This process improves the efficiency and effectiveness of employees. This process benefits the organisation in many ways. State any three benefits of this process to the organisation.

Q30. CBSE 2023 · 3 marks By adopting a specific process, the number of skilled workers in the organisation are increased by continuous training and development. This process benefits the organisation in many ways. State any three benefits of this process to the organisation.

Q31. CBSE 2023 · 3 marks Human resources are the most important asset of an organisation. The ability of an organisation to achieve its goal depends upon the quality of its human resources. The General Manager of a company appointed an IIM graduate, Pawan Rai, specialised in finance as Marketing Manager. On monthly evaluation, it was found that Pawan Rai's performance was not in line with expectations and he was not able to achieve the monthly targets of the organisation. The CEO discussed this matter with the General Manager and explained to him the importance of putting the right person at the right job. He further explained that it would not only lead to higher performance but would also provide many other benefits. Besides the benefits of putting the right man at the right job, state the three other benefits which the CEO might have explained to the General Manager that are not given in the above para.

Q32. CBSE 2023 · 3 marks Human resources are the most important asset of an organisation. The ability of an organisation to achieve its goal depends upon the quality of its human resources. The General Manager of Elaida and Sons appointed an IIM graduate, Pawan Rai, specialised in finance as Marketing Manager. On monthly evaluation, it was found that Pawan Rai could not achieve the monthly targets of the organisation. The Chief Executive Officer (CEO) of the company asked for investigation into the matter. The CEO was told that Pawan Rai has a specialisation in finance but was appointed as a Marketing Manager. The CEO discussed this matter with the General Manager and explained to him the importance of putting the right person at the right job. He further explained that it would not only lead to higher performance but would also provide many other benefits. Besides the benefits of putting the right man at the right job, state the three other benefits which the CEO might have explained to the General Manager that are not given in the above para.

Q33. CBSE 2022 · 2 marks Staffing ensures optimum utilisation of human resources. Justify this statement by giving any two points.

Q34. CBSE 2022 · 2 marks Hierarchical method still being used as a good source of filling the vacancies internally. State any two reasons for the same.

Q35. CBSE 2022 · 2 marks Promotion from within is still being used as a good source of filling the vacancies internally. State any two reasons for the same.

Q36. CBSE 2022 · 2 marks Regularisation of human resources ensures the best use of human resources. Clarify this statement by giving any two points.

Q37. CBSE 2022 · 2 marks Identify and state the step of selection process which helps the Human Resource Manager in eliminating unqualified job seekers on the basis of information supplied in the application form. Also, list the next two steps involved in the process of selection.

Q38. CBSE 2022 · 2 marks Staffing is considered as a very important managerial function in all types of organisations. In the light of the above statement, state any two benefits of staffing.



SHORT ANSWER (40)

Q39. CBSE 2026 · 3 marks Identify and explain the external source of recruitment discussed in each of the following cases: (i) Veer Infrastructure Pvt. Ltd. was handling the construction of a government hospital building in Unedabad. During the monsoon season, the project was delayed and there was a sudden rush of work to meet the deadline. The site supervisor placed a notice at the entrance of the construction site stating "Daily wage labourers needed for 15 days. Report with Identity Proof on Monday at 9:00 A.M. Preference for workers with experience in masonry or carrying materials".

Q40. CBSE 2026 · 4 marks (a) State any four limitations of internal sources of recruitment.

Q41. CBSE 2026 · 3 marks Identify and explain the external source of recruitment discussed in each of the following cases: (i) Veer Infrastructure Pvt. Ltd. was handling the construction of a government hospital building in Unedabad. During the monsoon season, the project was delayed and there was a sudden rush of work to meet the deadline. The site supervisor placed a notice at the entrance of the construction site stating 'Daily wage labourers needed for 15 days. Report with Identity Proof on Monday at 9:00 A.M. Preference for workers with experience in masonry or carrying materials'. (ii) Vista Bank planned to expand its retail banking operations in Tier-2 and Tier-3 cities. They needed to hire over 200 middle-level managers with experience in sales, customer service and operations. Vista Bank approached 'Avon Consultants', one of India's leading management consultancy firms. 'Avon Consultants' advertised positions on job portals under their own name and also accessed its database of experienced professionals across India. After extensive screening, they shortlisted and forwarded qualified candidates to Vista Bank.

Q42. CBSE 2026 · 4 marks State any four merits of internal sources of recruitment.

Q43. CBSE 2026 · 4 marks 'Sheetal Cosmetics Ltd.', is a fast growing beauty and skin care company known for its innovative products and aggressive market expansion. As the company increased its marketing activities like new product launches, accelerated advertising campaigns, social media promotions and influencer collaborations etc., the workload of the marketing department grew sharply. Despite working long hours, the marketing manager Arjun couldn't give adequate attention to strategic planning and high impact decisions as minor operational issues began consuming most of his time. Noticing this, the Chief Executive Officer (CEO) advised Arjun that it was now impractical for him to handle the entire volume of work alone, so he should allow his subordinates to take up routine tasks. This would not only help him manage his time better but also satisfy the subordinate's need for recognition. This will also provide opportunities to the subordinates to develop and exercise initiative. (i) Identify the concept suggested by CEO that will help Arjun to manage volume of work effectively. (ii) State any three points of importance of the concept identified in (i) above.

Q44. CBSE 2026 · 4 marks State any four merits of internal source of recruitment.

Q45. CBSE 2026 · 4 marks 'Staple Foods Ltd.', a packaged food company is planning to expand its operations. To meet growing manpower needs, it adopts different external sources of recruitment for different levels of employees by balancing cost, time and quality in talent acquisition across organisational levels. For positions requiring high trust and confidentiality, the company prefers applicants introduced by existing senior employees. For specialised technical and professional roles like Marketing Head, Operations Manager, etc., it contacts private agencies and professional bodies. These agencies are able to access a wider talent pool as they compile bio-data of a large number of candidates and recommend suitable names to their clients. For casual vacancies of unskilled or semi-skilled jobs, they post job vacancies on the company's notice board to attract local candidates. Job seekers assemble outside the premises of the organisation on the specified date and selection is done on the spot. 'Staple Foods Ltd.' also maintains a record of unsolicited job applications and contacts suitable candidates from this pool whenever vacancies arise. State the external sources of recruitment used by 'Staple Foods Ltd.' for recruitment of people at various organisational levels.

Q46. CBSE 2024 · 3 marks A renowned car company named 'BB Motors' was known for producing high performance cars. They were committed to ensure that its employees had the skills and knowledge to build these innovative high-performance cars. To achieve this, they implemented a unique approach for training. The company transformed a section of its factory into what they called the 'Learning Floor'. Actual work environment was created by allotting a specialized space. The space was equipped with a range of car components, tools and sophisticated car equipment identical to those used on the factory floor, where the company's employees would undergo their training. Identify and explain the method of training used by 'BB Motors' to ensure that its employees had the skills and knowledge to build innovative high-performance cars.



Q47. CBSE 2024 · 4 marks 'Verfab' was a garment manufacturing company known for its high quality fashionable clothing. They had been in the fashionable clothing business for the last 23 years. The company was earning enough profit and the demand for their fashionable clothing was rising tremendously. The company was expanding and needed to hire new talent to meet the growing demand. They followed a comprehensive process to ensure that they brought in the best candidates. The process began with a first-round evaluation of applications. The Human Resources team carefully reviewed each candidate's qualifications, experience and suitability for the available positions. It eliminated unqualified or unfit job seekers based on the information supplied in the application forms and shortlisted 21 candidates who met the basic requirements. The shortlisted candidates were then asked to take a series of tests that attempted to measure certain characteristics of individuals, ranging from manual dexterity to intelligence to personality. These tests included assessments of their sewing skills, attention to detail, and knowledge of garment manufacturing processes. 15 candidates who performed well in the tests were invited for a formal in-depth conversation with the senior staff from the design team. Thereafter, 10 candidates were found suitable for the job position available. Since these 10 candidates had cleared all the above steps, 'Verfab' conducted verification by contacting their previous employers to confirm the details the candidates had provided. Thereafter, a decision was made to choose 8 candidates who were best fitted for the roles. Explain the steps of the comprehensive process discussed above till the verification stage, to ensure that the company brought in the best candidates to meet the growing demand for fashionable clothing.

Q48. CBSE 2024 · 4 marks (a) Explain Vestibule Training and Apprenticeship Program as methods of training.

Q49. CBSE 2024 · 4 marks Explain any four advantages of external sources of recruitment.

Q50. CBSE 2024 · 4 marks Explain Promotions and Transfer as internal sources of recruitment.

Q51. CBSE 2024 · 3 marks (i) Identify and explain the method of training discussed above. (ii) State any two advantages the pilots would get from this training. Neeraj Ltd. started an airline to provide good quality air services. For the same, he purchased ten aircrafts. Out of these, two aircrafts would be used to train the pilots. It will help them to achieve proficiency in handling the aircrafts before they would actually fly them.

Q52. CBSE 2024 · 4 marks Identify and explain those steps. Vibhas recently joined as a Human Resource Manager of 'Bajanta Enterprises'. The company had embarked on a special project for which Vibhas had appointed twenty new employees. After the employees underwent on-the-job training for a month and had been on the job for some time, there was a need to evaluate their performance against certain pre-determined standards. Not only this, 'Bajanta Enterprises' had to address the career related issues and promotional avenues for their employees. Vibhas was designing activities to serve their employees' long-term interests. By doing this, 'Bajanta Enterprises' had completed the two important steps of staffing process.

Q53. CBSE 2024 · 3 marks Neeraj Ltd. started an airline to provide good quality air services. For the same, he purchased ten aircrafts. Out of these, two aircrafts would be used to train the pilots. It will help them to achieve proficiency in handling the aircrafts before they would actually fly them. (i) Identify and explain the method of training discussed above. (ii) State any two advantages the pilots would get from this training.

Q54. CBSE 2024 · 4 marks Vibhas recently joined as a Human Resource Manager of 'Bajanta Enterprises'. The company had embarked on a special project for which Vibhas had appointed twenty new employees. After the employees underwent on-the-job training for a month and had been on the job for some time, there was a need to evaluate their performance against certain pre-determined standards. Not only this, 'Bajanta Enterprises' had to address the career related issues and promotional avenues for their employees. Vibhas was designing activities to serve their employees' long-term interests. By doing this, 'Bajanta Enterprises' had completed the two important steps of staffing process. Identify and explain those steps.

Q55. CBSE 2024 · 3 marks The rapid changes having taken place in the society have created pressure on organisations to readapt its products, type of jobs required and type of skills necessary to complete these jobs. To keep up pace with the rapid changes in the business environment, 'Suzon cars', a company manufacturing automobiles for the last thirty years decided to start manufacturing electric cars with Artificial Intelligence technology. With the introduction of Artificial Intelligence, the company had to improve the knowledge and skills of its employees. They wanted that all their employees improve their performance on the current job and are prepared for any intended job in future. This way they would not only be able to increase their knowledge and skills but would also improve their performance. By doing this, the organisation too would get various benefits. (a) Identify the concept discussed above which would help the employees to do the job in a better way using Artificial Intelligence Technology. (b) State any five benefits of the concept identified in (a) above to the organisation.

Q56. CBSE 2024 · 4 marks (a) Explain the following steps of the selection process: (i) Selection Tests (ii) Employment Interview

Q57. CBSE 2024 · 4 marks 'Shanta Enterprises' was in the business of manufacturing solar panels for the last fifteen years. With their expertise now they were able to manufacture good quality solar panels at lower cost. As a result 'Shanta Enterprises' was flooded with orders and was able to generate a good profit margin. To motivate the employees the company decided to compensate some of them for their hard work. Arvind and Yogesh, who were working on contract basis, were absorbed permanently in the company. Both were happy as now there was stability about their future income. Ekta, a regular employee of the company, working as Research and Development Head, was awarded the 'Best Employee of the year Award'. (a) Identify and explain the incentives given by Shanta Enterprises to its employees. (b) State the needs of the employees being met by such incentives as per Maslow's Need Hierarchy Theory.

Q58. CBSE 2024 · 3 marks State any three points of importance of staffing function of management.



Q59. CBSE 2024 · 3 marks 'Caro', a car manufacturing company was manufacturing high cost, good quality luxury cars. For the last few years, the company was not earning good profits as the demand for the cars was very low. Chief Executive Officer of the company, Piyush had a meeting with the Production and Sales Managers to discuss how to increase the revenue of the company. They found that nowadays instead of purchasing luxury cars people prefer to have such cars on rental basis. So they decided to start 'Car rental service'. The Production Manager also suggested that as these cars were sophisticated and each spare part was very costly it would be better to provide these cars for rental service along with trained drivers so that there would be less wear and tear. Piyush agreed and a training unit was started. Two of the available cars were used for training the drivers. People were very happy as they were getting these cars on rental basis with trained drivers. The idea was a big hit and the company was able to surpass its profit targets of the last 20 years. (a) Identify and explain the method of training given by 'Caro' to its drivers. (b) Also, state any two advantages the drivers will get after this training.

Q60. CBSE 2023 · 4 marks Geeta Limited offered its shares at a price lower than the market price. (a) Identify the incentive offered by the company and state the type of incentive discussed above. (b) State two other incentives of the type of incentive identified in (a) above.

Q61. CBSE 2023 · 4 marks Identify and give the meaning of the concepts highlighted in the following statements: (a) The process of finding possible candidates for a job. (b) An assessment of the number and types of human resources necessary for the performance of various jobs. (c) Introducing the selected employees to other employees and familiarising them with the rules and policies of the organisation. (d) It ensures that the organisation gets the best employees amongst the employees available.

Q62. CBSE 2023 · 3 marks (b) Explain any three advantages of filling vacancies from within the organisation.

Q63. CBSE 2023 · 4 marks Geeto Limited has offered its employees shares at a price lower than the market price. (a) Identify the incentive offered by the company and state the type of incentive discussed above. (b) State two other incentives of the type of incentive identified in (a) above.

Q64. CBSE 2023 · 3 marks (a) Explain the following methods of training: (i) Vestibule training (ii) Internship training

Q65. CBSE 2023 · 4 marks Zito Ltd. offered its employees shares at a price which is less than the market price. (a) Identify the incentive offered by the company and state the type of incentive discussed above. (b) State two other incentives of the type of incentive identified in (a) above.

Q66. CBSE 2023 · 4 marks (a) Identify and explain the following: (i) It is a job-oriented process which attempts to improve the performance of employees on the current job and prepares them for any intended job. (ii) It is a career-oriented process which enables the overall growth of the employee.

Q67. CBSE 2023 · 3 marks Human resources are the most important asset of an organisation. The ability of an organisation to achieve its goal depends upon the quality of its human resources. The General Manager of Elaide Ltd. appointed an IIM graduate, Pawan Rai, specialised in finance as Marketing Manager. On monthly evaluation, it was found that Pawan was not performing according to expectations and he was not able to meet the monthly targets of the organisation. The Chief Executive Officer (CEO) of the company asked for investigation into the matter. The CEO was told that Pawan Rai has a specialisation in finance but was appointed as a Marketing Manager. The CEO discussed this matter with the General Manager and explained to him the importance of putting the right person at the right job. He further explained that it would not only lead to higher performance but would also provide many other benefits. Besides the benefits of putting the right man at the right job, state the three other benefits which the CEO might have explained to the General Manager that are not given in the above para.

Q68. CBSE 2023 · 4 marks (a) Explain two sources of recruitment for various job positions which are more reliable as the candidates are already known to the organisation and they do not need induction training. OR (b) Identify the process and any three of its benefits to the organisation.

Q69. CBSE 2023 · 4 marks Identify and explain the following: (i) It is a process which ensures that the organisation attracts potential employees with the necessary characteristics or qualifications, in adequate numbers for the jobs available. (ii) It is a process which ensures that the organisation gets the best among the available candidates and enhances the self-esteem and prestige of those selected and conveys to them the seriousness with which things are done in the organisation.

Q70. CBSE 2023 · 4 marks (a) (i) Identify the process of choosing the best person from among the pool of the prospective candidates. State the first step in the process identified. (ii) In all cases, including highly specialised jobs, where the choice is very narrow, the process identified in (i) above serves two important purposes. State these purposes. OR (b) Identify and explain the following: (i) The job-oriented process that increases knowledge and skills and enables the employee to do the job better. (ii) The career-oriented process of learning and growth that enables the overall growth of the employee.

Q71. CBSE 2023 · 4 marks (a) Identify and explain the following as steps in the process of Performance Appraisal: (i) Assessing the performance and/or past performance against certain predetermined standards. (ii) Placing an employee in a position of increased responsibility usually with more pay and job satisfaction. OR (b) Identify and explain the two sources of recruitment which reduce the induction of fresh talent in the organisation and cannot be used to fill all the vacancies.

Q72. CBSE 2023 · 4 marks (a) State any four financial incentives. OR (b) State the four levels of Maslow's Hierarchy of Needs after the basic physiological needs.



Q73. CBSE 2023 · 4 marks (a) Identify and explain the following as steps in the Staffing process: (i) Occupying the position or post for which the person has been selected and familiarising the selected person to other employees and with the rules and policies of the organisation. (ii) To facilitate employee-learning inhouse or by alliance with educational institutions and offering opportunities for career advancement so that they can contribute more to organisational effectiveness and efficiency.

Q74. CBSE 2022 · 2 marks Staffing ensures optimum utilisation of human resources. Justify the statement by giving any two points.

Q75. CBSE 2022 · 2 marks Still being used as a good source of filling the vacancies internally. State any two reasons for the same.

Q76. CBSE 2022 · 3 marks Tanushree is working in a multinational company. Her performance is appreciated by everyone in the company. As an incentive, the company offered her to buy the shares of the company at a price that is less than the market price. (a) Name and give the meaning of the incentive offered to Tanushree. (b) State any two more incentives of the same type.

Q77. CBSE 2022 · 3 marks Name and give the meaning of the process which is career-oriented and designed to help the employees in the progress towards maturity and actualisation of their potential capabilities.

Q78. CBSE 2022 · 3 marks (a) Tanushree is working in a multinational company. Her performance is appreciated by everyone in the company. As an incentive, the company offered her to buy the shares of the company at a price that is less than the market price. Name and give the meaning of the incentive offered to Tanushree.

LONG ANSWER (13)

Q79. CBSE 2026 · 6 marks Explain the following steps in the staffing process: (i) Estimating manpower requirements (ii) Selection (iii) Placement and orientation

Q80. CBSE 2026 · 6 marks (a) Explain the following steps in the staffing process: (i) Performance appraisal (ii) Promotion and career planning (iii) Compensation

Q81. CBSE 2026 · 6 marks (a) Explain the following steps in the process of selection: (i) Preliminary screening (ii) Selection tests (iii) Employment interview

Q82. CBSE 2026 · 6 marks (a) Explain the following steps in the process of staffing: (i) Selection (ii) Promotion and Career Planning (iii) Compensation

Q83. CBSE 2026 · 6 marks (a) Explain the following steps in the process of staffing: (i) Estimating manpower requirements, (ii) Placement and orientation, (iii) Performance appraisal

Q84. CBSE 2026 · 6 marks (a) Explain the following steps in the process of selection: (i) Preliminary Screening (ii) Employment Interview (iii) Job Offer

Q85. CBSE 2026 · 6 marks 'Yummi Foods', a fast-growing snacks chain has been in business for the last 13 years. Realising that there is a growing demand for nutritious food, the company planned to enter the healthy snacks segment. They decided to hire a Marketing Manager with an experience in this segment. For this, they gave an advertisement in a leading newspaper and received more than 200 applications. The Human Resource Manager carefully went through all the application forms and removed the application forms of those applicants who did not meet the basic qualifications. Short introductory interactions were also held to filter out candidates who did not match the job requirements. The shortlisted candidates were then asked to take a test designed to measure their intelligence, personality traits, etc. Candidates who performed well in the test were invited for a formal in-depth conversation to be evaluated on their suitability for the job. A job offer was made to a candidate for the role of a Marketing Manager through an appointment letter mentioning the joining date. But before the job offer was made, 'Yummi Foods' had performed three steps in the process of selection which are not mentioned above. Identify and explain the steps.

Q86. CBSE 2026 · 6 marks (a) Explain any four non-financial incentives.

Q87. CBSE 2024 · 6 marks (a) Give the meaning of 'Training'. Explain the following methods of training: (i) Apprenticeship Training, (ii) Internship Training

Q88. CBSE 2024 · 6 marks (b) Explain any three merits and three demerits of external sources of recruitment.

Q89. CBSE 2024 · 6 marks (a) Explain any three merits and three demerits of internal sources of recruitment. OR (b) Explain any four non-financial incentives which motivate employees for better performance.

Q90. CBSE 2023 · 4 marks Considering the inadequate job opportunities and too many aspirants for jobs, Ellen Private Limited decided to provide its employees security of future income and work so that they do not feel worried on these aspects. As a result now the employees of Ellen Private Limited are working with greater zeal. Identify the incentive discussed in the above lines and state three more incentives of the same type.

Q91. CBSE 2022 · 5 marks Rahul has just completed his B.Tech. and joined a leading company manufacturing inverters. To capture 70% of the market share, the company is planning to enter into the manufacturing of solar inverters. To achieve this target it requires trained workforce. The Human Resource Manager asked Rahul to give any five benefits to the organisation, with reasons, for training the workforce. State the five points of benefits of trained workforce to the organisation that might have been sent by Rahul in his reply to the Human Resource Manager.

CASE-BASED (2)

CASE STUDY · CBSE 2022

After the outbreak of pandemic COVID-19, Yash Publishing Limited is planning to go digital as the teachers and students are now more interested in E-content. After due consultation with the top management, the company decided to publish E-



books. For the same, they hired a recruitment agency to tap the right talent for the job. The company also approached a well-established university in the city of Indore to recruit qualified personnel for various managerial positions. For the post of E-content writer the company is using shine.com and monster.com.

Q92. CBSE 2022 · 5 marks (a) Identify and explain the function of management highlighted above.

Q93. CBSE 2022 · 5 marks Quoting lines from the above, explain the types of external sources of recruitment discussed in the para.

7 Directing

Notes & MCQs →

MULTIPLE CHOICE AND ASSERTION-REASON (38)

Q1. CBSE 2026 · 1 mark Match the non-financial incentives given in Column I with their meaning given in Column II: Column I: a. Employee participation, b. Organisational climate, c. Employee empowerment, d. Status Column II: i. It indicates the characteristics which describe an organization and distinguish one organization from the other. ii. It means ranking of positions in the organisation. iii. It means giving more autonomy and powers to subordinates. iv. It means involving employees in decision making of the issues related to them.

- (a) a-ii, b-iii, c-i, d-iv (b) a-i, b-iv, c-ii, d-iii
(c) a-iv, b-i, c-iii, d-ii (d) a-iii, b-ii, c-iv, d-i

Q2. CBSE 2026 · 1 mark Match the non-financial incentives given in Column I with their meaning given in Column II: Column I: a. Employee participation, b. Organisational climate, c. Employee empowerment, d. Status. Column II: i. It indicates the characteristics which describe an organization and distinguish one organization from the other. ii. It means ranking of positions in the organisation. iii. It means giving more autonomy and powers to subordinates. iv. It means involving employees in decision making of the issues related to them. Choose the correct option from the options given below :

- (a) a-ii, b-iii, c-i, d-iv (b) a-i, b-iv, c-ii, d-iii
(c) a-iv, b-i, c-iii, d-ii (d) a-iii, b-ii, c-iv, d-i

Q3. CBSE 2026 · 1 mark Which of the following is NOT an organisational barrier to communication?

- (a) Status (b) Organisational facilities
(c) Lack of proper incentives (d) Rules and regulations

Q4. CBSE 2026 · 1 mark Due to severe winter and rising pollution levels, 'Green India Electronics' planned to launch a new eco-friendly heater in the market. It conducted a survey and found that the demand of this product was very high. As the winter season lasts only for 2 to 3 months, the Chief Executive Officer wanted that there should be close coordination among all the managers to deliver orders on time. Top level managers were asked to work in coordination with their subordinates to ensure that company's policies were properly followed. To ensure that the heaters would be ready on time, the production manager co-ordinated with the operational level managers. Operational level managers co-ordinated the activities of the workers to ensure that work proceeded according to plans. As a result 'Green India Electronics' was able to launch its heaters on time, in the market. The feature of co-ordination discussed in the above case is:

- (a) Co-ordination is a deliberate function.
(b) Co-ordination is the responsibility of all managers.
(c) Co-ordination is a continuous process.
(d) Co-ordination ensures unity of action.

Q5. CBSE 2026 · 1 mark Read the following statements carefully: Statement – I: Consumers should get together and form themselves into consumer associations for protection and promotion of their interests. Statement – II: The Consumer Protection Act provides for setting up a two-tier enforcement machinery for the redressal of consumer grievances. With reference to given statements, choose the correct alternative from the following:

- (a) Both the statements are true.
(b) Both the statements are false.
(c) Statement I is true, Statement II is false.
(d) Statement I is false, Statement II is true.

Q6. CBSE 2026 · 1 mark Ravi purchased gold jewellery from a reputed jewellery store. He ensured that the jewellery had a hallmark which confirm its purity and authenticity. To avoid paying goods and services tax (GST) he asked the salesperson to write the gold weight and making charges on a slip of paper and hand over it to him. Which of the following responsibilities of a consumer was not fulfilled by Ravi while purchasing jewellery?

- (a) Be aware about various goods and services available in the market so that an intelligent and wise choice can be made.
(b) Ask for a cash memo on purchase of goods and services.
(c) Buy only standardized goods as they provide quality assurance.
(d) Assert yourself to ensure that you get a fair deal.

Q7. CBSE 2026 · 1 mark Read the following statements – Assertion (A) and Reason (R): Assertion (A): Many enlightened business firms have set up their own consumer service and grievance cells. Reason (R): The consumer has a right to file a complaint and to be heard in case of dissatisfaction with a good or service. Choose the correct alternative from the alternatives given below:

- (a) Both Assertion (A) and Reason (R) are false.
(b) Assertion (A) is false and Reason (R) is true.
(c) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(d) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).



Q8. CBSE 2026 · 1 mark Ritika wanted to buy a new washing machine. She visited 'Elec Duniya', a large electronics store. She saw there many different brands and models on display like KM, Neo, Unipool, INH etc. The salesperson at the store explained the differences in quality, brand reputation and prices of different washing machines. Ritika could now compare fully automatic, semi-automatic, top load and front load washing machines. The salesperson encouraged her to take her time, check different brands and resolve her queries. Ritika also went to another shop nearby to compare prices and features of different washing machines. After comparing all the available options, Ritika chose a 'Neo' front load washing machine because it offered the best features within her budget. The consumer right exercised by Ritika in the above case is:

- (a) Right to be heard (b) Right to be assured
(c) Right to consumer education (d) Right to seek redressal

Q9. CBSE 2026 · 1 mark Read the following statements: Assertion (A) and Reason (R). Assertion (A): Motivation can be either positive or negative. Reason (R): Individuals are heterogeneous in their expectations, perceptions and reactions. Choose the correct alternative from the options given below:

- (a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
(b) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(c) Both Assertion (A) and Reason (R) are false.
(d) Assertion (A) is true, but Reason (R) is false.

Q10. CBSE 2026 · 1 mark Rohit is a manager at a furniture manufacturing company. The company holds an annual sale in the month of December, which is very popular. Rohit prepares the production plans for the annual sale well in advance, in the month of June every year. After planning, he ensures that enough workers are available and continuously monitors whether the work is progressing as scheduled or not. He also informs the marketing team well in time so that they can plan their promotional campaigns accordingly. The feature of coordination highlighted in the above case is:

- (a) Coordination is an all-pervasive function.
(b) Coordination is a continuous process.
(c) Coordination is a deliberate function.
(d) Coordination is the responsibility of all managers.

Q11. CBSE 2026 · 1 mark Identify the incorrect statement with respect to the feature of Directing function of management:

- (a) Directing is a continuous process
(b) Directing flows from top to bottom
(c) Directing takes place at top level of management only
(d) Directing initiates action

Q12. CBSE 2026 · 1 mark Match the incentives given in Column I with their meanings given in Column II. Column I: 1. Job Security 2. Job Enrichment 3. Career Advancement Opportunity 4. Employee Participation | Column II: (i) Involving employees in decision-making of the issues related to them (ii) Providing opportunities to employees to improve their skills and be promoted to higher level jobs (iii) Stability about future income and work (iv) Designing jobs that include greater variety of work content and higher levels of knowledge and skill. Choose the correct option from the following:

- (a) 1-(iii), 2-(iv), 3-(ii), 4-(i) (b) 1-(iii), 2-(i), 3-(ii), 4-(iv)
(c) 1-(iv), 2-(iii), 3-(ii), 4-(i) (d) 1-(i), 2-(ii), 3-(iii), 4-(iv)

Q13. CBSE 2026 · 1 mark Which of the following statements is incorrect with reference to Maslow's Need Hierarchy Theory of motivation?

- (a) People's behaviour is based on their needs.
(b) People's needs are in hierarchical order, starting from basic needs to other higher level needs.
(c) Only a satisfied need can motivate a person.
(d) A person moves to the next higher level of the hierarchy only when the lower need is satisfied.

Q14. CBSE 2026 · 1 mark A leading newspaper company noticed that many of its talented editors were resigning despite being paid competitive salaries. On conducting an internal survey, it was revealed that employees were dissatisfied as they were not being offered benefits over and above the salary, like the employees of other competitive firms. Realising that such additional benefits play an important role in motivating employees, the management decided to provide car allowance, housing facilities, medical benefits, etc. to retain employees in the organisation and improve their satisfaction. Identify the incentive that the newspaper company decided to provide to their employees:

- (a) Bonus (b) Retirement benefits (c) Perquisites
(d) Profit sharing

Q15. CBSE 2026 · 1 mark Read the following statements carefully: Statement I: In democratic leadership style, the followers are given a high degree of independence to formulate their own objectives and ways to achieve them. Statement II: In autocratic leadership style, communication is only one-way, with the subordinates only acting according to the command given by their managers. In the light of the given statements, choose the correct alternative from the following:

- (a) Statement I is true and Statement II is false.
(b) Statement I is false and Statement II is true.
(c) Both Statement I and Statement II are true.
(d) Both Statement I and Statement II are false.

Q16. CBSE 2025 · 1 mark In Maslow's hierarchy, esteem needs include:

- (a) Food and shelter (b) Status and recognition
(c) Self-actualisation (d) Social relations

Q17. CBSE 2025 · 1 mark Directing is the process of:

- (a) Laying down plans
(b) Guiding and motivating employees (c) Framing budget
(d) Supervising machinery



Q18. CBSE 2025 · 1 mark Assertion (A): Motivation is an internal feeling that energises behaviour towards goals. Reason (R): Motivation ensures strict control over employees' actions. Choose the correct option:

- (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

Q19. CBSE 2025 · 1 mark Identify the element of directing which ensures that orders are executed willingly and properly.

- (a) Leadership
- (b) Supervision
- (c) Motivation
- (d) Communication

Q20. CBSE 2025 · 1 mark Which leadership style involves the leader making decisions after consulting with subordinates?

- (a) Autocratic
- (b) Democratic
- (c) Laissez-faire
- (d) Free-rein

Q21. CBSE 2025 · 1 mark Select the correct sequence in the process of communication:

- (a) Sender, Transmission, Receiver, Feedback
- (b) Transmission, Sender, Receiver, Feedback
- (c) Receiver, Sender, Feedback, Transmission
- (d) Sender, Receiver, Transmission, Feedback

Q22. CBSE 2024 · 1 mark For taking the company out of losses, Ravi Kumar took over as the Managing Director of the struggling 'Vova Watch Company' in January 2020. As soon as he joined, he tried to find out the reason for the company not doing well. He found that the employees were not involved in decision-making and they had to just follow orders, resulting in low morale of employees. Recognising the need for change, Ravi Kumar started on a journey to bring back the enthusiasm and motivation of the employees. He initiated open dialogues and encouraged them to actively participate in decision-making. Together, they developed action plans to address the company's challenges regarding outdated designs and inefficient production processes etc. As time passed, 'Vova Watch Company' transformed from a struggling enterprise to a profit making enterprise. Identify the leadership style of Ravi Kumar:

- (a) Autocratic leadership style
- (b) Democratic leadership style
- (c) Free-rein leadership style
- (d) Both (A) and (B)

Q23. CBSE 2024 · 1 mark Read the following statements: Assertion (A) and Reason (R). Choose the correct alternative from the options given below: Assertion (A): Many enlightened business firms have set up their own consumer service and grievance cells. Reason (R): The consumer has a right to file a complaint and to be heard in case of dissatisfaction with a good or service.

- (a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
- (b) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
- (c) Assertion (A) is true, but Reason (R) is false.
- (d) Assertion (A) is false, but Reason (R) is true.

Q24. CBSE 2024 · 1 mark Akash Mehra is the Marketing Manager of Kedanta Enterprises. He gives orders and expects his subordinates to obey those orders. Communication is only one-way with the subordinates only acting according to the command given by him. Identify the leadership style of Akash Mehra:

- (a) Authoritative
- (b) Participative
- (c) Free-rein
- (d) Pragmatic

Q25. CBSE 2024 · 1 mark From the following, choose the incorrect statement about the importance of Directing function of management:

- (a) Directing helps to initiate action by people in the organization towards attainment of desired objectives.
- (b) Directing synchronizes individual efforts in a way that every individual effort contributes to organizational performance.
- (c) Directing facilitates introduction of needed changes in the organization.
- (d) Directing helps in estimating manpower requirements for the organization.

Q26. CBSE 2024 · 1 mark Lack of confidence of superior in his subordinates is one of the barriers of communication. Identify the communication barrier:

- (a) Personal barrier
- (b) Psychological barrier
- (c) Semantic barrier
- (d) Organizational barrier

Q27. CBSE 2024 · 1 mark Akash Mehra is the Marketing Manager of Kedanta Enterprises. He gives orders and expects his subordinates to obey those orders. Communication is only one-way with the subordinates only acting according to the command given by him. Identify the leadership style of Akash Mehra:

- (a) Authoritative
- (b) Participative
- (c) Free-rein
- (d) Pragmatic

Q28. CBSE 2024 · 1 mark To motivate its employees on one side, 'Harshita Pearls' rewards them with increase in pay, promotion, recognition, etc. whereas on the other side it stops increments, gives punishment, threatens employees so that they may act in a desired manner. Which feature of motivation is being highlighted in the above case?

- (a) Motivation is a complex process.
- (b) Motivation is an internal feeling.
- (c) Motivation can be either positive or negative.
- (d) Motivation produces goal-directed behaviour.

Q29. CBSE 2024 · 1 mark 'Maslow's Need Hierarchy theory' is based on certain assumptions. Identify the incorrect statement with respect to these assumptions:

- (a) People's behaviour is based on their needs.
- (b) A satisfied need can no longer motivate a person.
- (c) People's needs are in a hierarchical order, starting from basic needs to higher level needs.
- (d) A person moves to lower level of need only when a higher level need is satisfied.



Q30. CBSE 2024 · 1 mark Statement I: Leadership indicates the ability of an individual which influences the behaviour of others. Statement II: Leadership is exercised to achieve personal goals of the leader. Choose the correct option from the following:

- (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 true.
- (d) Both the Statements are false.

Q31. CBSE 2024 · 1 mark Which of the following is NOT a feature of 'Directing' function of management?

- (a) Directing initiates Action.
- (b) Directing takes place at every level of management.
- (c) Directing ensures that activities are performed as per plans.
- (d) Directing flows from top to bottom.

Q32. CBSE 2024 · 1 mark _____ is the process by which a manager synchronises the activities of different departments.

- (a) Management (b) Planning (c) Co-ordination
- (d) Directing

Q33. CBSE 2024 · 1 mark Naman and Vineet were childhood friends and both were working in 'Sunshine Crockery.' Naman was working as the Chief Executive Officer while Vineet was the Production Manager. They would generally discuss company related issues over lunch-time or while travelling together. The company had recently received an order for supply of 5,000 dinner sets from Shaurya Hotel. It was an unexpected order and would increase the revenue of the company. This order was communicated by Naman to Vineet over intercom. Vineet executed the order within the given time period. For this, he was appreciated by Naman. The type of communication used by Naman to communicate the order to Vineet was:

- (a) Formal Communication (b) Informal Communication
- (c) Online Communication (d) Visual Communication

Q34. CBSE 2024 · 1 mark Statement-I: Motivation can be either positive or negative. Statement-II: Motivation is a complex process as the individuals are heterogeneous in their expectations, perceptions and reactions. Choose the correct option from the following:

- (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 true.
- (d) Both the Statements are false.

Q35. CBSE 2024 · 1 mark 'Child-O' is a garment manufacturing company which makes clothes with unique and stylish designs for children. Naisha was working as the Human Resource Manager with 'Child-O'. In spite of good pay and many other benefits offered, the company is facing problem of high turnover of its employees. Naisha tried to find out the reason but could not. She appointed a person with the permission of the Chief Executive Officer to find out the reason. It was found that other organisations were giving more autonomy and authority to their employees which made them feel that their jobs were important. This was attracting the employees of 'Child-O' to other organisations. The incentive which attracted the employees of 'Child-O' to other organisations is:

- (a) Employee Recognition programmes
- (b) Employee Participation
- (c) Career Advancement Opportunity
- (d) Employee Empowerment

Q36. CBSE 2023 · 1 mark Coordination integrates the efforts of different departments and at different levels to achieve common objectives. Identify the characteristic of coordination highlighted in the above statement.

- (a) Coordination ensures unity of action.
- (b) Coordination is an all pervasive function.
- (c) Coordination is a deliberate function.
- (d) Coordination is the responsibility of all managers.

Q37. CBSE 2023 · 1 mark Match the various communication barriers given in Column II with their respective categories given in Column I: Column I: P. Semantic Barriers, Q. Psychological Barriers, R. Organisational Barriers, S. Personal Barriers; Column II: (i) Distrust, (ii) Lack of proper incentives, (iii) Symbols with different meanings, (iv) Status

- (a) P(i), Q(ii), R(iii), S(iv) (b) P(iv), Q(iii), R(i), S(ii)
- (c) P(iii), Q(i), R(iv), S(ii) (d) P(iii), Q(ii), R(iv), S(i)

Q38. CBSE 2023 · 1 mark Match the various communication barriers given in Column II with their respective categories given in Column I: Column I Column II P. Semantic Barriers (i) Distrust Q. Psychological Barriers (ii) Lack of proper incentives R. Organisational Barriers (iii) Symbols with different meanings S. Personal Barriers (iv) Status

- (a) P(i), Q(ii), R(iii), S(iv) (b) P(iv), Q(iii), R(i), S(ii)
- (c) P(iii), Q(i), R(iv), S(ii) (d) P(iii), Q(ii), R(iv), S(i)

VERY SHORT ANSWER (5)

Q39. CBSE 2025 · 2 marks Give two examples of non-financial incentives used in motivation.

Q40. CBSE 2025 · 2 marks State any two differences between 'formal communication' and 'informal communication'.

Q41. CBSE 2025 · 2 marks State two features of 'Directing' as a function of management.

Q42. CBSE 2025 · 2 marks What is meant by 'Motivation'? Mention one feature.

Q43. CBSE 2025 · 2 marks What is meant by 'supervision'?



SHORT ANSWER (39)

Q44. CBSE 2026 · 3 marks State any three measures to improve communication effectiveness.

Q45. CBSE 2026 · 4 marks 'GW Textiles' was facing rising competition, inefficiencies on the shop floor and declining revenues. To address these problems, Leena was appointed as the new Factory Manager. In the first few weeks, Leena walked around the factory and watched how work was actually being done. She noticed that some workers were sincere and focused, while others showed little interest and avoided responsibility. To overcome this problem Leena began spending time on the shop floor every week, interacting closely with the workers and was able to make them act in the desired manner to achieve organisational goals. Her approach helped create a positive work environment where employees felt encouraged to perform better, leading to improved efficiency on the shop floor and improved revenues. (i) Identify the element of directing highlighted in the above case. (ii) State any three features of the element identified in (i) above.

Q46. CBSE 2026 · 4 marks (a) State any four psychological barriers to communication.

Q47. CBSE 2026 · 4 marks (a) State any four personal barriers to communication.

Q48. CBSE 2026 · 4 marks (a) Explain any four organisational barriers to communication.

Q49. CBSE 2026 · 4 marks (b) Explain the following non-financial incentives: (i) Employee participation, (ii) Employee empowerment

Q50. CBSE 2025 · 3 marks 'Motivation and leadership are complementary to each other in management.' Justify by giving any three points.

Q51. CBSE 2025 · 3 marks "Workers tend to produce more when incentives are linked to performance." Explain with reference to the concept of motivation in management.

Q52. CBSE 2024 · 4 marks Anuj, after a lot of research, paid 'SS Developers' an advance of ₹ 2 crore to build a lavish house for him. They promised to deliver the property within 18 months. At the end of 18 months, Anuj asked for the delivery of the property many times but the developer did not respond. Anuj realized that 'SS Developers' was not in a position to hand over the property to him. Anuj asked for a refund of the money with interest, which 'SS Developers' refused. Anuj approached the consumer court with his complaint. (i) Which grievance redressal agency had Anuj approached? (ii) State any three reliefs Anuj is likely to get, if the consumer court is satisfied with the complaint.

Q53. CBSE 2024 · 4 marks (b) State any four functions of 'Operational Level Management'.

Q54. CBSE 2024 · 4 marks Inaya Ltd is a multinational technology company focusing on artificial intelligence, online advertising and search engine technology. The company is generating good profits and takes care of the well-being of its staff. The company offers benefits like car allowance, medical aid and allowance for children's education to all employees above the Manager level. It regularly contributes towards the Employees Provident Fund and pays gratuity on retirement to its employees. Under a special incentive scheme, the employees are offered shares of Inaya Ltd at a set price which is lower than the market price. Each year, the company keeps aside funds to pay one percent of base salary as bonus to its employees. No wonder 90% of the employees would recommend working at Inaya Ltd to a friend. Explain four incentives being provided by Inaya Ltd to motivate their employees for better performance.

Q55. CBSE 2024 · 4 marks Inaya Ltd is a multinational technology company focusing on artificial intelligence, online advertising and search engine technology. The company is generating good profits and takes care of the well-being of its staff. The company offers benefits like car allowance, medical aid and allowance for children's education to all employees above the Manager level. It regularly contributes towards the Employees Provident Fund and pays gratuity on retirement to its employees. Under a special incentive scheme, the employees are offered shares of Inaya Ltd at a set price which is lower than the market price. Each year, the company keeps aside funds to pay one percent of base salary as bonus to its employees. No wonder 90% of the employees would recommend working at Ltd to a friend. Explain four incentives being provided by Inaya Ltd to motivate their employees for better performance.

Q56. CBSE 2024 · 3 marks Explain any three psychological barriers to communication.

Q57. CBSE 2024 · 4 marks (a) State any four features of directing function of management.

Q58. CBSE 2024 · 4 marks 'Shanta Enterprises' was in the business of manufacturing solar panels for the last fifteen years. With their expertise now they were able to manufacture good quality solar panels at lower cost. As a result 'Shanta Enterprises' was flooded with orders and was able to generate a good profit margin. To motivate the employees the company decided to compensate some of them for their hard work. Arvind and Yogesh, who were working on contract basis, were absorbed permanently in the company. Both were happy as now there was stability about their future income. Ekta, a regular employee of the company, working as Research and Development Head, was awarded the 'Best Employee of the year Award'. (a) Identify and explain the incentives given by Shanta Enterprises to its employees. (b) State the needs of the employees being met by such incentives as per Maslow's Need Hierarchy Theory.

Q59. CBSE 2024 · 4 marks (a) State any four points that highlight the importance of directing function of management.

Q60. CBSE 2024 · 4 marks Give the meaning of 'Leadership' and 'Communication' as elements of directing function of management.



Q61. CBSE 2024 - 4 marks A Business Process Outsourcing centre, 'Chromosome' which deals in conversion of voice reports dictated by physicians and other healthcare providers into text format has 40 employees. They ensure that their employees are well versed in at least one foreign language and one Indian language. The employees are also given the required training to ensure that the reports are processed correctly as they are the backbone of the patients' medical history. On frequent complaints about some of its employees, it was observed that they were facing problems in decoding the message as they were not very proficient with the language in which the voice message was received. As a result, they would make mistakes causing different meaning to the message. Not only this, sometimes there were technical words used in voice reports, the actual meaning of which was also not understood by the employees. Due to this, 'Chromosome' was slowly losing its business to competitors. The above case highlights two communication barriers. Identify and explain these barriers.

Q62. CBSE 2023 - 4 marks Nitya is a student of class XII of a well-known school. She has a preconceived notion that her teacher always finds fault in her work. One day while checking the project work of class XII, her teacher wanted to appreciate Nitya for her hard work and good performance, but before she could complete her sentence, Nitya left the room without listening to her teacher. (a) Identify the communication barrier and explain the type/category of barrier to which it is related. (b) Explain two other communication barriers of the type/category identified in (a) above.

Q63. CBSE 2023 - 4 marks Nitya is a student of class XII of a well-known school. She has a preconceived notion that her teacher always finds fault in her work. One day while checking the project work of class XII, her teacher wanted to appreciate Nitya for her hard work and good performance, but before she could complete her sentence, Nitya left the room without listening to her teacher. (a) Identify the communication barrier and the barrier of which type/category it is related to. (b) Explain two other communication barriers of the type/category identified in (a) above.

Q64. CBSE 2023 - 4 marks (a) Identify and state any three features of the process of influencing people so that they strive willingly and enthusiastically towards the achievement of group goals.

Q65. CBSE 2023 - 4 marks Managers are facing many problems due to communication barriers, creating an environment of distrust and misunderstanding. Suggest any four measures to improve communication effectiveness in the organisation.

Q66. CBSE 2023 - 4 marks (a) Identify and state any three features of the process of instructing, guiding, counselling, motivating and leading people in the organisation to achieve its objectives. OR (b) State four incentives which are in direct monetary form or measurable in monetary terms and serve to motivate people for better performance.

Q67. CBSE 2023 - 4 marks Managers of Terapize Ltd. are facing a lot of problems on account of communication barriers leading to creation of an environment of distrust and misunderstanding. Suggest any four measures to improve communication effectiveness in the organisation.

Q68. CBSE 2023 - 4 marks Identify and state any three features of the process of stimulating people to action to accomplish desired goals.

Q69. CBSE 2023 - 4 marks The managers of Global Enterprises feel that faulty communication leading to creation of an environment of distrust and misunderstanding. Suggest any four measures to improve communication effectiveness in the organisation.

Q70. CBSE 2023 - 3 marks Yellow Peppermint is an Italian restaurant located in Delhi, known for its fresh and authentic dishes including pasta, pizza, etc. It has been serving its customers for the last 20 years. It had been winning various awards and recognition for its services. During Covid-19, it suffered huge losses. As the effect of Covid reduced and restrictions were eased its revenue and profit improved. For this they needed support of their workers to work to put in extra hours without additional payment to revive it out of losses. In return, they promised to increase the wages of the workers when the mission is accomplished. The workers put in extra hours as commitment and not only increased the wages of the workers but also gave them bonus as an additional incentive. Identify the incentive discussed in the above lines and state three more incentives of the same type.

Q71. CBSE 2023 - 3 marks (a) Explain any two characteristics of the Directing function of management. OR (b) Explain any two characteristics of Motivation as an element of Directing.

Q72. CBSE 2023 - 4 marks (a) State any four characteristics of Leadership. OR (b) Define Autocratic and Democratic styles of Leadership.

Q73. CBSE 2023 - 4 marks Considering the inadequate job opportunities and too many aspirants for employment, Allen Private Limited decided to provide its employees with certain stability about future income and work so that they do not feel worried on these aspects. As a result, the employees of Allen Private Limited are now working with greater zeal. Identify the incentive discussed in the above lines and state three more incentives of the same type.

Q74. CBSE 2023 - 3 marks (a) Explain any two points that highlight the importance of the directing function of management. OR (b) Explain Leadership and Communication as elements of the directing function of management.

Q75. CBSE 2023 - 4 marks (b) State any four measures to overcome barriers to communication.

Q76. CBSE 2023 - 4 marks Considering the inadequate job opportunities and too many aspirants for employment, Ellen Private Limited decided to provide security to its workers regarding their future income and work so that they do not feel worried on these aspects. Identify the incentive discussed in the above lines and state three more incentives of the same type.

Q77. CBSE 2022 - 2 marks Of management motivate the employees and help them in giving better performance? State.

Q78. CBSE 2022 - 3 marks (a) Leadership? State any two leadership styles. OR (b) State the last two steps in the process of controlling function of management.

Q79. CBSE 2022 - 3 marks State any two leadership styles.



Q80. CBSE 2022 · 3 marks (a) Define leadership. State any two leadership styles.

Q81. CBSE 2022 · 3 marks GDFS Limited are the manufacturers of consumer goods. The demand for their products was continuously declining after the outbreak of COVID-19. In spite of fall in demand, the company assured its employees that no worker will be retrenched from the job. Name the category of incentive and the incentive offered to the employees. Also explain any two more incentives of the same category.

Q82. CBSE 2022 · 3 marks State any three features of motivation.

LONG ANSWER (10)

Q83. CBSE 2026 · 6 marks (a) Explain any four semantic barriers to communication.

Q84. CBSE 2026 · 6 marks Explain any four personal barriers to communication.

Q85. CBSE 2026 · 6 marks (a) Explain any four psychological barriers to communication.

Q86. CBSE 2026 · 6 marks (b) Explain the following semantic barriers to communication: (i) Badly expressed message (ii) Faulty translations (iii) Body language and gesture decoding

Q87. CBSE 2026 · 6 marks (i) Identify and state the concept which would help 'Global Tech Ltd.' in bringing together the efforts of employees and specialists to achieve common goals of the organisation. (ii) Quoting lines from the given case, state any three points of importance of the concept identified in (i) above. 'Global Tech Ltd.' was a multinational company that manufactured modern electronics devices and employed nearly 10,000 people from across the world. The company had a well-defined organisational structure with separate departments for finance, marketing and production. Every department had its own objectives, policies and style of working. As each department performed its activities in isolation from others, conflicts arose within the organisation. Further, due to complex technology involved in producing modern electronic devices, 'Global Tech Ltd.' relied heavily on specialists. The specialists were confident of their professional knowledge and often did not consider suggestions from others in matters pertaining to their area of specialisation. This resulted in conflict among different specialists and others in the organisation. As the company continued to grow, more employees from different backgrounds and work habits joined the organisation. The increasing size of workforce, along with departmental differences and dependence on specialists, made it difficult to ensure that everyone worked towards the same organisational goals. Therefore it became necessary for the management to harmonise individual goals with organisational goals and integrate the efforts of departments and specialists to achieve common objectives.

Q88. CBSE 2026 · 6 marks 'Alpha Electronics' had recently received a large order for the supply of electronic control panels. The management was under pressure to deliver it on time. When one of the production lines started malfunctioning, the Production Manager, Suresh, was concerned. Although 'Alpha Electronics' was an organisation with highly centralised pattern where free communication was not encouraged. Suresh, still decided to call his senior technician, Manoj, to understand the problem. Suresh had the reputation of being unapproachable. He was conscious of his seniority and position so he rarely encouraged his subordinates to speak freely. Manoj was nervous as the production line was damaged due to his own negligence and he thought sharing it with his senior, Suresh, would adversely affect his interests. Anyhow, he had to go to Suresh's office. When Manoj entered Suresh's office, he saw that Suresh was pre-occupied with an important file before him. Suresh asked Manoj to explain what the problem was. Manoj reluctantly started explaining, but he felt that Suresh wasn't listening to him. So Manoj did not share the complete information and the problem in the production line could not be rectified on time. Identify and explain four communication barriers discussed in the above case.

Q89. CBSE 2026 · 6 marks (b) Explain any four personal barriers of communication.

Q90. CBSE 2025 · 5 marks Explain five ways in which leadership contributes to organisational success.

Q91. CBSE 2024 · 6 marks (b) Explain any four points of importance of 'Directing' function of management.

Q92. CBSE 2024 · 6 marks (a) Explain any two organizational barriers and two psychological barriers to communication.

CASE-BASED (2)

CASE STUDY · CBSE 2025

Nirmala runs a textile enterprise. She regularly encourages her team to suggest improvements in work methods. She also delegates routine decision making to section heads, allowing free flow of communication. Recently, Nirmala introduced job enrichment schemes, causing higher involvement among staff.

Q93. CBSE 2025 · 2 marks Identify any two features of 'Democratic Leadership' reflected in the case.

CASE STUDY · CBSE 2023

Yellow Pumpkin is a popular Italian restaurant located in Delhi, known for its fresh and authentic dishes including pasta, pizza, etc. It has been serving its customers for the last 20 years. It had been winning various awards and recognition for its services. During Covid-19, it suffered huge losses. As the effect of Covid reduced and restrictions were eased, the management of Yellow Pumpkin decided to expand the home delivery service to increase its revenue and profit. For this they needed support of their workers to work extra hours without additional payment to revive it out of losses. In return, they promised to increase the wages of the workers when the mission is accomplished. The workers put in extra hours as promised bonus as an additional incentive.



Q94. CBSE 2023 · 3 marks Yellow Pumpkin is a popular Italian restaurant located in Delhi, known for its fresh and authentic dishes including pasta, pizza, etc. It has been serving its customers for the last 20 years. It had been winning various awards and recognition for its services. During Covid-19, it suffered huge losses. As the effect of Covid reduced and restrictions were eased, the management of Yellow Pumpkin decided to expand the home delivery service to increase its revenue and profit. For this they needed support of their workers to work extra hours without additional payment to revive it out of losses. In return, they promised to increase the wages of the workers when the mission is accomplished. The workers put in extra hours as promised bonus as an additional incentive. Identify the principle of management applied by Yellow Pumpkin and explain it.

8 Controlling

[Notes & MCQs →](#)

MULTIPLE CHOICE AND ASSERTION-REASON (23)

Q1. CBSE 2026 · 1 mark There are two statements, Assertion (A) and Reason (R). Assertion (A): Controlling should not be misunderstood as the last function of management. Reason (R): Controlling is a function that brings the management cycle back to the planning function. Choose the correct alternative from those given below:

- (a) Assertion (A) is false and Reason (R) is true.
- (b) Both Assertion (A) and Reason (R) are false.
- (c) Assertion (A) is true and Reason (R) is false.
- (d) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).

Q2. CBSE 2026 · 1 mark The step of controlling process which reveals the deviation between actual performance and desired results is:

- (a) Setting performance standards
- (b) Analysing deviations
- (c) Taking corrective action
- (d) Comparing actual performance with the standards

Q3. CBSE 2026 · 1 mark Read the following statements carefully: Statement – I: Control should focus on key result areas which are critical to the success of an organization. Statement – II: Only significant deviations which go beyond the permissible limit should be brought to the notice of management. With reference to the given statements, choose the correct alternative from the following:

- (a) Both the statements are true.
- (b) Both the statements are false.
- (c) Statement I is true and Statement II is false.
- (d) Statement I is false and Statement II is true.

Q4. CBSE 2026 · 1 mark 'RAVL' is a company manufacturing LED bulbs. To ensure efficiency in production, the workers are given monthly targets. For the month of October 2025, the workers were given a target to produce 8,000 bulbs. At the end of the month, it was found that actual production was only 6,000 bulbs. After investigation, it was found that the target was not met due to shortage of trained workers. To resolve the problem, the Production Manager arranged training programmes for workers and also hired additional workers. Which step of the controlling process was followed by the Production Manager to resolve the problem of shortage of trained workers?

- (a) Setting performance standards
- (b) Measurement of actual performance
- (c) Comparing actual performance with standards
- (d) Taking corrective action

Q5. CBSE 2026 · 1 mark 'The first step in the controlling process is setting up of performance standards.' Identify the correct order of the subsequent steps of the controlling process.

- (a) Comparing actual performance with standards, Taking corrective action, Analysing deviations, Measurement of actual performance
- (b) Measurement of actual performance, Comparing actual performance with standards, Analysing deviations, Taking corrective action
- (c) Measurement of actual performance, Taking corrective action, Comparing actual performance with standards, Analysing deviations
- (d) Analysing deviations, Measurement of actual performance, Comparing actual performance with standards, Taking corrective action

Q6. CBSE 2025 · 1 mark Statutory audit is mandatory for:

- (a) Private companies only
- (b) Public companies only
- (c) All companies registered under Companies Act
- (d) Cooperative societies

Q7. CBSE 2025 · 1 mark Controlling helps in:

- (a) Facilitating coordination
- (b) Improving planning
- (c) Setting objectives
- (d) Framing policies



Q8. CBSE 2025 · 1 mark Under the function of management, 'controlling,' what is typically compared to standards?

- (a) Employee attitudes (b) Actual performance
(c) External factors (d) Business environment

Q9. CBSE 2025 · 1 mark The first step in the process of controlling is:

- (a) Measurement of actual performance
(b) Setting performance standards
(c) Taking corrective action (d) Analysing deviations

Q10. CBSE 2024 · 1 mark Statement I: Controlling ensures that activities in an organization are performed as per the plans. Statement II: Controlling function of a manager is a pervasive function. Choose the correct option from the options given below:

- (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 true.
(d) Both the Statements are false.

Q11. CBSE 2024 · 1 mark _____ is the step in the controlling process where standards may have to be revised in case the deviation can not be corrected through managerial action.

- (a) Setting Performance Standards
(b) Measurement of Actual performance
(c) Comparing Actual Performance with standards and analysing deviations
(d) Taking corrective action

Q12. CBSE 2024 · 1 mark Payal was working in a Multinational company. Her father gifted her a smart phone worth ₹ 40,500 on her birthday. The mobile phone was purchased by her father from his friend's shop. After few months, the mobile phone started creating problems. Payal tried to contact the manufacturer many times but he did not respond. Ultimately Payal decided to file a complaint against the manufacturer. The appropriate grievance redressal machinery where Payal can file a complaint is:

- (a) District Forum/Commission (b) State Commission
(c) National Commission (d) Supreme Court

Q13. CBSE 2024 · 1 mark Lyka Ltd. launched its new range of herbal shampoos at the beginning of the year. As per legal framework, Lyka Ltd. provided the name and address of the manufacturer, the weight, manufacturing date, expiry date, maximum retail price etc. on the package and label of the herbal shampoo. The consumer right highlighted above is:

- (a) Right to choose (b) Right to be informed
(c) Right to consumer education (d) Right to safety

Q14. CBSE 2023 · 1 mark Umang was working as a Production Manager in company. The company had launched new eco-friendly paper straws in the market. He was given a target of producing 5,000 straws a day, by the General Manager. In spite of making the employees work overtime, Umang could not meet the target. On investigation, it was found that the employees had not received the right training to manufacture these eco-friendly paper straws. So the employees were sent for special training. The function of management which helped Umang in identifying that he could not meet the target is:

- (a) Planning (b) Organising (c) Directing (d) Controlling

Q15. CBSE 2023 · 1 mark Which of the following is not a step in the process of controlling function of management?

- (a) Setting performance standards (b) Assignment of duties
(c) Taking corrective action
(d) Comparing actual performance with standards

Q16. CBSE 2023 · 1 mark Umang L.G. Papers Limited works as a Production Manager in the company. The company has launched new eco-friendly paper straws in the market. He was given a target of producing 5,000 straws a day, by the General Manager. In spite of making the employees work overtime, Umang could not meet the target. On investigation, it was found that the employees had not received the right training to manufacture these eco-friendly paper straws. So the employees were sent for special training. The function of management which helped Umang in identifying that he could not meet the target is:

- (a) Planning (b) Organising (c) Directing (d) Controlling

Q17. CBSE 2023 · 1 mark Which of the following is not a step in the process of the controlling function of management?

- (a) Setting performance standards (b) Assignment of duties
(c) Taking corrective action
(d) Comparing actual performance with standards

Q18. CBSE 2023 · 1 mark Umang Ltd. is a paper company. Umang has launched new eco-friendly paper straws in the market. He was given a target of producing 5,000 straws a day, by the General Manager. In spite of making the employees work overtime, Umang could not meet the target. On investigation, it was found that the employees had not received the right training to manufacture these eco-friendly paper straws. So the employees were sent for special training. The function of management which helped Umang in identifying that he could not meet the target is:

- (a) Planning (b) Organising (c) Directing (d) Controlling

Q19. CBSE 2023 · 1 mark Keya Ltd. is a large organisation manufacturing a popular brand of desi ghee and supplying it to various states of India. They manufacture 10,000 litres of desi ghee every day and pack in cartons of 250 ml, 500 ml and 1 litre sizes. The production manager ensures that one out of every ten cartons of each size is checked for quality control everyday. The step of the controlling process discussed in the above para is:

- (a) Setting performance standards
(b) Measurement of actual performance
(c) Comparison of actual performance with standards
(d) Analysing deviations



Q20. CBSE 2023 · 1 mark Which of the following function of management measures the progress of objectives and guides the organisation to keep it on the right track so that organisational goals might be achieved?

- (a) Planning (b) Staffing (c) Directing (d) Controlling

Q21. CBSE 2023 · 1 mark E.N. Stationery Limited manufactures different stationery products like pencils, erasers, gel-pens, ball-pens, etc. The Production Manager, Ghanshyam is very particular about the efficiency of production, which he measures by counting the number of pieces produced and number of defective pieces in a batch. By doing this he is performing an important function of management which is:

- (a) Directing (b) Controlling (c) Organising (d) Planning

Q22. CBSE 2023 · 1 mark E.N. Stationery Limited is a manufacturer of various stationery items like pens, pencils, erasers, gel-pens, ball-pens, etc. The Production Manager, Ghanshyam is very particular about the efficiency of production, which he measures by counting the number of pieces produced and number of defective pieces in a batch. By doing this he is performing an important function of management which is:

- (a) Directing (b) Controlling (c) Organising (d) Planning

Q23. CBSE 2023 · 1 mark A.N. pencils, erasers, gel-pens, ball-pens, etc. The Production Manager, Ghanshyam is very particular about the efficiency of production, which he measures by counting the number of pieces produced and number of defective pieces in a batch. By doing this he is performing an important function of management which is:

- (a) Directing (b) Controlling (c) Organising (d) Planning

VERY SHORT ANSWER (7)

Q24. CBSE 2025 · 2 marks State any two features of controlling as a function of management.

Q25. CBSE 2025 · 2 marks List any two importance of controlling in an organisation.

Q26. CBSE 2023 · 3 marks (a) Explain the following as points of importance of controlling function of management: (i) Judging accuracy of standards (ii) Making efficient use of resources

Q27. CBSE 2023 · 3 marks (a) Explain any three points of importance of Controlling function of management.

Q28. CBSE 2022 · 2 marks How does the controlling function of management motivate employees and help them in giving better performance? State.

Q29. CBSE 2022 · 2 marks Deviation detection and corrective action are steps of one of the significant functions of management. Identify the function and list the first three steps of the process of the function identified.

Q30. CBSE 2022 · 2 marks Deviation analysis and corrective action-taking is a step of the process of one of the significant functions of management. Identify the function and list the first three steps of the process of the function identified.

SHORT ANSWER (15)

Q31. CBSE 2026 · 3 marks 'Riya Mart' is a company manufacturing disposable crockery. They have been in business for the past five years, but were not earning good profits. Concerned about this, the Chief Executive Officer (CEO), Verma, ordered an internal audit. The audit uncovered several issues like inventory pilferage, employees coming late and their performance not upto the mark. To stop inventory pilferage, Verma, the CEO, introduced surprise stock checks and installed an automated inventory management system to track stock movements. A biometric attendance system was also setup to keep a check on employees coming late. In addition to this, to motivate employees for better performance, they were told in advance what they are expected to do and what are their standards of performance. As a result of these steps, the inventory pilferage reduced, employees became more punctual and their performance improved. (i) Identify and state the function of management performed by Verma, the Chief Executive Officer of the company. (ii) State any two points of importance of the function identified in (i) above, which are not discussed in the above para.

Q32. CBSE 2026 · 4 marks (a) Explain the following points of importance of controlling function of management: (i) Accomplish organisational goals (ii) Making efficient use of resources

Q33. CBSE 2026 · 4 marks (a) Explain the following points of importance of controlling function of management: (i) Judging accuracy of standards, (ii) Improving employee motivation

Q34. CBSE 2026 · 4 marks (a) Explain the following points of importance of controlling function of management: (i) Ensuring order and discipline, (ii) Facilitating coordination in action

Q35. CBSE 2026 · 3 marks 'Delicious Salads' was a company that supplied packaged salads to the supermarkets. Recently, the management noticed that a large amount of vegetables were getting spoiled every week. This was increasing the costs and reducing the profits because of which the company was not able to achieve its goals. To solve this, the Production Manager, Meera was asked to take charge of the situation and bring the wastage under control. Meera found that the vegetable cleaning, cutting and packing departments were working at their own pace, leading to the spoilage of vegetables. Meera started out by setting standards for each of the departments, which were well coordinated with one another. Each activity would be performed in accordance with those standards. Within a month, 'Delicious Salads' was able to supply the salads with minimum wastage and achieve its goals. Explain the two points of importance of the controlling function of management discussed in the above case.

Q36. CBSE 2026 · 3 marks 'DF Telecom Ltd.', which produces a range of mobile phones for the Indian market, set a target to produce 30,000 units of mobile phones in the month of December 2025. This was the benchmark against which actual performance would be measured. At the end of the month, it was found that only 27,000 units were produced. Concerned with the shortfall, the General Manager asked the Production Manager to find out and resolve the problem. State the steps related to the process of one of the functions of management which the Production Manager has to take to find out and resolve the problem.



Q37. CBSE 2024 - 4 marks Piyush is the Production Manager of a shoe company 'Comforty'. He has 1000 workers under him in his department. Piyush booked a special order for 300 pairs of gents shoes at an estimated cost price of ₹ 500 per pair plus a 20% profit margin. This order is to be completed within 10 days. After completion of the order, Piyush found out that the production cost of one pair of shoes was ₹ 700. He tried to find out the reason but he couldn't. He reported it to the Chief Executive Officer. For this the Chief Executive Officer appointed Abhay, who was not only a specialized Cost Accountant, but also a qualified Human Resource Manager. After two days, Abhay reported that the set target could have been completed by only 800 workers. This revealed that there was overmanning in the organization. The organization was not utilizing the human resources optimally which had led to high labour cost. The above case highlights an important function of management. (i) Identify the function of management discussed above. (ii) State any three points of importance of the function identified in (i) above.

Q38. CBSE 2024 - 3 marks . He has 1000 workers working under him in his department. Piyush booked a special order for 300 pairs of gents shoes at an estimated cost price of ₹ 500 per pair plus 20% profit margin. The order is to be completed within 10 days. After completion of the order, Piyush found out that the production cost of one pair of shoes was ₹ 600. He tried to find out the reason, but he couldn't. He reported it to the Chief Executive Officer. The Chief Executive Officer appointed Abhay to find out the cause. Abhay was not only a specialized Cost Accountant, but also a qualified Human Resource Manager. After two days, Abhay reported that the set targets could be completed with the help of only 800 workers, which revealed that there was overmanning in the organization. The organization was not utilizing the human resources optimally, which had led to higher labour cost. The above case highlights one of the points of importance of an important function of management. (i) Identify the function of management. (ii) State any two points of importance of the function of management identified in part (i), except the one discussed in the above case.

Q39. CBSE 2024 - 3 marks Piyush is the Production Manager of a shoe company called Comforty. He has 1000 workers working under him in his department. Piyush booked a special order for 300 pairs of gents shoes at an estimated cost price of ₹500 per pair plus 20% profit margin. The order is to be completed within 10 days. After completion of the order, Piyush found out that the production cost of one pair of shoes was ₹600. He tried to find out the reason, but he couldn't. He reported it to the Chief Executive Officer. The Chief Executive Officer appointed Abhay to find out the cause. Abhay was not only a specialized Cost Accountant, but also a qualified Human Resource Manager. After two days, Abhay reported that the set targets could be completed with the help of only 800 workers, which revealed that there was overmanning in the organization. The organization was not utilizing the human resources optimally, which had led to higher labour cost. The above case highlights one of the points of importance of an important function of management. (i) Identify the function of management. (ii) State any two points of importance of the function of management identified in part (i), except the one discussed in the above case.

Q40. CBSE 2024 - 4 marks Nishi had gone to a grocery store to make routine purchases. On reaching home, as she took out Binx tomato chips packet from the bag to give it to her son, she felt that it was underweight. She checked its weight on the kitchen weighing scale and found that it weighed 60 grams whereas the label on the chips packet mentioned the weight of the packet as 100 grams. She approached the manufacturer and complained about it. The manufacturer offered her a gift hamper and requested her not to disclose this to anyone. Nishi refused to accept the gift hamper and took the issue to a redressal agency. (a) State two responsibilities discharged by Nishi, as a consumer, in the above case. (b) State any two reliefs which can be granted to Nishi, if the consumer court is satisfied with the genuineness of the complaint.

Q41. CBSE 2023 - 3 marks (a) Explain the following as points of importance of controlling function of management: (i) Accomplishing organisational goals (ii) Improving employee motivation

Q42. CBSE 2023 - 3 marks (a) Explain any three points of importance of Controlling function of management. OR (b) Explain the relationship between planning and controlling with the help of any three points.

Q43. CBSE 2023 - 3 marks (a) Explain any two points that highlight the importance of Controlling function of management.

Q44. CBSE 2022 - 3 marks (b) State the last two steps in the process of controlling function of management.

Q45. CBSE 2022 - 3 marks Abhishek Limited is engaged in manufacturing of Air Purifiers. The target production is 500 Air Purifiers in a week. Over the last few months, it has been observed by the Production Manager that the weekly production target was not achieved. Identify the function and explain any two points of its importance.

LONG ANSWER (5)

Q46. CBSE 2026 - 6 marks Explain any four points of importance of controlling function of management.

Q47. CBSE 2025 - 5 marks "Controlling is an indispensable function of management". Discuss any five steps involved in the process of control.



Q48. CBSE 2024 · 6 marks (i) Identify and explain the function of management discussed above. (ii) Explain the step of the function identified in (i) above, followed by Nistha to find out the causes of declining revenue. (iii) Explain the step Nistha will take after she gets the report from the team formed to find out the causes of declining revenue. Nistha runs a chain of famous restaurants, 'Indian Kitchen', in different parts of Delhi. The restaurant chain was known for good quality food and quick service. 'Indian Kitchen' was generating good revenue and had goodwill in the market. Nistha would take a weekly report from all the Restaurant Managers and take necessary action to resolve the problems, if any. Nistha noticed a sudden decline in sales in one of the restaurants. She questioned the Restaurant Manager who mentioned that the restaurant is seeing a gradual decrease in the number of customers, but could not provide a clear explanation for it. So, Nistha formed a team to find out the causes of the declining customers as this is the key area for restaurant business and is critical to the success of business. By doing this, Nistha is performing a step of the process of a function of management.

Q49. CBSE 2024 · 6 marks Nistha runs a chain of famous restaurants, 'Indian Kitchen', in different parts of Delhi. The restaurant chain was known for good quality food and quick service. 'Indian Kitchen' was generating good revenue and had goodwill in the market. Nistha would take a weekly report from all the Restaurant Managers and take necessary action to resolve the problems, if any. Nistha noticed a sudden decline in sales in one of the restaurants. She questioned the Restaurant Manager who mentioned that the restaurant is seeing a gradual decrease in the number of customers, but could not provide a clear explanation for it. So, Nistha formed a team to find out the causes of the declining customers as this is the key area for restaurant business and is critical to the success of business. By doing this, Nistha is performing a step of the process of a function of management. (i) Identify and explain the function of management discussed above. (ii) Explain the step of the function identified in (i) above, followed by Nistha to find out the causes of declining revenue. (iii) Explain the step Nistha will take after she gets the report from the team formed to find out the causes of declining revenue.

Q50. CBSE 2024 · 6 marks 'Memo Builders' was constructing a five star hotel for a leading hotel chain. The hotel had to be given possession by next year but the construction of the hotel was running six months behind schedule. The Chief Executive Officer of 'Memo Builders' was concerned as Memo Builders was known for its quality and timely completion of projects. He asked Nitin, the senior of the Project Head for a thorough investigation. Nitin investigated and reported to the Chief Executive Officer that inspite of huge absenteeism of workers, additional workers were not called. Nitin also reported to the Chief Executive Officer that three of the ten machines being used by the workers were defective. Nitin ordered for repair of the machines and asked the Project Head to appoint additional workers with attractive wages to ensure that the deadline is met. (a) Identify the function of management. Quoting the lines from the above para, explain the steps of the process of the function of management discussed. (b) Also explain any two points of importance of the function of management identified in (a) above.

CASE-BASED (3)

CASE STUDY · CBSE 2025

Premier Ltd. launched an employee engagement program to reduce absenteeism and increase productivity. Managers were trained to encourage participation, foster communication, and allow regular feedback. As a result, absenteeism reduced and productivity improved.

Q51. CBSE 2025 · 1 mark Name one tool Premier Ltd. could use to evaluate the success of their employee engagement program.

CASE STUDY · CBSE 2024

Piyush is the Production Manager of a shoe company called Comforty. He has 1000 workers working under him in his department. Piyush booked a special order for 300 pairs of gents shoes at an estimated cost price of ₹500 per pair plus 20% profit margin. The order is to be completed within 10 days. After completion of the order, Piyush found out that the production cost of one pair of shoes was ₹600. He tried to find out the reason, but he couldn't. He reported it to the Chief Executive Officer. The Chief Executive Officer appointed Abhay to find out the cause. Abhay was not only a specialized Cost Accountant, but also a qualified Human Resource Manager. After two days, Abhay reported that the set targets could be completed with the help of only 800 workers, which revealed that there was overmanning in the organization. The organization was not utilizing the human resources optimally, which had led to higher labour cost. The above case highlights one of the points of importance of an important function of management.

Q52. CBSE 2024 · 3 marks (i) Identify the function of management. (ii) State any two points of importance of the function of management identified in part (i), except the one discussed in the above case.

CASE STUDY · CBSE 2024

Nisthaa runs a chain of famous restaurants, 'Indian Kitchen', in different parts of Delhi. The restaurant chain was known for good quality food and quick service. 'Indian Kitchen' was generating good revenue and had goodwill in the market. Nisthaa would take a weekly report from all the Restaurant Managers and take necessary action to resolve the problems, if any. Nisthaa noticed a sudden decline in sales in one of the restaurants. She questioned the Restaurant Manager who mentioned that the restaurant is seeing a gradual decrease in the number of customers, but could not provide a clear explanation for it. So, Nisthaa formed a team to find out the causes of the declining customers as this is the key area for restaurant business and is critical to the success of business. By doing this, Nisthaa is performing a step of the process of a function of management.



Q53. CBSE 2024 · 6 marks (i) Identify and explain the function of management discussed above. (ii) Explain the step of the function identified in (i) above, followed by Nisthaa to find out the causes of declining revenue. (iii) Explain the step Nisthaa will take after she gets the report from the team formed to find out the causes of declining revenue.

9 Financial Management

[Notes & MCQs →](#)

MULTIPLE CHOICE AND ASSERTION-REASON (40)

Q1. CBSE 2026 · 1 mark The process of estimating the fund requirements of a business and specifying the sources of funds is called _____.

- (a) Trading on Equity (b) Capital Budgeting decision
(c) Financial Management (d) Financial Planning

Q2. CBSE 2026 · 1 mark There are two statements, Assertion (A) and Reason (R). Assertion (A): The dividend in growth companies is more than that in the non-growth companies. Reason (R): Companies having good growth opportunities retain more money out of their earnings so as to finance the required investment. Choose the correct alternative from those given below:

- (a) Assertion (A) is false and Reason (R) is true.
(b) Both Assertion (A) and Reason (R) are false.
(c) Assertion (A) is true and Reason (R) is false.
(d) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).

Q3. CBSE 2026 · 1 mark Alka Motors is one of the leading automobile companies in India. Due to growing demand for electric vehicles, Alka Motors planned to expand its business and for this, it wanted to raise funds. The finance manager suggested that it should raise funds through equity as the market was bullish. As per the suggestion of finance manager, the company decided to raise ₹ 3,500 crore from equity for its expansion plan for electric vehicles. The factor that the finance manager took into consideration to raise funds through equity was:

- (a) Cash flow position (b) Flexibility (c) Cost of debt
(d) Stock-market conditions

Q4. CBSE 2026 · 1 mark A position when a company is unable to meet its fixed financial charges like interest payment, dividend on preference shares and repayment obligations is referred to as _____.

- (a) Trading on equity (b) Financial risk (c) Business risk
(d) Operating risk

Q5. CBSE 2026 · 1 mark 'Certain provisions of the Companies Act place restrictions on payouts as dividend. Such provisions must be adhered to while declaring the dividend.' The factor affecting dividend decision discussed above is:

- (a) Access to capital market (b) Contractual constraints
(c) Legal constraints (d) Stock market reaction

Q6. CBSE 2026 · 1 mark 'If the shareholders in general desire that at least a certain amount is paid as dividend, the companies are likely to declare the same.' The factor affecting dividend decision discussed above is:

- (a) Stability of dividends (b) Amount of earnings
(c) Legal constraints (d) Shareholders' preference

Q7. CBSE 2026 · 1 mark While granting loans to a company, sometimes the lender may impose certain restrictions on the payment of dividends in future. The factor affecting dividend decision discussed above is

- (a) Access to capital market (b) Contractual constraints
(c) Legal constraints (d) Stock market reaction

Q8. CBSE 2026 · 1 mark 'Radhe Textiles', a children's garment manufacturing business, and Ghanshyam Garments, a home furnishing manufacturing business operate in the same industrial area. Both companies jointly set up a common dyeing and finishing plant. This was because the scale of operations of each of them was not sufficient to make full use of the plant. With both of them jointly using the plant, the requirement of fixed capital for each company will now be:

- (a) Higher than earlier (b) Lower than earlier
(c) Same as earlier (d) Nil

Q9. CBSE 2026 · 1 mark The number of times earnings before interest and taxes of a company cover the interest obligation is referred to as:

- (a) Capital structure (b) Financial leverage
(c) Interest Coverage Ratio (d) Debt-Service Coverage Ratio

Q10. CBSE 2026 · 1 mark Read the following statements carefully: Statement I: Higher fixed operating costs result in higher business risk. Statement II: If the firm's business risk is lower, the firm's capacity to use debt is higher. In light of the given statements, choose the correct alternative from the following:

- (a) Statement I is true and Statement II is false.
(b) Statement I is false and Statement II is true.
(c) Both Statement I and Statement II are true.
(d) Both Statement I and Statement II are false.

Q11. CBSE 2026 · 1 mark 'Bright Appliances Ltd.' plans to launch a new product line of energy-efficient air purifiers. To ensure a smooth launch of the air purifiers, the company needs to arrange adequate funds. For this, the Finance Manager estimates the fund requirements and specifies the source of funds the company should use. The process followed by the Finance Manager is called:

- (a) Financial planning (b) Financial management
(c) Financial leverage (d) Investment decision



Q12. CBSE 2026 · 1 mark Read the following statements carefully: Statement I: Higher fixed operating costs result in higher business risk. Statement II: If the firm's business risk is lower, the firm's capacity to use debt is higher. In light of the given statements, choose the correct alternative:

- (a) Statement I is true and Statement II is false.
- (b) Statement I is false and Statement II is true.
- (c) Both Statement I and Statement II are true.
- (d) Both Statement I and Statement II are false.

Q13. CBSE 2026 · 1 mark Read the following statements: Assertion (A) and Reason (R). Assertion (A): The cost of debt is higher than the cost of equity for a firm. Reason (R): The lender's risk is lower than the equity shareholder's risk, since the lender earns an assured return and repayment of capital. Choose the correct alternative from the options given below:

- (a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
- (b) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
- (c) Assertion (A) is true, but Reason (R) is false.
- (d) Assertion (A) is false, but Reason (R) is true.

Q14. CBSE 2026 · 1 mark 'The larger the lead time, the larger the quantity of material to be stored, and the larger shall be the amount of working capital required.' The factor affecting the requirement of working capital discussed in the above statement is:

- (a) Operating efficiency
- (b) Inflation
- (c) Availability of raw material
- (d) Production cycle

Q15. CBSE 2026 · 1 mark 'Tangy Beverages Ltd.' was known for its popular tangy fruit drinks. It had recently introduced a new range of fruit drinks that became an instant hit among consumers and led to a significant increase in the company's profits. As a result, the Board of Directors wanted to declare a higher dividend for the year. The Chief Finance Officer suggested that they should evaluate the impact of dividend on the share price of previous years before taking a decision. An analysis was done, which showed how the company's share price had risen in previous years whenever the dividend was increased. On the other hand, even a small decrease in dividend had led to a noticeable dip in the share price. Which of the following factors affecting dividend decision was suggested by the Chief Finance Officer to the Board of Directors in the above case?

- (a) Access to capital market
- (b) Stock market reaction
- (c) Shareholders preference
- (d) Cash flow position

Q16. CBSE 2026 · 1 mark Which of the following is not a factor affecting capital structure of a company?

- (a) Cash flow position
- (b) Return on investment
- (c) Financing alternatives
- (d) Stock market conditions

Q17. CBSE 2026 · 1 mark Which of the following will require higher working capital?

- (a) Trading organisations
- (b) Short processing cycles
- (c) High level of competition
- (d) Strict credit policy towards debtors

Q18. CBSE 2025 · 1 mark The investment decision is also known as:

- (a) Capital budgeting decision
- (b) Financial leverage decision
- (c) Working capital decision
- (d) Capital structure decision

Q19. CBSE 2025 · 1 mark Public deposits are a source of finance for:

- (a) Companies
- (b) Banks
- (c) Government
- (d) NGOs

Q20. CBSE 2025 · 1 mark Which of the following statements about financial planning is true?

- (a) It eliminates the need for working capital.
- (b) It assists in avoiding business shocks and surprises.
- (c) It discourages investments.
- (d) It ignores the requirement of funds.

Q21. CBSE 2024 · 1 mark 'Dovex' was a large company with a renowned name in healthcare industry, specialising in the development and production of life saving medications and medical devices. With a strong reputation for ethical practices, 'Dovex' attracted a large number of investors who had great faith in the company's future. This allowed 'Dovex' to raise capital easily from the market whenever expansion or new projects were to be undertaken. As a result, it could pay high dividends to the shareholders. The factor affecting dividend decision discussed above, which allowed 'Dovex' to pay high dividends to the shareholders is:

- (a) Cash flow position
- (b) Stock market reaction
- (c) Legal constraints
- (d) Access to capital market

Q22. CBSE 2024 · 1 mark The process of estimating fund requirements of a business and specifying the sources of funds is called:

- (a) Capital structure
- (b) Financial planning
- (c) Financial management
- (d) Capital budgeting

Q23. CBSE 2024 · 1 mark A public issue of equity may reduce the management holding in the company and make it vulnerable to takeover. This factor also influences the choice between debt and equity, especially in companies in which the current holding of management is on a lower side. The factor affecting choice of capital structure discussed in the above case is:

- (a) Flexibility
- (b) Cost of debt
- (c) Cost of equity
- (d) Control

Q24. CBSE 2024 · 1 mark Increase in profit earned by equity shareholders due to the presence of fixed financial charges like interest is referred to as:

- (a) Capital structure
- (b) Financing decision
- (c) Return on Investment
- (d) Trading on equity



Q25. CBSE 2024 · 1 mark 'Mudro Infratech' got a short-term contract for building two villas within a period of ten months with the expectation to earn a huge amount of profit. The Works Manager accepted this challenge and completed the work within the given time period. The profit of the company went up by 40% due to this temporary order. The Finance Manager was aware that the company would not earn this huge profit in the near future. So, he decided not to increase dividend per share as earnings for the year had gone up, but not the earning potential of the company. He also knew that this increase in earnings was temporary in nature. The factor affecting Dividend Decision being highlighted above is:

- (a) Cash flow position (b) Shareholders' preference
(c) Growth opportunities (d) Stability of dividends

Q26. CBSE 2024 · 1 mark Statement I: The objective of financial management is to maximize shareholders' wealth. Statement II: The shareholders gain if the value of shares in the market increases. Choose the correct option from the following:

- (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 true.
(d) Both the Statements are false.

Q27. CBSE 2024 · 1 mark Which of the following statements is not highlighting the importance of financial planning:

- (a) It helps in forecasting what may happen under different business situations.
(b) It helps in avoiding business shocks and surprises and helps the company in preparing for the future.
(c) It provides a link between investment and financing decisions on a continuous basis.
(d) Detailed plans of action prepared under financial planning increases waste, duplication of efforts and gaps in planning.

Q28. CBSE 2024 · 1 mark Read the following statements Assertion (A) and Reason (R). Choose the correct option from the given options. Assertion (A): Amount of Earnings is a major determinant of the decision about dividend. Reason (R): Dividends are paid out of current and past earnings.

- (a) Both Assertion (A) and Reason (R) are true and Reason (R) is correct explanation of Assertion (A).
(b) Both Assertion (A) and Reason (R) are true but Reason (R) is not the correct explanation of Assertion (A).
(c) Assertion (A) is true but Reason (R) is false.
(d) Assertion (A) is false but Reason (R) is true.

Q29. CBSE 2024 · 1 mark 'It is a process that allocates or directs funds available for investment into their most productive instrument opportunity'. This is known as:

- (a) Financial planning (b) Financial Intermediation
(c) Allocative function (d) Capital budgeting

Q30. CBSE 2024 · 1 mark Assertion (A): Availability of leasing facilities may reduce the funds required to be invested in fixed assets thereby reducing the fixed capital requirements. Reason (R): When an asset is taken on lease, the firm pays lease rentals to use it and avoids to invest huge sums required to purchase it. Choose the correct option:

- (a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
(b) Both Assertion (A) and Reason (R) are true but Reason (R) is not the correct explanation of Assertion (A).
(c) Assertion (A) is true but Reason (R) is false.
(d) Assertion (A) is false but Reason (R) is true.

Q31. CBSE 2024 · 1 mark 'Kanand Ltd.' is an automobile manufacturing company started in 2014 under 'Make in India' initiative of the Government of India. Expecting higher growth in future, it developed higher capacity in the current year taking advantage of the subsidies provided by the government. This would enable 'Kanand Ltd.' to meet anticipated higher demand quickly. For this, 'Kanand Ltd.' invested large amounts in fixed assets leading to higher requirements of fixed capital. Identify the factor affecting fixed capital requirements which 'Kanand Ltd.' kept in mind to meet higher anticipated demand quicker.

- (a) Scale of operations (b) Nature of business
(c) Diversification (d) Growth prospects

Q32. CBSE 2024 · 1 mark Which of the following is NOT a factor affecting 'financing decision'?

- (a) Fixed operating costs (b) Cash flow position
(c) Control considerations (d) Diversification

Q33. CBSE 2024 · 1 mark Assertion (A): Availability of leasing facilities may reduce the funds required to be invested in fixed assets thereby reducing the fixed capital requirements. Reason (R): When an asset is taken on lease, the firm pays lease rentals to use it and avoids to invest huge sums required to purchase it. Choose the correct alternative from those given below:

- (a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
(b) Both Assertion (A) and Reason (R) are true but Reason (R) is not the correct explanation of Assertion (A).
(c) Assertion (A) is true but Reason (R) is false.
(d) Assertion (A) is false but Reason (R) is true.

Q34. CBSE 2024 · 1 mark Read the following statements: Assertion (A) and Reason (R). Choose the correct alternative from those given below: Assertion (A): Availability of leasing facilities may reduce the funds required to be invested in fixed assets thereby reducing the fixed capital requirements. Reason (R): When an asset is taken on lease, the firm pays lease rentals to use it and avoids to invest huge sums required to purchase it.

- (a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
(b) Both Assertion (A) and Reason (R) are true but Reason (R) is not the correct explanation of Assertion (A).
(c) Assertion (A) is true but Reason (R) is false.
(d) Assertion (A) is false but Reason (R) is true.



Q35. CBSE 2023 · 1 mark During the Covid-19 pandemic, the restaurant industry faced many challenges. The slowdown led to huge decrease in demand. From April 2022, the effect of Covid started reducing. The economy started picking up and a boom was noticed in the restaurant industry. As a result, larger amount of working capital was required with increased production and sales. The factor affecting the working capital requirement discussed above is:

- (a) Seasonal factor (b) Production cycle
(c) Operating efficiency (d) Business cycle

Q36. CBSE 2023 · 1 mark Which of the following statements does not highlight the importance of financial planning?

- (a) Detailed plans of action prepared under financial planning increase waste, duplication of efforts and gaps in planning.
(b) It helps in forecasting what may happen in future under different business situations.
(c) It provides a link between investment and financing decisions on a continuous basis.
(d) It helps in avoiding business shocks and surprises and helps the company in preparing for the future.

Q37. CBSE 2023 · 1 mark The use of debt in the capital structure of a financial company increases the financial risk. The factor determining the choice of an appropriate capital structure of a company highlighted in the above statement is:

- (a) Debt Service Coverage Ratio (b) Risk consideration
(c) Cost of debt (d) Flexibility

Q38. CBSE 2023 · 1 mark Which of the following is not a factor affecting the capital structure of a Company:

- (a) Cost (b) Risk (c) Cash flow position of a company
(d) Growth opportunities

Q39. CBSE 2023 · 1 mark Which of the following is not a factor affecting the financial decision of a Company:

- (a) Cost (b) Risk (c) Cash flow position of a company
(d) Growth opportunities

Q40. CBSE 2023 · 1 mark The use of debt in increasing the financial risk of a business. The factor determining the choice of an appropriate capital structure of a company highlighted in the above statement is:

- (a) Debt Service Coverage Ratio (b) Risk consideration
(c) Cost of debt (d) Flexibility

VERY SHORT ANSWER (5)

Q41. CBSE 2025 · 2 marks Define 'working capital' and state one factor affecting its requirement.

Q42. CBSE 2025 · 2 marks Give two examples of fixed capital requirement in a manufacturing enterprise.

Q43. CBSE 2025 · 2 marks What is meant by 'Financial Planning'? Mention its importance.

Q44. CBSE 2025 · 2 marks How does financial planning help in reducing business risks?

Q45. CBSE 2023 · 3 marks (b) State any three factors affecting the dividend decision.

SHORT ANSWER (33)

Q46. CBSE 2026 · 4 marks 'Suruchi Textiles Ltd.' is a reputed textile manufacturing company with stable earnings. It has been paying regular dividends for the last seven years, which has helped it to build a loyal investor base. It has a large number of its shareholders who depend on regular income from their investment and therefore expect at least a minimum dividend every year. To meet these expectations and maintain shareholders confidence, the company has followed a high dividend policy. During the current year, the company planned further expansion, which required additional funds. However, since a major portion of its earnings had been distributed as dividends in earlier years, the company had retained limited funds. But, since 'Suruchi Textiles Ltd.' had a strong reputation in the capital market, it was able to raise the required capital from the capital market to finance its expansion plans. Identify and explain four factors affecting the dividend decision discussed in the above case.

Q47. CBSE 2026 · 3 marks (b) Explain how the following factors affect the requirements of fixed capital of a company: (i) Nature of the business (ii) Technology upgradation (iii) Level of collaboration

Q48. CBSE 2026 · 3 marks (b) State how the following factors affect the requirements of working capital of a company: (i) Seasonal factors (ii) Production cycle (iii) Inflation

Q49. CBSE 2026 · 4 marks 'Ratan Ltd.' and 'Lara Ltd.' are two companies with each having a capital employed of ₹ 20,00,000. 'Ratan Ltd.' had raised funds by issuing shares whereas 'Lara Ltd.'s' capital has 60% equity (in shares of ₹ 100 each) and 40% debt (comprising of 8% debentures). Both the companies have a Return on Investment of 10% and the tax rate is 40%. State with reason which company will be able to give a better return to the shareholders. Show your calculations clearly.

Q50. CBSE 2025 · 3 marks Discuss three objectives of financial management.

Q51. CBSE 2025 · 3 marks Explain any three factors affecting the choice of capital structure in a company.

Q52. CBSE 2024 · 3 marks Kanav, after passing out of college with specialization in renewable energy, was determined to start a solar power plant. The venture required heavy investment in plant and machinery and less on manual labour. Kanav invested in the latest solar panel technology and infrastructure and purchased the latest solar panels, inverters and battery storage systems. Despite the high risk and substantial investment, Kanav's business had good expansion possibilities. The world was increasingly moving towards clean energy solutions, and there was a growing demand for sustainable power sources. So, Kanav decided to create a higher capacity to meet the anticipated demand quickly. This entailed further investment in fixed assets which Kanav was able to arrange. As the years passed, the solar power plant did very well and played a pivotal role in the city's transition towards a greener and more sustainable future. Identify and explain the two factors affecting the fixed capital requirements discussed in the above case.



Q53. CBSE 2024 · 4 marks (a) Explain how the following factors affect the working capital requirement of a business: (i) Operating efficiency (ii) Credit availed

Q54. CBSE 2024 · 4 marks (a) Explain how the following factors affect the working capital requirement of a business: (i) Seasonal factors (ii) Inflation

Q55. CBSE 2024 · 4 marks (a) Explain how the following factors affect the working capital requirement of a business: (i) Production cycle (ii) Availability of raw material OR (b) Explain how the following factors affect the choice of capital structure of a company: (i) Control (ii) Return on Investment

Q56. CBSE 2024 · 4 marks (a) Explain the following factors affecting the requirements of fixed capital: (i) Scale of operations (ii) Financing alternatives

Q57. CBSE 2024 · 4 marks Explain the following factors affecting the requirements of fixed capital: (i) Technology upgradation (ii) Choice of technique

Q58. CBSE 2024 · 4 marks Explain the following factors affecting the requirements of fixed capital: (i) Growth prospects (ii) Diversification

Q59. CBSE 2024 · 3 marks (a) Explain the following as factors affecting 'Financing Decision': (i) Fixed operating costs and (ii) Cash flow position of the company

Q60. CBSE 2024 · 4 marks Explain the following factors affecting the working capital requirements of a company: (a) Level of competition (b) Inflation

Q61. CBSE 2024 · 4 marks Kaysons Ltd. was a reputed company manufacturing automotive parts for electric vehicles. As the demand for the electric vehicles grew, Kaysons Ltd. needed more capital to keep up with the demand for automotive parts. Atul, the Finance Manager of Kaysons Ltd. suggested that the company should raise funds through a public issue of shares as the stock market was bullish. The Chief Executive Officer fully understood that this process of raising funds would not only reduce the managements' holding in the company but would also require considerable expenditure. Even then he agreed with the Finance Manager and the public issue of shares was made complying with the guidelines of Securities and Exchange Board of India. Identify and state four factors affecting choice of capital structure being discussed above.

Q62. CBSE 2024 · 4 marks Explain the following factors affecting the working capital requirements of a company: (a) Production cycle (b) Seasonal factors

Q63. CBSE 2024 · 4 marks Explain the following factors affecting the working capital requirements of a company: (a) Operating Efficiency (b) Availability of Raw Material

Q64. CBSE 2023 · 4 marks Company Limited issued 14% Debentures of ₹4,00,000 and 10,000 Equity shares of ₹60 each. This investment resulted in a net profit of ₹2,00,000 before interest and tax. The tax rate was 50%. (a) Calculate the Return on Investment and Earnings Per Share. (b) State with reason whether the above example is that of favourable or unfavourable financial leverage.

Q65. CBSE 2023 · 4 marks Debentures of ₹4,00,000, 14% Debentures and 10,000 Equity shares of ₹60 each. This investment resulted in a net profit of ₹2,00,000 before interest and tax. The tax rate was 50%. (a) Calculate the Return on Investment and Earnings Per Share. (b) State with reason whether the above example is that of favourable or unfavourable financial leverage.

Q66. CBSE 2023 · 4 marks (a) Fixed capital refers to investment in long-term assets. Explain any two factors affecting the fixed capital requirements of an enterprise.

Q67. CBSE 2023 · 4 marks X Ltd. issued Debentures of ₹4,00,000 and 10,000 Equity shares of ₹60 each. This investment resulted in a net profit of ₹2,00,000 before interest and tax. The tax rate was 50%. (a) Calculate the return on equity and earnings per share of X Ltd. (b) State with reason whether the above example is that of favourable or unfavourable financial leverage.

Q68. CBSE 2023 · 4 marks State any four factors affecting the decision which relates to how much of the profits earned by a company will be distributed and how much will be retained in the business.

Q69. CBSE 2023 · 4 marks Identify and state any three factors affecting the decision which involves determining the relative proportion of the use of different sources in raising funds.

Q70. CBSE 2023 · 4 marks Identify the capital needed to meet the day-to-day requirements of the business and state any four factors affecting the requirements of the capital needed for day-to-day working of the business.

Q71. CBSE 2023 · 3 marks (a) State any three points that highlight the importance of financial planning. OR (b) State how the following factors affect the working capital requirements of a company: (i) Seasonal Factors (ii) Production Cycle (iii) Operating Efficiency

Q72. CBSE 2023 · 3 marks (a) Define financial planning. State any two objectives of financial planning. OR (b) State how the following factors affect the working capital requirements of a company: (i) Business Cycle (ii) Growth Prospects (iii) Nature of Business

Q73. CBSE 2023 · 3 marks (a) State any three factors that affect the financial decision of a company.

Q74. CBSE 2023 · 4 marks Give the meaning of Financial Management. Explain any three points that highlight the role of financial management.

Q75. CBSE 2022 · 3 marks Tanushree is working in a multinational company. Her performance is appreciated by everyone in the company. As an incentive, the company offered her to buy the shares of the company at a price that is less than the market price. (a) Name and give the meaning of the incentive offered to Tanushree. (b) State any two more incentives of the same type.

Q76. CBSE 2022 · 3 marks State any three factors affecting the capital budgeting decision of a company.

Q77. CBSE 2022 · 3 marks Explain any two factors affecting the dividend decision of a company.



Q78. CBSE 2022 - 3 marks State any three points of importance of Financial Planning.

LONG ANSWER (17)

Q79. CBSE 2026 - 6 marks 'Freshju' is a trading company, selling bottled juices made by other manufacturers. Now, it planned to sell its juices across India. For this, 'Freshju' decided to enter into 'Juice manufacturing'. It also has ambitious plans to export its juices to other countries in the future. To meet anticipated higher demand in future, the company set-up a larger manufacturing unit. The Chief Executive Officer, Ravinder, ordered automatic juice-filling and bottling machines to increase speed, improve hygiene and for consistency in production. Since the investment was huge, instead of buying all new machinery 'Freshju' took some expensive machines on lease. They also collaborated with a nearby packaging unit to use their packing machines during peak-season. This helped 'Freshju' to manage seasonal surges in demand without investing in additional equipment that would remain underutilized during off season. Quoting lines from the above, identify and explain any four factors that will affect the fixed capital requirements of 'Freshju'.

Q80. CBSE 2026 - 6 marks 'Koka Manufacturing Ltd.' is a large scale manufacturer in the electronics industry. In this industry assets are prone to obsolescence and their replacement becomes due faster with change in technology. The company is constantly under pressure to upgrade its machinery and equipment as it would help company to stay competitive, improve its product quality and reduce production costs. So instead of purchasing the machinery, company decides to lease the required machinery, giving it flexibility to upgrade equipment at the end of lease term. This helps company to maintain operational efficiency, technological competitiveness and financial flexibility. Identify and explain four factors that would affect the fixed capital requirements of 'Koka Manufacturing Ltd.'.

Q81. CBSE 2026 - 6 marks 'Quality Foods Ltd.', a company manufacturing packaged snacks has been in business for the last 10 years. It enjoys a good reputation and has a loyal customer base. This financial year, the profits of the company increased manifold as the company introduced a new range of baked snacks that became very popular. As the year came to an end, the company had to decide how much dividend to pay to its shareholders. In view of the above and with the understanding that investors, in general, view an increase in dividend as good news and stock prices react positively to it, the Board of Directors were keen on declaring a high dividend. However, the Chief Finance Officer of the company pointed out that they need to keep many considerations in mind before declaring dividend. He drew the attention of the Board of Directors to the loan that the company has taken, containing a clause that imposes restriction on the payment of dividend. Further, he pointed out that even though the profits were high, a large amount of money was tied to the amounts receivables from the debtors. Without enough cash in hand, announcing a high dividend may not be practical. He also reminded the Board of Directors that 'Quality Foods Ltd.' was planning to expand into the breakfast cereal market. Since this new project will require a huge investment, the company will need to retain more money out of their earnings to finance it. (a) Identify and explain any two factors affecting dividend decision that would have influenced the decision of the Board of Directors to pay a high dividend. (b) Identify and explain any two factors to which the Chief Finance Officer drew the attention of the Board of Directors.

Q82. CBSE 2025 - 5 marks Discuss the steps involved in the process of financial planning. Also, explain the importance of financial planning for a business organisation.

Q83. CBSE 2024 - 6 marks Explain the following factors affecting the requirement of fixed capital of a company: (i) Choice of technique (ii) Financing alternatives (iii) Growth prospects

Q84. CBSE 2024 - 6 marks (a) Explain the following factors affecting choice of capital structure of a company: (i) Return on Investment (ii) Floatation Costs (iii) Flexibility

Q85. CBSE 2024 - 6 marks (a) Explain the following factors affecting the working capital requirement of a company: (i) Level of competition (ii) Production cycle (iii) Scale of operations

Q86. CBSE 2024 - 6 marks (a) Explain the following factors affecting the working capital requirements of a business: (i) Operating efficiency (ii) Credit availed (iii) Level of competition OR (b) Explain the following factors affecting the dividend decision of a company: (i) Stability of dividends (ii) Contractual constraints (iii) Stock market reaction

Q87. CBSE 2024 - 6 marks (a) Explain the following factors affecting the working capital requirements of a business: (i) Inflation (ii) Business cycle (iii) Nature of business OR (b) Explain the following factors affecting the dividend decision of a company: (i) Access to capital market (ii) Legal constraints (iii) Taxation policy

Q88. CBSE 2024 - 6 marks (a) Explain the following factors affecting the working capital requirements of a business: (i) Credit allowed (ii) Production cycle (iii) Availability of raw material



Q89. CBSE 2023 · 4 marks (b) Explain the following factors affecting the working capital requirements of an enterprise: (i) Nature of business (ii) Availability of raw material

Q90. CBSE 2022 · 5 marks (a) Sahil is the Finance Manager of Nitwear Limited. The company is engaged in the manufacturing of woolen clothes. The demand of its products continues throughout the year. Due to the quality of its products, the company is operating at a large scale having its regional offices in Northern, Southern, Eastern and Western India. The performance of its each division is of very high level. For uninterrupted availability of raw materials, the company requires high stock levels. Not only this, to face the competition and to meet the urgent orders of the customers, the company also needs enough stock of finished goods. Considering the above discussion, state five factors affecting working capital requirement. OR (b) Abhishek Engineering Ltd., a leading manufacturer of steel rods wants to enter into the business of manufacturing trucks. For this, the Finance Manager has to ensure the availability of funds whenever required and its possible sources. He has to see that the company does not raise funds unnecessarily. In this way he has to match the funds requirement and their availability. (i) Identify and give the meaning of the concept discussed in the above para which will help the Finance Manager to achieve his objectives. (ii) Also, state any three points of importance of the concept identified in (i) above.

Q91. CBSE 2022 · 5 marks Niterview Limited is engaged in the manufacturing of woolen clothes. The demand of its products continues throughout the year. Due to the quality of its products, the company is operating at a large scale having its regional offices in Northern, Southern, Eastern and Western India. The performance of its each division is of very high level. For uninterrupted availability of raw materials, the company requires high stock levels. Not only this, to face the competition and to meet the urgent orders of the customers, the company also needs enough stock of finished goods. Considering the above discussion, state five factors affecting working capital requirement.

Q92. CBSE 2022 · 5 marks (a) Sahil is the Finance Manager of Nitviyer Limited. The company is engaged in the manufacturing of woolen clothes. The demand of the products continues throughout the year. Due to the quality of its products, the company is operating at a large scale having its regional offices in Northern, Southern, Eastern and Western India. The performance of its each division is of very high level. For uninterrupted availability of raw materials, the company requires high stock levels. Not only this, to face the competition and to meet the urgent orders of the customers, the company also needs enough stock of finished goods. Considering the above discussion, state five factors affecting working capital requirement.

Q93. CBSE 2022 · 5 marks Technical know-how and cooperation level affect one of the types of capital requirements of the company. Identify the type of capital requirement affected with reference to the above statement. Also, explain any two other factors, apart from the ones stated above affecting the type of capital requirement identified.

Q94. CBSE 2022 · 5 marks Technical knowhow and collaboration at state of the art level affects one of the types of capital requirements of the company. Identify the type of capital requirement affected with reference to the above statement. Also, explain any other two factors, apart from the ones stated above affecting the type of capital requirement identified.

Q95. CBSE 2022 · 5 marks Technological development and cooperative alliance affect one of the types of capital requirements of the company. Identify the type of capital requirement affected with reference to the above statement. Also, explain any other two factors, apart from the ones stated above affecting the type of capital requirement identified.

10 Financial Markets

MULTIPLE CHOICE AND ASSERTION-REASON (45)

Q1. CBSE 2026 · 1 mark In the 'Primary Market' prices of securities are determined by:

- (a) Management of the company
- (b) Demand and supply of the security
- (c) Employees of the company
- (d) Only demand for the security

Q2. CBSE 2026 · 1 mark Statement – I: Capital market instruments are safer than money market instruments both with respect to returns and principal repayment. Statement – II: The capital market deals in medium and long-term securities such as equity shares and debentures etc. Choose the correct option from the following:

- (a) Statement I is true and Statement II is false.
- (b) Statement I is false and Statement II is true.
- (c) Both Statement I and Statement II are true.
- (d) Both Statement I and Statement II are false.



Q3. CBSE 2026 · 1 mark 'Stock Exchange is playing a vital role in ensuring wider share ownership by regulating new issues, better trading practices and taking effective steps in educating the public about investments.' The above lines highlight which function of stock exchange from the following?

- (a) Providing Scope for Speculation
- (b) Spreading of Equity Cult
- (c) Safety of Transactions
- (d) Contributes to Economic Growth

Q4. CBSE 2026 · 1 mark Read the following statements – Assertion (A) and Reason (R): Assertion (A): Money market instruments have a higher degree of liquidity as compared to capital market securities. Reason (R): Money market instruments are traded on the stock exchanges. Choose the correct alternative from the alternatives given below:

- (a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
- (b) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
- (c) Assertion (A) is true and Reason (R) is false.
- (d) Assertion (A) is false and Reason (R) is true.

Q5. CBSE 2026 · 1 mark _____ serves as an intermediary between the investor and the depository who is authorised to maintain the accounts of dematerialised shares.

- (a) Depository Participant
- (b) National Securities Depository Limited
- (c) Central Depository Services Limited
- (d) Stock Exchange

Q6. CBSE 2026 · 1 mark Read the following statements: Assertion (A) and Reason (R). Assertion (A): Holding shares in demat form is very convenient as it is just like a bank account. Reason (R): Securities and Exchange Board of India (SEBI) has made it mandatory for the settlement procedures to take place in demat form. Choose the correct alternative from the following:

- (a) Assertion (A) is false and Reason (R) is true.
- (b) Both Assertion (A) and Reason (R) are false.
- (c) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
- (d) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).

Q7. CBSE 2026 · 1 mark The market where existing securities are traded is known as:

- (a) Both Primary and Secondary Market
- (b) Primary Market
- (c) Secondary Market
- (d) Money Market

Q8. CBSE 2026 · 1 mark Shikha, a first-time investor, was excited yet nervous about investing in the stock market as she felt it was risky. She sought guidance from her friend, Rama, who was an experienced investor. Rama assured Shikha that it is safe to invest in the stock market as the membership of stock exchange is regulated by Securities and Exchange Board of India (SEBI). She also told Shikha that SEBI performs various functions to protect the rights and interests of investors. Which of the following functions mentioned by Rama is not a protective function of SEBI?

- (a) Prohibition of fraudulent and unfair trade practices like making misleading statements, manipulations, price rigging, etc.
- (b) Conducting research and publishing information useful to all market participants.
- (c) Controlling insider trading and imposing penalties for such practices.
- (d) Promotion of fair practices and code of conduct in the securities market.

Q9. CBSE 2026 · 1 mark The market for short-term funds which deals in monetary assets whose period of maturity is up to one year, is known as:

- (a) Both capital and money market
- (b) Primary market
- (c) Secondary market
- (d) Money market

Q10. CBSE 2026 · 1 mark The market for creation and exchange of financial assets is known as:

- (a) Financial market
- (b) Primary market
- (c) Secondary market
- (d) Money market

Q11. CBSE 2026 · 1 mark The purpose of opening a Demat Account with a Depository Participant (DP) is:

- (a) For holding and transferring securities in the Demat form
- (b) For entering into an agreement with broker
- (c) For making payment to stock exchange for any purchase of securities
- (d) For enabling cash transactions in the securities market

Q12. CBSE 2026 · 1 mark Read the following statements: Assertion (A) and Reason (R). Assertion (A): The investing public gets a safe and fair deal on the stock market. Reason (R): The membership of stock exchange is well regulated and its dealings are well defined according to the existing legal framework. Choose the correct alternative from the following:

- (a) Both Assertion (A) and Reason (R) are correct and Reason (R) is the correct explanation of Assertion (A).
- (b) Both Assertion (A) and Reason (R) are correct, but Reason (R) is not the correct explanation of Assertion (A).
- (c) Both Assertion (A) and Reason (R) are incorrect.
- (d) Assertion (A) is correct, but Reason (R) is incorrect.

Q13. CBSE 2025 · 1 mark Stock exchanges help in providing liquidity to securities. This function is classified as:

- (a) Economic function
- (b) Transfer function
- (c) Pricing function
- (d) Marketability function



Q14. CBSE 2025 · 1 mark Financial market is classified into:

- (a) Capital market and money market
- (b) Stock exchange and bank
- (c) Debt and equity market
- (d) Cash market only

Q15. CBSE 2025 · 1 mark Which of the following is NOT a function of SEBI?

- (a) Regulating the stock market
- (b) Protecting investor interests
- (c) Collecting taxes
- (d) Promoting fair dealings

Q16. CBSE 2025 · 1 mark Which stock exchange regulator is responsible for investor protection in India?

- (a) RBI
- (b) SEBI
- (c) IRDA
- (d) Ministry of Finance

Q17. CBSE 2025 · 1 mark In which year was SEBI (Securities and Exchange Board of India) established as the regulator of capital markets?

- (a) 1993
- (b) 1992
- (c) 1990
- (d) 1995

Q18. CBSE 2025 · 1 mark Which type of financial market deals in previously issued securities?

- (a) Primary market
- (b) Secondary market
- (c) Money market
- (d) Treasury market

Q19. CBSE 2024 · 1 mark In the _____ market, prices are determined and decided by the management of the company.

- (a) Primary
- (b) Secondary
- (c) Money
- (d) Stock

Q20. CBSE 2024 · 1 mark Statement I: A financial market facilitates the transfer of savings from savers to investors. Statement II: It gives savers the choice of different investments and helps to channelise surplus funds into the most productive use. Choose the correct option from the following:

- (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 true.
- (d) Both the Statements are false.

Q21. CBSE 2024 · 1 mark Choose the incorrect statement from the following about functions of a Stock Exchange:

- (a) Provides liquidity and marketability to new securities
- (b) Ensures safety of transactions
- (c) Contributes to economic growth
- (d) Provides scope for speculation

Q22. CBSE 2024 · 1 mark _____ is the process of holding securities in an electronic form.

- (a) Rolling Settlement
- (b) Registration
- (c) Dematerialization
- (d) Depository

Q23. CBSE 2024 · 1 mark Financial market allocates or directs funds available for investment into the most productive investment opportunity. In doing so, it performs the _____ function.

- (a) Creative
- (b) Exchange
- (c) Allocative
- (d) Productive

Q24. CBSE 2024 · 1 mark From the following, identify the one which is not a function of stock exchange:

- (a) Providing liquidity and marketability to existing securities
- (b) Spreading of equity cult
- (c) Ensuring safety of transactions
- (d) Ensuring that there is no scope for speculation

Q25. CBSE 2024 · 1 mark In the _____ a securities account can be opened, all shares can be deposited in it. These can be withdrawn / sold at any time and instruction to deliver or receive shares on behalf of the investor can be given.

- (a) Primary market
- (b) Stock exchange
- (c) Bank
- (d) Depository

Q26. CBSE 2024 · 1 mark Match the functions of Securities and Exchange Board of India given in Column-I with their headings given in Column-II: Column-I: A. Training of intermediaries of securities markets, B. Regulation of takeover bids by companies, C. Controlling insider trading and imposing penalties for such practices. Column-II: (i) Regulatory function, (ii) Protective function, (iii) Development function. Choose the correct alternative:

- (a) A(ii); B(iii); C(i)
- (b) A(i); B(ii); C(iii)
- (c) A(iii); B(i); C(ii)
- (d) A(iii); B(ii); C(i)

Q27. CBSE 2024 · 1 mark _____ is the process of holding securities in electronic form.

- (a) Financial Intermediation
- (b) Dematerialisation
- (c) Allocative function
- (d) Mobilisation of securities

Q28. CBSE 2024 · 1 mark Match the functions of Securities and Exchange Board of India given in Column-I with their headings given in Column-II: Column-I Column-II A. Training of intermediaries of securities markets (i) Regulatory function B. Regulation of takeover bids by companies (ii) Protective function C. Controlling insider trading and imposing penalties for such practices (iii) Development function Choose the correct alternative:

- (a) A(ii); B(iii); C(i)
- (b) A(i); B(ii); C(iii)
- (c) A(iii); B(i); C(ii)
- (d) A(iii); B(ii); C(i)

Q29. CBSE 2024 · 1 mark Statement-I: The basic function of a Stock Exchange is the creation of a continuous market where securities are bought and sold. Statement-II: The Stock Exchange provides both liquidity and easy marketability to already existing securities in the market. Choose the correct option from the following:

- (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 true.
- (d) Both the Statements are false.

Q30. CBSE 2024 · 1 mark For holding securities in an electronic form, the investor has to open a demat account with an organisation called _____.

- (a) Depository
- (b) Securities and Exchange Board of India
- (c) Stock Exchange
- (d) Mutual Fund



Q31. CBSE 2024 · 1 mark Choose the incorrect statement about 'Money market':

- (a) The main instruments traded in this market are Treasury bills, Trade bills, Commercial paper and Certificates of deposit.
- (b) In this market, transactions entail huge sums of money as the instruments are quite expensive.
- (c) Participation in this market is by and large undertaken by institutional participants such as the Reserve Bank of India, banks, financial institutions and finance companies.
- (d) It deals in medium and long term securities.

Q32. CBSE 2023 · 1 mark Adapting to a change in consumer preference towards online shopping, Fast-service launched 10-minute deliveries of groceries. Because of this service, Fast-service earned huge profit within a year. It planned to expand its operations and decided to raise funds by directly issuing its securities to investors. The market through which Fast-service raised funds for its expansion is:

- (a) Money market (b) Primary market
- (c) Secondary market
- (d) Both Primary and Secondary markets

Q33. CBSE 2023 · 1 mark Capital Market instruments are riskier both with respect to returns and principal repayment as compared to Money Market instruments. This difference between Capital Market and Money Market expresses the following point:

- (a) Instruments (b) Duration (c) Safety (d) Liquidity

Q34. CBSE 2023 · 1 mark Adapting to a change in consumer preference towards online shopping, a fast-service has earned huge profit within a year. It planned to expand its operations and decided to raise funds by directly issuing its securities to investors. The market through which the company raised funds for its expansion is:

- (a) Money market (b) Primary market
- (c) Secondary market
- (d) Both Primary and Secondary markets

Q35. CBSE 2023 · 1 mark Capital Market instruments are riskier both with respect to returns and principal repayment as compared to Money Market instruments. This highlights the difference between Capital Market and Money Market in terms of:

- (a) Instruments (b) Duration (c) Safety (d) Liquidity

Q36. CBSE 2023 · 1 mark Adapting to a change in consumer preference towards online shopping, Fast-service earned huge profit within a year. It planned to expand its operations and decided to raise funds by directly issuing its securities to investors. The market through which Fast-service decided to raise funds for its expansion is:

- (a) Money market (b) Primary market
- (c) Secondary market
- (d) Both Primary and Secondary markets

Q37. CBSE 2023 · 1 mark Capital market instruments show greater risk with respect to returns and principal repayment as compared to Money Market instruments. This highlights the difference between capital market and money market in terms of:

- (a) Instruments (b) Duration (c) Safety (d) Liquidity

Q38. CBSE 2023 · 1 mark _____ has been established with the specific objective of providing a ready market for money market instruments.

- (a) Discount Finance House of India
- (b) Securities and Exchange Board of India
- (c) Reserve Bank of India (d) State Bank of India

Q39. CBSE 2023 · 1 mark Rahul wants to buy shares of a company whose business is traded on the National Stock Exchange. He feels that the share prices will go up in the future. Which market should he approach for this purpose?

- (a) Money market (b) Primary market
- (c) Secondary market (d) Both (b) and (c)

Q40. CBSE 2023 · 1 mark Which of the following is a development function of Securities and Exchange Board of India?

- (a) Training of intermediaries of the securities market
- (b) Promotion of fair practices and code of conduct in the securities market
- (c) Undertaking steps for investor protection
- (d) Prohibition of fraudulent and unfair trade practices

Q41. CBSE 2023 · 1 mark The process of holding securities in electronic form is called dematerialisation. Which of the following statement does not relate to dematerialisation?

- (a) Smooth transfer and settlement of trade through a single account in shares
- (b) Demat securities can be pledged or hypothecated to get loans
- (c) No danger of loss, theft or forgery of share certificates
- (d) Existing physical shares cannot be converted into electronic form

Q42. CBSE 2023 · 1 mark Rahul bought shares of National Stock Exchange. He feels that the share prices will go up in the future. Which market should he approach for this purpose?

- (a) Money market (b) Primary market
- (c) Secondary market (d) Both (b) and (c)

Q43. CBSE 2023 · 1 mark Rahul has shares in National Stock Exchange. He feels that the share prices will go up in the future. Which market should he approach for this purpose?

- (a) Money market (b) Primary market
- (c) Secondary market (d) Both (b) and (c)

Q44. CBSE 2023 · 1 mark The function of Stock Exchange which helps in creating a continuous market where securities are bought and sold is:

- (a) Safety of transactions (b) Pricing of securities
- (c) Providing liquidity and marketability to existing securities
- (d) Contribution to economic growth



Q45. CBSE 2023 · 1 mark Which of the following statements is incorrect?

- (a) The protective functions of the Securities and Exchange Board of India include levying fee or other charges for carrying out the purposes of the Act.
- (b) The development functions of the Securities and Exchange Board of India include training of intermediaries of the securities market.
- (c) The regulatory functions of the Securities and Exchange Board of India include registration of collective investment schemes and mutual funds.
- (d) The objectives of the Securities and Exchange Board of India include protecting the rights and interests of investors, particularly individual investors and to guide and educate them.

VERY SHORT ANSWER (9)

Q46. CBSE 2025 · 2 marks Differentiate between 'primary market' and 'secondary market' with suitable points.

Q47. CBSE 2025 · 2 marks State any two functions of SEBI.

Q48. CBSE 2024 · 3 marks (a) State any three protective functions of Securities and Exchange Board of India.

Q49. CBSE 2023 · 3 marks (a) (i) Name the process of holding securities in an electronic form. (ii) Name any two participants of Money Market. (iii) Name the depositories that hold securities in electronic form.

Q50. CBSE 2023 · 3 marks (a) Distinguish between Primary market and Money market on the basis of: (i) Participants, (ii) Investment outlay, (iii) Safety

Q51. CBSE 2023 · 3 marks Differentiate between primary market and money market on the basis of: (i) Participants (ii) Investment outlay (iii) Safety

Q52. CBSE 2022 · 2 marks Conducting research and publishing information useful to all the market participants is a function performed by Securities and Exchange Board of India. State the two other functions of the same category.

Q53. CBSE 2022 · 2 marks Calling for information by undertaking inspection, conducting enquiries and audits of stock exchanges and intermediaries by Securities and Exchange Board of India. State any two other functions of the same category.

Q54. CBSE 2022 · 2 marks Virat has 2500 shares of Suraj Bulb Ltd. He received an offer from Suraj Bulb Ltd. to purchase two shares for every ten shares held by him. Identify and explain the method of floatation of new issue reflected in the above lines.

SHORT ANSWER (26)

Q55. CBSE 2026 · 3 marks Riya, a software engineer wanted to invest a part of her savings in the stock-market. Encouraged by some online discussions, she came across a company 'Smart-Tech Ltd.', whose stock price was rising very fast. News began to circulate that company had got a large government contract and she believed that its share price would double soon. Convinced by the positive claims, Riya also invested in the shares of this company. Over the next week, the shares continued to rise but suddenly, the price started crashing. Within days, her investment had lost more than 60% of its value. Riya started researching and discovered that the news about the government contract was false. Securities and Exchange Board of India (SEBI) also took immediate notice of the situation and called for detailed trading information and conducted enquiries and inspections. After examining trading information and conducting enquiries, SEBI found that a group of traders had spread false information to artificially boost the stock price. By taking action against the group of traders, SEBI made it clear that fraudulent and unfair trade practices are strictly prohibited. (i) Quote lines from the above to identify the two functions being performed by SEBI.

Q56. CBSE 2026 · 3 marks Riya, a software engineer wanted to invest a part of her savings in the stock-market. Encouraged by some online discussions, she came across a company 'Smart-Tech Ltd.', whose stock price was rising very fast. News began to circulate that company had got a large government contract and she believed that its share price would double soon. Convinced by the positive claims, Riya also invested in the shares of this company. Over the next week, the shares continued to rise but suddenly, the price started crashing. Within days, her investment had lost more than 60% of its value. Riya started researching and discovered that the news about the government contract was false. Securities and Exchange Board of India (SEBI) also took immediate notice of the situation and called for detailed trading information and conducted enquiries and inspections. After examining trading information and conducting enquiries, SEBI found that a group of traders had spread false information to artificially boost the stock price. By taking action against the group of traders, SEBI made it clear that fraudulent and unfair trade practices are strictly prohibited. (i) Quote lines from the above to identify the two functions being performed by SEBI. (ii) Also state one more function of each category of the functions identified in (i) above.

Q57. CBSE 2026 · 3 marks (a) Distinguish between Capital Market and Money Market on the following basis: (i) Investment outlay (ii) Duration (iii) Safety

Q58. CBSE 2026 · 3 marks (a) Differentiate between Capital Market and Money Market on the basis of: (i) Participants (ii) Liquidity (iii) Duration



Q59. CBSE 2026 · 4 marks 'Neo Appliances Ltd.', a company known for its innovative kitchen devices was established in 2001. Over the years, the company performed well and the market value of its shares increased. Rajan had bought shares of 'Neo Appliances Ltd.' many years ago. He sold some of the shares to arrange money for his daughter's higher education. He shared with his friend Madhur how his investment had multiplied over the years. Madhur was impressed and wanted to start investing in shares. He asked Rajan in which market he had sold his shares and whether it was safe to invest in that market. Rajan said, yes this market provides safety of transactions to investors. (a) Name the market in which Rajan sold his shares. (b) Identify and explain the function of the above market which facilitated Rajan in selling his shares. (c) Explain how the market identified in (a) above provides safety of transactions to investors.

Q60. CBSE 2026 · 3 marks (a) Differentiate between Capital Market and Money Market on the basis of: (i) Investment outlay, (ii) Instruments, (iii) Safety

Q61. CBSE 2026 · 3 marks (a) State any three points of difference between Primary Market and Secondary Market.

Q62. CBSE 2026 · 3 marks (a) Differentiate between 'Capital Market' and 'Money Market' on the basis of the following: (i) Investment outlay (ii) Liquidity (iii) Safety

Q63. CBSE 2026 · 3 marks (a) State any three points of differences between 'Primary Market' and 'Secondary Market'.

Q64. CBSE 2026 · 3 marks (a) Differentiate between 'Capital Market' and 'Money Market' on the basis of the following : (i) Participants (ii) Instruments (iii) Duration

Q65. CBSE 2024 · 3 marks (a) Distinguish between 'Capital Market' and 'Money Market' on the basis of: (i) Participants (ii) Investment Outlay (iii) Expected Return

Q66. CBSE 2024 · 3 marks Distinguish between 'Capital Market' and 'Money Market' on the basis of: (i) Instruments (ii) Liquidity (iii) Safety

Q67. CBSE 2024 · 3 marks (a) State any three protective functions of Securities and Exchange Board of India. OR (b) Differentiate between 'Money Market' and 'Capital Market' on any three bases.

Q68. CBSE 2024 · 4 marks Distinguish between Primary Market and Secondary Market on any four bases.

Q69. CBSE 2024 · 3 marks State any three regulatory functions of Securities and Exchange Board of India.

Q70. CBSE 2024 · 4 marks Distinguish between Money Market and Capital Market on the following basis: (i) Participants (ii) Instruments (iii) Duration (iv) Liquidity

Q71. CBSE 2024 · 4 marks The stock exchange performs many important functions in the modern economic system. Explain any four such functions.

Q72. CBSE 2024 · 3 marks Give the meaning of 'Contract Note' and 'T+2' system in the trading procedure in a stock exchange.

Q73. CBSE 2023 · 3 marks (a) Distinguish between capital market and money market on the basis of: (i) Participants (ii) Investment outlay (iii) Safety OR (b) State any three regulatory functions of the Securities and Exchange Board of India.

Q74. CBSE 2023 · 4 marks (a) Stock Exchange provides not only liquidity and sales ability to existing securities, but performs many other functions. Explain any two such functions of Stock Exchange.

Q75. CBSE 2023 · 4 marks (b) Distinguish between Capital Market and Money Market on the basis of the following: (i) Duration (ii) Liquidity (iii) Instruments (iv) Expected return

Q76. CBSE 2023 · 4 marks Define the term Capital Market. Distinguish between Capital Market and Money Market on the basis of: (a) Participants (b) Investment Outlay (c) Duration

Q77. CBSE 2023 · 4 marks Cement Ltd. is a well-known company in the cement industry since 1999. The company has an authorised capital of Rs. 100 crore and is listed with a reputed stock exchange. The value of its shares is increasing day-by-day due to increase in the demand for cement. Now the company wants to enter into car manufacturing business. For this it requires Rs. 200 crore. The Finance Manager of the company decides to raise this capital by a public issue. (a) Identify the market through which the shares of the company are being traded. (b) Name the market through which the company wants to raise its capital of Rs. 200 crore for its new business. (c) Distinguish between the markets identified in (a) and (b) above on the basis of any two points.

Q78. CBSE 2023 · 4 marks (a) Identify the market in which the company's current share certificates are being traded. (b) Name the market through which the company wants to raise its capital of Rs 200 crore for its new business. (c) Distinguish between the markets identified in (a) and (b) above on the basis of any two points. Hitesh Limited is a well-known company in the cement industry since 1999. The company has an authorised capital of Rs 100 crore and is listed with a reputed stock exchange. The value of its shares is increasing day-by-day due to increase in the demand for cement. Now the company wants to enter into car manufacturing business. For this it requires Rs 200 crore. The Finance Manager of the company decides to raise this capital by a public issue.

Q79. CBSE 2022 · 3 marks Explain private placement and public issue as methods of new issues in the primary market.

Q80. CBSE 2022 · 3 marks Explain private placement or public issue as methods of new issue in the primary market.



LONG ANSWER (10)

Q81. CBSE 2026 · 6 marks Ria ran a small online bakery business. Her business was doing very well. She saved a good amount of money every month and now wanted to invest it wisely. She was in a dilemma to keep her savings in a bank account or to invest it in the stock market. Her friend Aabha, who had done a certification course from National Stock Exchange, encouraged her to invest in the stock market. She explained to Ria that if she invests in the stock market, she could disinvest and reinvest whenever she wanted, which would provide her good liquidity. Aabha also told her that the membership of stock exchange is well regulated and all trading takes place within the legal framework. As a result, investors get a fair and safe deal. Ria was still apprehensive as she had heard that there is lot of speculation in the stock market. She wanted to be cautious. Aabha clarified that speculation does exist, but it happens in a restricted and controlled way. She also told Ria that the stock exchange is keen to promote wider share ownership and does so by educating public about investments etc. As a result, young people have started investing in the stock market. After all this discussion, Ria felt confident and decided to invest a part of her savings in the stock market. Quoting lines, identify and explain the four functions of stock exchange highlighted in the above case.

Q82. CBSE 2023 · 4 marks (a) Keeping in mind the emerging nature of the securities market in India, Securities and Exchange Board of India was entrusted with the twin task of both regulation and development of the securities market. State any two regulatory and two development functions of it.

Q83. CBSE 2023 · 4 marks Hitesh Limited is a well-known company in the cement industry since 1999. The company has an authorised capital of ₹100 crore and is listed with a reputed stock exchange. The value of its shares is increasing day-by-day due to increase in the demand for cement. Now the company wants to enter into car manufacturing business. For this it requires ₹200 crore. The Finance Manager of the company decides to raise this capital by a public issue. (a) Identify the market in which the company's currently listed equity shares are being traded. (b) Name the market through which the company wants to raise its capital of ₹200 crore for its new business. (c) Distinguish between the markets identified in (a) and (b) above on the basis of any two points.

Q84. CBSE 2023 · 4 marks Define Money Market. Distinguish between Money Market and Capital Market on the basis of the following: (a) Instruments (b) Liquidity (c) Safety

Q85. CBSE 2022 · 5 marks Share market? State any three functions of the share market.

Q86. CBSE 2022 · 5 marks Differentiate between capital market and money market on any five basis.

Q87. CBSE 2022 · 5 marks Define financial market. State any four functions of financial market.

Q88. CBSE 2022 · 5 marks State any five functions of a Stock Exchange.

Q89. CBSE 2022 · 5 marks State any three protective and any two regulatory functions of the Securities and Exchange Board of India.

Q90. CBSE 2022 · 5 marks Give the meaning of financial market. State any four functions of financial market.

CASE-BASED (1)**CASE STUDY · CBSE 2026**

Ria ran a small online bakery business. Her business was doing very well. She saved a good amount of money every month and now wanted to invest it wisely. She was in a dilemma to keep her savings in a bank account or to invest it in the stock market. Her friend Aabha, who had done a certification course from National Stock Exchange, encouraged her to invest in the stock market. She explained to Ria that if she invests in the stock market, she could disinvest and reinvest whenever she wanted, which would provide her good liquidity. Aabha also told her that the membership of stock exchange is well regulated and all trading takes place within the legal framework. As a result, investors get a fair and safe deal. Ria was still apprehensive as she had heard that there is lot of speculation in the stock market. She wanted to be cautious. Aabha clarified that speculation does exist, but it happens in a restricted and controlled way. She also told Ria that the stock exchange is keen to promote wider share ownership and does so by educating public about investments etc. As a result, young people have started investing in the stock market. After all this discussion, Ria felt confident and decided to invest a part of her savings in the stock market.

Q91. CBSE 2026 · 6 marks Ria ran a small online bakery business. Her business was doing very well. She saved a good amount of money every month and now wanted to invest it wisely. She was in a dilemma to keep her savings in a bank account or to invest it in the stock market. Her friend Aabha, who had done a certification course from National Stock Exchange, encouraged her to invest in the stock market. She explained to Ria that if she invests in the stock market, she could disinvest and reinvest whenever she wanted, which would provide her good liquidity. Aabha also told her that the membership of stock exchange is well regulated and all trading takes place within the legal framework. As a result, investors get a fair and safe deal. Ria was still apprehensive as she had heard that there is lot of speculation in the stock market. She wanted to be cautious. Aabha clarified that speculation does exist, but it happens in a restricted and controlled way. She also told Ria that the stock exchange is keen to promote wider share ownership and does so by educating public about investments etc. As a result, young people have started investing in the stock market. After all this discussion, Ria felt confident and decided to invest a part of her savings in the stock market. Quoting lines, identify and explain the four functions of stock exchange highlighted in the above case.



MULTIPLE CHOICE AND ASSERTION-REASON (54)

Q1. CBSE 2026 · 1 mark 'Lima' is a global sportswear brand known for shoes, apparel and sports accessories. Customers can recognize Lima's shoes, t-shirts and bags just by seeing the tiger symbol imprinted on all Lima's products. Lima has legally registered both its name 'Lima' and its tiger symbol so that no other company can legally use the same or similar design in their sportswear. The tiger symbol is Lima's:

- (a) Brand name (b) Brand mark (c) Trade mark
(d) Both Brand mark and Trade mark

Q2. CBSE 2026 · 1 mark Sudha is a corporate executive and has to attend a felicitation function to be held in her office tomorrow. So she decides to colour her hair. On recommendation of her friend, she purchased 'NATURO' hair colour. After reading essential details such as shade, its ingredients, usage instructions and expiry date mentioned on the box, Sudha opened the box. She took out the colour tube and developer bottle from the box and threw away the box. The level of packaging of box thrown away by Sudha was:

- (a) Primary packaging (b) Transportation packaging
(c) Secondary packaging (d) General packaging

Q3. CBSE 2026 · 1 mark On Raksha Bandhan, Reena received a gift from her brother. After removing the gift wrap paper, she saw a decorative cardboard box. Inside the box, she found a small glass bottle containing an expensive face cream. Both the decorative cardboard box and the glass bottle had a beautiful label displaying the brand name, ingredients, expiry date, etc. Which level of packaging does the glass bottle represent?

- (a) Primary packaging (b) Transportation packaging
(c) Secondary packaging (d) General packaging

Q4. CBSE 2026 · 1 mark Read the following statements carefully: Statement I: The production concept assumes that the customers will not buy, or not buy enough, unless they are adequately convinced and motivated to do so. Statement II: The selling concept assumes that the consumers will favour those products which are widely available at an affordable price. In the light of the given statements, choose the correct alternative from the following:

- (a) Statement I is true and Statement II is false.
(b) Statement I is false and Statement II is true.
(c) Both Statement I and Statement II are false.
(d) Both Statement I and Statement II are true.

Q5. CBSE 2026 · 1 mark The pouch depicted below contains packets of different flavours of chips. Identify the level of packaging of the pouch:

- (a) Primary (b) Secondary (c) Transportation (d) General

Q6. CBSE 2026 · 1 mark One of the factors affecting price determination of a product is 'Pricing Objectives'. Which of the following pricing objectives will result in a higher price being fixed for the product?

- (a) Obtaining market share leadership
(b) Surviving in a competitive market
(c) Attaining product quality leadership
(d) Profit maximisation in the long run

Q7. CBSE 2026 · 1 mark Identify the shift in the marketing management philosophy from Picture I to Picture II. Picture I: Mass Production of Televisions. Picture II: Use of Television as a Computer Monitor.

- (a) From Production concept to Product concept
(b) From Production concept to Societal marketing concept
(c) From Societal marketing concept to Production concept
(d) From Product concept to Production concept

Q8. CBSE 2025 · 1 mark Which of the following is NOT an element of the marketing mix?

- (a) Product (b) Price (c) Profit (d) Promotion

Q9. CBSE 2025 · 1 mark Which of the following is an advantage of advertising?

- (a) Ensures personal contact (b) Educates the public
(c) Builds monopoly (d) Increases costs only

Q10. CBSE 2025 · 1 mark Which one of the following is not a part of the marketing mix?

- (a) Product (b) Price (c) Position (d) Promotion

Q11. CBSE 2025 · 1 mark Select the odd one out with respect to elements of promotion mix.

- (a) Advertising (b) Personal selling (c) Sales promotion
(d) Routing

Q12. CBSE 2024 · 1 mark Read the following statements: Assertion (A) and Reason (R). Choose the correct alternative from the options given below: Assertion (A): When the allocative function is performed well, scarce resources are allocated to those firms which have the highest productivity for the economy. Reason (R): Allocative function allocates or directs funds into their most productive investment opportunity.

- (a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
(b) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(c) Assertion (A) is true, but Reason (R) is false.
(d) Assertion (A) is false, but Reason (R) is true.

Q13. CBSE 2024 · 1 mark The marketing management philosophy which uses availability and affordability as a means to achieve the objectives is:

- (a) Marketing concept (b) Selling concept
(c) Product concept (d) Production concept

Q14. CBSE 2024 · 1 mark Identify the tool of promotion used by 'Mehta Sons Garments' to boost its sales:

- (a) Advertising (b) Personal selling (c) Sales promotion
(d) Public relations

Q15. CBSE 2024 · 1 mark Which of the following is not a component of 'Physical Distribution'?

- (a) Inventory control (b) Standardisation and grading
(c) Order processing (d) Transportation



Q16. CBSE 2024 · 1 mark Beenu had a bookstore in Sabad called 'Book-mark'. For years, the bookstore was doing reasonably well but with the rise of digital books and online retailers, her sales had declined. Beenu's daughter, who had just completed her MBA with a specialisation in marketing decided to launch a marketing campaign to revive the bookstore. The campaign's focus was on the joy of reading books in physical form, the joy of turning pages and the warm atmosphere of the bookstore. She organised story writing and other competitions every weekend. The information of these was given to the parents and children through television, radio, children's magazines, etc. Attractive prizes were offered to the winners. This increased the footfall of the children and their parents and the bookstore soon became popular. The tool of communication used by Beenu's daughter to revive the bookstore was:

- (a) Advertising (b) Personal selling (c) Sales promotion
(d) Public relations

Q17. CBSE 2024 · 1 mark Match the Marketing Management philosophies given in Column I with their main focus given in Column II: 1. Production concept (i) Customers needs 2. Product concept (ii) Quality, performance and features of product 3. Marketing concept (iii) Customer well-being 4. Societal marketing concept (iv) Quantity of product. Choose the correct option from the following:

- (a) 1-(i), 2-(ii), 3-(iii), 4-(iv) (b) 1-(ii), 2-(iii), 3-(i), 4-(iv)
(c) 1-(iv), 2-(ii), 3-(i), 4-(iii) (d) 1-(ii), 2-(iv), 3-(i), 4-(iii)

Q18. CBSE 2024 · 1 mark Lens-o was started as an online eyewear company selling glasses and contact lenses on their website. Recently, it set up a uniquely designed offline store, so that customers can also buy their products from the company showroom. Which channel of distribution is used by the company:

- (a) Zero level channel (b) One level channel
(c) Two level channel (d) Three level channel

Q19. CBSE 2024 · 1 mark JKSD India Ltd. recently launched fresh products from kitchen like jams, ketchups, salad dressings and peanut butter, etc. They appointed salespersons to contact prospective customers in leading malls to create awareness about their products and develop product preferences with the aim of making sales. Which tool of promotion is being used by JKSD India Ltd to market its products:

- (a) Advertising (b) Personal Selling (c) Sales Promotion
(d) Public Relations

Q20. CBSE 2024 · 1 mark A name, term, symbol, design, or some combination of these, used to identify the products, goods or services of one seller or group of sellers and to differentiate them from those of the competitors is known as:

- (a) Brand (b) Trade Mark (c) Brand Name (d) Brand Mark

Q21. CBSE 2024 · 1 mark Which of the following is not a feature of marketing:

- (a) Needs and wants (b) Storage and warehousing
(c) Customer value (d) Creating a market offering

Q22. CBSE 2024 · 1 mark JKSD India Ltd. recently introduced fresh from kitchen jams, ketchups, salad dressings and peanut butter, etc. They appointed salespersons to contact prospective customers in leading malls to create awareness about their products and develop product preferences with the aim of making sales. Which tool of promotion is being used by JKSD India Ltd to market its products:

- (a) Advertising (b) Personal Selling (c) Sales Promotion
(d) Public Relations

Q23. CBSE 2024 · 1 mark Match the Marketing Management philosophies given in Column I with their main focus given in Column II: Column I: 1. Production concept, 2. Product concept, 3. Marketing concept, 4. Societal marketing concept; Column II: (i) Needs and wants of consumers, (ii) Quality, performance and features of product, (iii) Quantity of product, (iv) well-being. Choose the correct option from the following:

- (a) 1-(i), 2-(ii), 3-(iii), 4-(iv) (b) 1-(ii), 2-(iii), 3-(i), 4-(iv)
(c) 1-(iv), 2-(ii), 3-(i), 4-(iii) (d) 1-(ii), 2-(iv), 3-(i), 4-(iii)

Q24. CBSE 2024 · 1 mark 'Marbury biscuits' launched its new range of oat cookies in three varieties. They decided to distribute free samples of their biscuits in schools as a part of their promotional campaign. Identify the tool of promotion used by 'Marbury Biscuits':

- (a) Advertising (b) Personal Selling (c) Sales Promotion
(d) Public Relations

Q25. CBSE 2024 · 1 mark Statement – I: That part of a brand which can be spoken is called a brand name. Statement – II: That part of the brand which is given legal protection is called Trademark. Choose the correct option from the following:

- (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 true.
(d) Both the statements are false.

Q26. CBSE 2024 · 1 mark Match the terms given in Column-I with their meaning in Column-II. a. Trademark (i) A name, term, sign, symbol, design or some combination of them used to identify the products and differentiate them from the competitors. b. Brand name (ii) A brand or a part of the brand that is given legal protection. c. Brand (iii) That part of the brand which can be recognised but which is not utterable. d. Brand mark (iv) That part of the brand which can be spoken. Choose the correct option:

- (a) a-(i) b-(ii) c-(iii) d-(iv) (b) a-(ii) b-(iii) c-(i) d-(iv)
(c) a-(ii) b-(iv) c-(i) d-(iii) (d) a-(ii) b-(i) c-(iv) d-(iii)

Q27. CBSE 2024 · 1 mark Match the terms given in Column-I with their meaning in Column-II. Column-I: a. Trademark, b. Brand name, c. Brand, d. Brand mark. Column-II: (i) A name, term, sign, symbol, design or some combination of them used to identify the products and differentiate them from the competitors. (ii) A brand or a part of the brand that is given legal protection. (iii) That part of the brand which can be recognised but which is not utterable. (iv) That part of the brand which can be spoken. Choose the correct option:

- (a) a-(i), b-(ii), c-(iii), d-(iv) (b) a-(ii), b-(iii), c-(i), d-(iv)
(c) a-(ii), b-(iv), c-(i), d-(iii) (d) a-(ii), b-(i), c-(iv), d-(iii)



Q28. CBSE 2023 · 1 mark _____ as an element of marketing mix includes the activities that make target firm's products available to customers.

- (a) Promotion (b) Place (c) Product (d) Price

Q29. CBSE 2023 · 1 mark Roma Limited identified the needs of customers for successful marketing of their products. This was important for making an analysis of the available opportunities, threats, weaknesses and strengths of the organisation and help in deciding what opportunities can best be pursued by it. By doing so, which of the following functions of marketing is being performed?

- (a) Standardisation and grading
(b) Product designing and development
(c) Marketing planning
(d) Gathering and analysing market information

Q30. CBSE 2023 · 1 mark The Elegant mark and symbol which cannot be uttered or expressed in words but is visible on the product is known as its:

- (a) Brand (b) Brand name (c) Brand mark (d) Trade mark

Q31. CBSE 2023 · 1 mark A good physical distribution system ensures speedy processing of orders in the absence of which goods will reach the customer late or in damaged condition. The component of physical distribution highlighted above is:

- (a) Warehousing (b) Order Processing (c) Transportation
(d) Inventory Control

Q32. CBSE 2023 · 1 mark _____ involves a variety of programmes designed to promote or protect the image of a company or its products.

- (a) Personal selling (b) Public relations (c) Sales promotion
(d) Advertising

Q33. CBSE 2023 · 1 mark Roma Limited has identified the needs of customers for successful marketing of their products. This was important for making an analysis of the available opportunities, threats, weaknesses and strengths of the organisation and help in deciding what opportunities can best be pursued by it. By doing so, which of the following functions of marketing is being performed?

- (a) Standardisation and grading
(b) Product designing and development
(c) Marketing planning
(d) Gathering and analysing market information

Q34. CBSE 2023 · 1 mark Elegant is a brand name which when printed, cannot be uttered is known as its:

- (a) Brand (b) Brand name (c) Brand mark (d) Trade mark

Q35. CBSE 2023 · 1 mark A good physical distribution system should provide for an accurate and speedy processing of orders in the absence of which goods will reach the customer late or in damaged condition. The component of physical distribution highlighted above is:

- (a) Warehousing (b) Order Processing (c) Transportation
(d) Inventory Control

Q36. CBSE 2023 · 1 mark _____ involves a variety of programmes designed to promote or protect the image of the company and its products.

- (a) Personal selling (b) Public relations (c) Sales promotion
(d) Advertising

Q37. CBSE 2023 · 1 mark _____ as an element of marketing mix includes the activities that make a company's products available to target customers.

- (a) Promotion (b) Place (c) Product (d) Price

Q38. CBSE 2023 · 1 mark A symbol or design that is used to identify a company but is not utterable is known as its:

- (a) Brand (b) Brand name (c) Brand mark (d) Trade mark

Q39. CBSE 2023 · 1 mark A good physical distribution system is one in which there is prompt and speedy processing of orders in the absence of which goods will reach the customers late or in wrong quantity. The component of physical distribution highlighted above is:

- (a) Warehousing (b) Order Processing (c) Transportation
(d) Inventory Control

Q40. CBSE 2023 · 1 mark _____ involves a variety of programmes designed to promote or protect the interest of the public.

- (a) Personal selling (b) Public relations (c) Sales promotion
(d) Advertising

Q41. CBSE 2023 · 1 mark _____ as an element of marketing mix includes the activities that companies undertake to make their products available to target customers.

- (a) Promotion (b) Place (c) Product (d) Price

Q42. CBSE 2023 · 1 mark Prateek Singh established a fashion store presenting light jewellery with modern designs for young working women. Good jewellery designs not only made the jewellery attractive for young working women, but also gave him a competitive edge in the market and Fashion Jewels achieved a turnover of ₹ 3 crore in the first year itself. The function of marketing performed by Prateek Singh in the above case was:

- (a) Packaging and labelling (b) Promotion
(c) Customer support service
(d) Product designing and development

Q43. CBSE 2023 · 1 mark Identify the correct sequence of two-level-channel of distribution:

- (a) Manufacturer → Retailer → Agent → Customer
(b) Manufacturer → Consumer → Retailer → Wholesaler
(c) Manufacturer → Agent → Customer → Retailer
(d) Manufacturer → Wholesaler → Retailer → Consumer

Q44. CBSE 2023 · 1 mark The element of promotion mix which involves a variety of programmes to conserve the image of the company and its individual products in the eyes of the public is:

- (a) Personal selling (b) Public relations (c) Marketing
(d) Sales promotion



Q45. CBSE 2023 · 1 mark Prateek Singh established an accessories store, Fashion Jewels with light jewellery with modern designs for young working women. Good jewellery designs not only made the jewellery attractive for young working women, but also gave him a competitive edge in the market. His store registered a turnover of ₹ 3 crore in the first year itself. The function of marketing performed by Prateek Singh in the above case was:

- (a) Packaging and labelling
- (b) Promotion
- (c) Customer support service
- (d) Product designing and development

Q46. CBSE 2023 · 1 mark Prateek Singh opened a jewellery store with modern designs for young working women. Good jewellery designs not only made the jewellery attractive for young working women, but also gave him a competitive edge in the market. The function of marketing performed by Prateek Singh in the above case was:

- (a) Packaging and labelling
- (b) Promotion
- (c) Customer support service
- (d) Product designing and development

Q47. CBSE 2023 · 1 mark The element of promotion mix which involves a variety of programmes and activities that enhance the image of company and its products in the eyes of the public is:

- (a) Personal selling
- (b) Public relations
- (c) Marketing
- (d) Sales promotion

Q48. CBSE 2023 · 1 mark Statement I: For any exchange to take place it is important that there must be at least two parties - a buyer and a seller. Statement II: Exchange can take place even if the buyers and sellers are not able to communicate with each other. Choose the correct option from the following:

- (a) Both Statement I and Statement II are correct.
- (b) Both Statement I and Statement II are incorrect.
- (c) Statement I is correct and Statement II is incorrect.
- (d) Statement I is incorrect and Statement II is correct.

Q49. CBSE 2023 · 1 mark Match the following marketing philosophies given in Column I with their respective meaning given in Column II. Column I: P. The Product concept, Q. The Production concept, R. The Selling concept, S. The Marketing concept. Column II: (i) It emphasises on increasing the profit through increased sales volumes by adopting aggressive selling techniques, (ii) It emphasises on quality performance and features of product and thus profit maximisation through product improvement, (iii) It emphasises on profit maximisation through volume of production, thereby reducing the cost of production, (iv) It emphasises on profit maximisation through customer satisfaction, i.e. identifying the needs of its present and prospective buyers and satisfying them in an effective manner.

- (a) P(ii), Q(iii), R(i), S(iv)
- (b) P(i), Q(ii), R(iv), S(iii)
- (c) P(iii), Q(i), R(ii), S(iv)
- (d) P(iv), Q(iii), R(i), S(ii)

Q50. CBSE 2023 · 1 mark The marketing function which includes plan for increasing the level of production, promotion of the products, etc. and specifies the action programmes to achieve these objectives is:

- (a) Gathering and analysing market information
- (b) Marketing planning
- (c) Product designing and development
- (d) Pricing of the product

Q51. CBSE 2023 · 1 mark A social process by which individual groups obtain what they need and want through creating offerings and freely exchanging products and services of value with others is:

- (a) Marketing
- (b) Marketing mix
- (c) Branding
- (d) Packaging

Q52. CBSE 2023 · 1 mark Which of the following statements is incorrect about Sales Promotion?

- (a) It includes short-term incentives which are designed to encourage the buyers to make immediate purchase of a product or services.
- (b) It includes all promotional efforts other than advertising, personal selling and public relations.
- (c) It includes only those activities that are used to provide long-term incentives to boost the sales of a firm.
- (d) It includes the activities which are undertaken to supplement other promotional efforts such as advertising and personal selling.

Q53. CBSE 2023 · 1 mark A social process by which individual groups obtain what they need and want through creating offerings and freely exchanging products and services that have value is known as:

- (a) Marketing
- (b) Marketing mix
- (c) Branding
- (d) Packaging

Q54. CBSE 2023 · 1 mark A social process by which individual groups obtain what they need and want through creating offerings and freely exchanging products and services of value is known as:

- (a) Marketing
- (b) Marketing mix
- (c) Branding
- (d) Packaging

VERY SHORT ANSWER (3)

Q55. CBSE 2026 · 3 marks 'KUL', an eco-friendly stationery brand is expanding its business in three different markets. For this, it uses different promotional strategies in each market. In the corporate gifting market, the company appoints salespersons to contact prospective corporate clients and create awareness about its eco-friendly stationery with the aim of making a sale. In the international market, the company focuses on managing public opinion and building a positive image for its product. It disseminates information and builds goodwill about the business. In the domestic retail market, the company offers cash discounts, free gifts, etc. to encourage the buyers to make immediate purchase of its product. Identify and state three different promotion tools used by 'KUL' to expand its business in each of the markets.



Q56. CBSE 2025 · 2 marks Explain the meaning of 'packaging' in marketing management.

Q57. CBSE 2025 · 2 marks Differentiate between advertising and personal selling on any two points.

SHORT ANSWER (26)

Q58. CBSE 2026 · 4 marks Aditya owned a skincare company named 'Nat-Ayur'. In July, 2025, he decided to launch a new herbal face cream in the market using traditional herbs like turmeric, sandalwood, neem, aloe vera, saffron etc. The total cost of producing, packaging, distributing and selling the cream came to ₹ 60 per tube. 'Nat-Ayur' decided that this would be the minimum price to cover the cost. They wanted to earn a fair margin of profit too. For this 'Nat-Ayur' conducted a survey and found that the expected demand would be high. Customers were ready to pay more for herbal and chemical free products. They also found that many face creams with similar features are available in the market priced between ₹ 80 to ₹ 120. To compete effectively, 'Nat-Ayur' decided to price the cream at ₹ 99 to attract the customers while offering better benefits. To add value to the product 'Nat-Ayur' invested in eco-friendly packaging, free home delivery and on-line advertisements. This uniqueness gives 'Nat-Ayur' a competitive freedom in fixing price of its cream. Identify and explain any two factors that were taken into consideration by 'Nat-Ayur' for determining the price of their herbal face cream.

Q59. CBSE 2026 · 4 marks 'Priya Motors', a motorbike manufacturing company, launched a new model of bike in the market named 'Moto Glide III'. The company planned carefully to make this bike appeal to young riders. The design team focused on making the bike attractive and stylish to the target customers, primarily the youth. They gave it a sleek body, sharp headlights and a digital speedometer. The design made the bike not just look good but also improved its aerodynamics and fuel efficiency. This helped the company stand out from other brands, thereby getting a competitive edge. The company followed strict quality standards in making each part of the bike which helped in achieving uniformity and consistency in output. 'Priya Motors' also offered different versions of bike with different prices based on features like Bluetooth connectivity, colour options etc. Identify and explain two functions of marketing discussed above.

Q60. CBSE 2026 · 4 marks 'Eco Care', a start-up, plans to launch a reusable water bottle for environmentally conscious millennials and Gen Z. For this, they conducted a market research to identify the needs of the customers so that an informed decision could be taken for successful marketing of the product. They wanted to work carefully on the design to make the bottle attractive to the target customers. On the basis of consumer views and opinions, they developed a stylish stainless steel bottle with double wall insulation to keep beverages cold for 24 hours, giving it a competitive advantage in the market. They named the bottle 'Eco-Sip' creating a brand identity focused on sustainability and simplicity. It would also help in product differentiation. The packaging was made using hundred percent recyclable cardboard, with details of sustainability, features, price etc. printed on it. State the four functions of marketing that are carried out by 'Eco Care' in the above case.

Q61. CBSE 2026 · 3 marks (a) Explain the following functions of Marketing: (i) Marketing planning (ii) Customer support services

Q62. CBSE 2026 · 4 marks Rahul, Priya, Amit and Sneha were friends. They decided to start a business jointly. With rising focus on hydration, fitness and a healthy lifestyle, they saw a steady market for water bottles. Customers often own multiple bottles for different uses. Bottles wear out or go out of style over time, creating repeat sales opportunities. Excited by this idea, they all sat together to brainstorm and decide what kind of water bottle they should make. Rahul believed that to maximise profits, production should be done on a large scale making goods available and affordable to consumers. Amit, on the other hand, was of the opinion that the bottles should be of a very good quality with features like time markers, filters or infusers, etc. Priya agreed with Amit, but felt that they should first identify the needs of the present and prospective buyers, so that they can satisfy them in an effective way. She suggested offering personalised designs, sports bottles, insulated bottles, etc., depending on the customers' needs. Sneha believed that the business orientation should not be short-sighted to serve only the consumers' needs. It should also consider larger issues of long-term social welfare. So, she suggested reusable water bottles made from eco-friendly sustainable materials. Identify and state the marketing management philosophies discussed by Rahul, Priya, Amit and Sneha.

Q63. CBSE 2026 · 3 marks (a) Explain the following functions of marketing: (i) Gathering and analysing market information, (ii) Product designing and development

Q64. CBSE 2026 · 3 marks (a) Explain the following functions of marketing: (i) Transportation, (ii) Storage or Warehousing

Q65. CBSE 2026 · 4 marks Rhea runs an online business selling handmade candles. During the Diwali season, the demand for her handmade scented candles increases a lot. A month before Diwali, she received a big order from a chain of gift stores in and around the city. Rhea immediately checked the order details and processed it. She was aware that it was important to provide for accurate and speedy processing of orders, in the absence of which goods would reach the customers late or in the wrong quantity or specifications. After processing the order, Rhea arranged a vehicle to pick up the cartons from her workshop. She knew that the products can reach the customers only when they are physically moved from the place of production to the place of sale. The vehicle delivered the order at the gift chain's warehouse well before the festive rush. (a) Identify the two components of physical distribution that Rhea managed effectively. (b) Explain the other two components of physical distribution that Rhea needs to work on.



Q66. CBSE 2026 · 3 marks 'Premier Ltd.' is a clothing company known for its high quality apparel and strong commitment to environment sustainability. The company designs its clothing after carefully understanding the needs of its present and prospective buyers and satisfying them in an effective manner. It assumes that profit can be maximised only when all decisions are taken from the point of view of customer satisfaction. Along with meeting customer needs, 'Premier Ltd.' also shows a deep concern for the long-term well-being of the society. To reduce environmental pollution, the company is using organic cotton and recycled polyester. For reducing waste, they run a programme where customers can return old clothes for recycling and get a discount on new clothes. Not only this, they keep aside a portion of its profits for environmental education programmes in local schools. Identify and explain two marketing management philosophies followed by 'Premier Ltd.'.

Q67. CBSE 2025 · 3 marks State three features of internal trade.

Q68. CBSE 2025 · 3 marks Describe three differences between advertising and personal selling.

Q69. CBSE 2024 · 4 marks Ashwin was a fashion designer. On losing his job, he decided to sell the designer clothes online under the brand name Kogue. The garments were made of good quality fabric with intricate designs and skilled craftsmanship, making them expensive to produce. Realizing that the online market is very competitive, he decided to charge a reasonable price for the garments. The price would cover the cost of production and sale of garments as well as give him 10% margin over and above the cost. Identify and explain two factors affecting the price determination discussed in the above case.

Q70. CBSE 2024 · 4 marks Ashwin was a fashion designer. On losing his job, he decided to sell the designer clothes online under the brand name ogue. The garments were made of good quality fabric with intricate designs and skilled craftsmanship, making them expensive to produce. Realizing that the online market is very competitive, he decided to charge a reasonable price for the garments. The price would cover the cost of production and sale of garments as well as give him 10% margin over and above the cost. Identify and explain two factors affecting the price determination discussed in the above case.

Q71. CBSE 2024 · 4 marks Explain the following functions of marketing: (i) Customer support services (ii) Product designing and development

Q72. CBSE 2024 · 4 marks Quoting lines in the situation, identify and explain the two elements of marketing mix in addition to 'Product' highlighted in the above case. Arushi successfully runs a bookstore 'Children's Delight' catering to children of the age group of 5 – 15 years. They have the complete range of children's books like activity books, colouring books, fiction and much more. The books are of good quality and are highly appreciated by schools, parents and children. They have 16 stores all over India, where children can not only purchase the books, but can also come and read, and participate in quiz competitions and experience the joy of reading. They have their own well-managed inventory management, storage, and warehousing to deliver books to locations all over India. The bookstore regularly communicates the availability, features, merits, etc. of the books to target customers and persuades them to buy the books.

Q73. CBSE 2024 · 4 marks (a) Explain the following functions of marketing: (i) Marketing planning (ii) Gathering and analyzing market information

Q74. CBSE 2024 · 4 marks Arushi successfully runs a bookstore 'Children's Delight' catering to children of the age group of 5 – 15 years. They have the complete range of children's books like activity books, colouring books, fiction and much more. The books are of good quality and are highly appreciated by schools, parents and children. They have 16 stores all over India, where children can not only purchase the books, but can also come and read, and participate in quiz competitions and experience the joy of reading. They have their own well-managed inventory management, storage, and warehousing to deliver books to locations all over India. The bookstore regularly communicates the availability, features, merits, etc. of the books to target customers and persuades them to buy the books. Quoting lines in the situation, identify and explain the two elements of marketing mix in addition to 'Product' highlighted in the above case.

Q75. CBSE 2024 · 4 marks (a) Explain the following functions of marketing: (i) Standardisation and Grading (ii) Transportation

Q76. CBSE 2024 · 4 marks Differentiate between 'Production concept' and 'Marketing concept' of marketing management philosophies on the basis of: (a) Meaning (b) Main focus (c) Means (d) Ends

Q77. CBSE 2024 · 4 marks (a) Explain the following functions of marketing: (i) Product Designing and Development. (ii) Standardisation and Grading OR (b) Explain the four important elements of marketing mix.

Q78. CBSE 2024 · 4 marks Differentiate between 'Product Concept' and 'Societal Marketing Concept' of marketing management philosophies on the basis of: (a) Meaning (b) Main focus (c) Means (d) Ends

Q79. CBSE 2024 · 4 marks (a) Explain the following functions of marketing: (i) Customer support services (ii) Physical distribution OR (b) State any four factors which affect the fixation of price of a product.

Q80. CBSE 2024 · 4 marks Differentiate between 'Selling Concept' and 'Production Concept' of marketing management philosophies on the basis of: (a) Meaning (b) Main focus (c) Means (d) Ends

Q81. CBSE 2024 · 4 marks (a) Explain the following functions of marketing: (i) Gathering and Analysing Market Information (ii) Marketing Planning



Q82. CBSE 2023 · 4 marks Smart Watch Limited has recently launched smart-watches for adults. The company now wants to manufacture smart-watches for children also. For this it gathered and analysed market information, did marketing planning, product designing and development, standardisation and also decided about the packaging, labelling, branding, pricing, warehousing, transportation and distribution of these smart-watches. Even after doing all the above stated activities the company is not picking up the sales. The Chief Executive Officer of the company asked the Marketing Manager to find out the reason. The Marketing Manager investigated the matter and found out that his marketing team had not performed the two important functions of marketing which may help the company not only in boosting the sales but also in getting repeat sales. Identify and explain the functions of marketing which were not performed by the marketing team.

Q83. CBSE 2023 · 4 marks Smart Watch Limited is a well-known manufacturer of smart-watches for adults. The company now wants to manufacture smart-watches for children also. For this it gathered and analysed market information, did marketing planning, product designing and development, standardisation and also decided about the packaging, labelling, branding, pricing, warehousing, transportation and distribution of these smart-watches. Even after doing all the above stated activities the company is not picking up the sales. The Chief Executive Officer of the company asked the Marketing Manager to find out the reason. The Marketing Manager investigated the matter and found out that his marketing team had not performed the two important functions of marketing which may help the company not only in boosting the sales but also in getting repeat sales. Identify and explain the functions of marketing which were not performed by the marketing team.

LONG ANSWER (15)

Q84. CBSE 2026 · 6 marks Explain the following elements of Marketing Mix: (i) Product (ii) Price (iii) Promotion

Q85. CBSE 2026 · 6 marks (a) Explain the following tools of promotion mix: (i) Advertising (ii) Personal selling (iii) Sales-promotion

Q86. CBSE 2026 · 6 marks (a) Explain the following factors affecting the determination of price of a product: (i) Product cost (ii) The utility and demand (iii) Extent of competition in the market

Q87. CBSE 2026 · 6 marks 'Novel Stores' is a chain of grocery stores that has built its reputation on customer satisfaction. It is known for its high-quality products, including a wide variety of bakery, dairy products and ready-to-cook meal kits, etc. catering to diverse customer needs. The store regularly takes feedback from the customers and stocks items accordingly. The store is popular among the customers for its attractive schemes such as 'buy one get one free' offers and weekly discounts, etc. which are advertised on its website. Once the goods are manufactured, packaged, branded and promoted, 'Novel Stores' ensures that they are made available to customers at the right place, in the right quantity and at the right time. Customers can place orders online and choose to get them delivered at their home or pick them up from the store at a selected time. As a result, the revenues of 'Novel Stores' are growing every year and profits are increasing. Identify and explain the elements of marketing mix highlighted in the above case.

Q88. CBSE 2024 · 6 marks Ayush and Rhea were passionate about sustainable agriculture and healthy living. They wanted to start a business selling organic produce. They had a small farm in a rural area where they began growing fresh organic produce and herbs. In the beginning, they faced challenges in marketing their organic products. They realized that their high quality produce needed better presentation and a strong identity to stand out in a competitive market. They named the business 'Earthy Store' which indicated the products' benefits and qualities and reflected the values of the business — sustainability and health. They chose a 'logo' that incorporated elements of nature and used earthy colours to convey their organic commitment. They designed and developed eco-friendly biodegradable bags and reusable containers to courier their products to the customers. They also added personal touch by including handwritten notes in each bag. They also designed and developed product stickers with detailed information about organic certification, nutritional benefits, date of manufacture, date of expiry, etc. The stickers so developed were put on the bags and reusable containers for customers convenience. 'Earthy Store' created a user-friendly website and established strong media presence to inform potential customers about their products and persuading them to buy the same. Within a couple of months, they had built a loyal customer base which made them earn profits even in a competitive environment. In a year, they were able to secure contracts with local grocery stores and restaurants. Quoting lines from the above paragraph, identify and explain the three functions of marketing discussed in the above case.



Q89. CBSE 2024 - 6 marks Ayush and Rhea were passionate about sustainable agriculture and healthy living. They wanted to start a business selling organic produce. They had a small farm in a rural area where they began growing fresh organic produce and herbs. In the beginning, they faced challenges in marketing their organic products. They realized that their high quality produce needed better presentation and a strong identity to stand out in a competitive market. They named the business 'Earthy Store' which indicated the products' benefits and qualities and reflected the values of the business — sustainability and health. They chose a 'logo' that incorporated elements of nature and used earthy colours to convey their organic commitment. They designed and developed eco-friendly biodegradable bags and reusable containers to courier their products to the customers. They also added personal touch by including handwritten notes in each bag. They also designed and developed product stickers with detailed information about organic certification, nutritional benefits, date of manufacture, date of expiry, etc. The stickers so developed were put on the bags and reusable containers for customers convenience. 'Earthy Store' created a user-friendly website and established strong media presence to inform potential customers about their products and persuading them to buy the same. Within a couple of months, they had built a loyal customer base which made them earn profits even in a competitive environment. In a year, they were able to secure contracts with local grocery stores and restaurants. Quoting lines from the above paragraph, identify and explain the three functions of marketing discussed in the above case.

Q90. CBSE 2024 - 6 marks (a) Explain the following functions of marketing: (i) Marketing Planning (ii) Branding (iii) Pricing

Q91. CBSE 2024 - 6 marks (a) Explain the following as functions of marketing: (i) Gathering and Analysing Market Information (ii) Standardisation and Grading (iii) Consumer Support Services

Q92. CBSE 2024 - 6 marks Explain the following functions of marketing: (i) Product Designing and Development (ii) Physical Distribution (iii) Storage or Warehousing

Q93. CBSE 2023 - 6 marks X Ltd. is engaged in the manufacturing of cars. The company surveyed the market and found that customers need a car which runs on eco-friendly fuel instead of petrol or diesel. Keeping the needs of customers as well as social, ethical and ecological aspects of marketing in mind, the company launched a new model of car that runs on bio-diesel. The launch event was covered by the top news channels and newspapers. This was done to disseminate information about the car and build goodwill of the business. X Ltd. understands that it is imperative to maintain regular contact with the public on a regular basis. (a) Identify and explain the marketing philosophy involved in the above case. (b) Identify and explain the communication tool that was used by the company. (c) Explain any two other promotional tools that can be used by X Ltd. to achieve its objectives.

Q94. CBSE 2023 - 6 marks A large automobile company produces cars. The company conducted market survey and found that customers need a car which runs on eco-friendly fuel instead of petrol or diesel. Keeping the needs of customers as well as social, ethical and ecological aspects of marketing in mind, the company launched a new model of car that runs on bio-diesel. The launch event was covered by the top news channels and newspapers. This was done to disseminate information about the car and build a long-term relationship with customers on a regular basis. The company understands that managing public opinion and maintaining relations with the public on a continuous basis is essential. (a) Identify and explain the marketing philosophy involved in the above case. (b) Identify and explain the communication tool that was used by the company. (c) Explain any two other promotional tools that can be used by the company.

Q95. CBSE 2023 - 6 marks (a) The physical handling and movement of goods from the place of production to the place of distribution is an important element of marketing mix. (i) Name and state the element. (ii) Explain any three main components of this element.

Q96. CBSE 2023 - 6 marks (a) Activities which communicate the features, specialities, benefits etc. of the products and services to the target customers and persuade them to make a purchase form an important component of the products and services to the target customers and persuade them to make a purchase form an important component of the marketing mix. Explain any three tools of communication used by the marketers for this purpose. OR (b) It refers to a set of marketing tools that a firm uses to pursue its marketing objectives in a target market. (i) Identify and state the concept. (ii) Explain three elements of the concept identified in (i) above.

Q97. CBSE 2023 - 6 marks A combination of tangible and intangible attributes being exchanged for a value with the ability to satisfy customer needs is an important element of marketing mix. State the concept. Also explain the three important decisions included in this element.

Q98. CBSE 2023 - 4 marks Smart Watch Limited manufactures and sells smart-watches for adults. The company now wants to manufacture smart-watches for children also. For this it gathered and analysed market information, did marketing planning, product designing and development, standardisation and also decided about the packaging, labelling, branding, pricing, warehousing, transportation and distribution of these smart-watches. Even after doing all the above stated activities the company is not picking up the sales. The Chief Executive Officer of the company asked the Marketing Manager to find out the reason. The Marketing Manager investigated the matter and found out that his marketing team had not performed the two important functions of marketing which may help the company not only in boosting the sales but also in getting repeat sales. Identify and explain the functions of marketing which were not performed by the marketing team.

CASE-BASED (1)

CASE STUDY - CBSE 2023



X Ltd. is engaged in the manufacturing of cars. The company surveyed the market and found that customers need a car which runs on eco-friendly fuel instead of petrol or diesel. Keeping the needs of customers as well as social, ethical and ecological aspects of marketing in mind, the company launched a new model of car that runs on bio-diesel. The launch event was covered by the top news channels and newspapers. This

was done to disseminate information about the car and build goodwill of the business. X Ltd. understands that it is imperative to stay connected with the public on a regular basis.

Q99. CBSE 2023 - 6 marks (a) Identify and explain the marketing philosophy involved in the above case.

12 Consumer Protection

Notes & MCQs →

MULTIPLE CHOICE AND ASSERTION-REASON (15)

Q1. CBSE 2026 - 1 mark Kabir purchased a luxury car for ₹ 2 crores from a well-known car dealer named 'Global Motors'. Within a few days, he found serious defects in the car. When he contacted 'Global Motors', they refused to repair or replace the car. Kabir then filed a case in the appropriate consumer court. However, he was not satisfied with the orders of this court. Where can Kabir file an appeal now?

- (a) District Commission (b) State Commission
(c) National Commission (d) Supreme Court

Q2. CBSE 2026 - 1 mark NV Electronics has an innovative range of smartphones, T.V's, home entertainment systems, kitchen appliances and air conditioners. Besides supplying quality products, their focus is also on handling customer complaints speedily, providing maintenance services, procuring credit services etc. The function of marketing discussed above is:

- (a) Branding (b) Marketing Planning
(c) Product designing and development
(d) Customer support services

Q3. CBSE 2026 - 1 mark Ramesh wanted to buy a room heater as it had become extremely cold. He went to the nearby market in search of a good room heater. He first visited a few big shops selling branded heaters and checked the design, quality and the price. Walking through the market he saw a road side shop displaying an attractive room heater. He walked into the shop to enquire about the room heater. The shopkeeper demonstrated how the heater worked and simultaneously explained its qualities like its rotating function, auto-cut etc. Ramesh asked about its price and decided to buy it, as in comparison to other room heaters, it was cheaper and had various additional features. However while focusing on the price and features, he did not check the ISI mark or the label which displayed the date of manufacturing, safety features, directions for use etc. The right exercised by Ramesh in the above case is:

- (a) Right to choose/be assured (b) Right to be heard
(c) Right to consumer education (d) Right to safety

Q4. CBSE 2026 - 1 mark Ritika wanted to buy a new washing machine. She visited 'Elec Duniya', a large electronics store. She saw there many different brands and models on display like KM, Neo, Unipool, INH etc. The salesperson at the store explained the differences in quality, brand reputation and prices of different washing machines. Ritika could now compare fully automatic, semi-automatic, top load and front load washing machines. The salesperson encouraged her to take her time, check different brands and resolve her queries. Ritika also went to another shop nearby to compare prices and features of different washing machines. After comparing all the available options, Ritika chose a 'Neo' front load washing machine because it offered the best features within her budget. The consumer right exercised by Ritika in the above case is:

- (a) Right to be heard (b) Right to be assured
(c) Right to consumer education (d) Right to seek redressal

Q5. CBSE 2026 - 1 mark Read the following statements carefully: Statement – I: Consumers should get together and form themselves into consumer associations for protection and promotion of their interests. Statement – II: The Consumer Protection Act provides for setting up a two-tier enforcement machinery for the redressal of consumer grievances. With reference to given statements, choose the correct alternative from the following:

- (a) Both the statements are true.
(b) Both the statements are false.
(c) Statement I is true, Statement II is false.
(d) Statement I is false, Statement II is true.

Q6. CBSE 2026 - 1 mark Read the following statements – Assertion (A) and Reason (R): Assertion (A): Many enlightened business firms have set up their own consumer service and grievance cells. Reason (R): The consumer has a right to file a complaint and to be heard in case of dissatisfaction with a good or service. Choose the correct alternative from the alternatives given below:

- (a) Both Assertion (A) and Reason (R) are false.
(b) Assertion (A) is false and Reason (R) is true.
(c) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(d) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).



Q7. CBSE 2026 · 1 mark Ravi purchased gold jewellery from a reputed jewellery store. He ensured that the jewellery had a hallmark which confirm its purity and authenticity. To avoid paying goods and services tax (GST) he asked the salesperson to write the gold weight and making charges on a slip of paper and hand over it to him. Which of the following responsibilities of a consumer was not fulfilled by Ravi while purchasing jewellery?

- (a) Be aware about various goods and services available in the market so that an intelligent and wise choice can be made.
- (b) Ask for a cash memo on purchase of goods and services.
- (c) Buy only standardized goods as they provide quality assurance.
- (d) Assert yourself to ensure that you get a fair deal.

Q8. CBSE 2025 · 1 mark One of the following is NOT a consumer right as per the Consumer Protection Act, 2019.

- (a) Right to safety (b) Right to be heard
- (c) Right to exploit (d) Right to information

Q9. CBSE 2025 · 1 mark Which option reflects the consumer right 'Right to be Informed'?

- (a) Proper labeling on products (b) Opportunity to be heard
- (c) Right to seek redressal (d) Right to safety

Q10. CBSE 2024 · 1 mark Niyati is working as a teacher in a school in Mansarovar Garden. She always tells the children at the school not to pollute the environment, and not to throw wrappers of chips and chocolates here and there. She always carries a bag with her to collect the wrappers and put them in the dustbin. By doing this, which responsibility of a consumer is she discharging:

- (a) Reading labels carefully (b) Asserting to get a fair deal
- (c) Respecting the environment
- (d) Being honest in the dealings

Q11. CBSE 2024 · 1 mark The legal framework in India requires the manufacturers to provide information about ingredients, date of manufacture, quantity, price, directions for use, etc., on the label of the product. From the following, identify the consumer right that is satisfied by the firm by fulfilling the requirement:

- (a) Right to safety (b) Right to be informed
- (c) Right to be assured (d) Right to be heard

Q12. CBSE 2024 · 1 mark Lyka Ltd. launched its new range of herbal shampoos at the beginning of the year. As per legal framework, Lyka Ltd. provided the name and address of the manufacturer, the weight, manufacturing date, expiry date, maximum retail price etc. on the package and label of the herbal shampoo. The consumer right highlighted above is:

- (a) Right to choose (b) Right to be informed
- (c) Right to consumer education (d) Right to safety

Q13. CBSE 2024 · 1 mark Payal was working in a Multinational company. Her father gifted her a smart phone worth ₹ 40,500 on her birthday. The mobile phone was purchased by her father from his friend's shop. After few months, the mobile phone started creating problems. Payal tried to contact the manufacturer many times but he did not respond. Ultimately Payal decided to file a complaint against the manufacturer. The appropriate grievance redressal machinery where Payal can file a complaint is:

- (a) District Forum/Commission (b) State Commission
- (c) National Commission (d) Supreme Court

Q14. CBSE 2024 · 1 mark Navya went to a supermarket for grocery shopping. She bought one kg of bajra flour from the supermarket. On reaching home when she opened the packet she found worms inside it. She was disappointed and told her son about the same. Her son asked her to check the label. When she checked the label of the packet, she found that bajra flour was stale and beyond the expiry date. She approached the salesperson at the supermarket who replaced the bajra flour immediately. When she thanked the salesperson, she was told that it was the policy of the supermarket to satisfy the customers. He further told that satisfied customers not only lead to repeat sales but they also provide good feedback to prospective customers which helps in increasing the customer base of business. Identify the point of importance of consumer protection from the point of view of the supermarket which is helping them to increase the customer base:

- (a) Long term interest of the business (b) Moral justification
- (c) Social responsibility (d) Government intervention

Q15. CBSE 2023 · 1 mark Sarita bought a flat from Sukan Developers for ₹ 5 crore and was shocked to discover that the quality of construction was bad, roof leaked during the rainy season and plaster was coming off at various places. Which consumer forum should she approach for redressal of her grievance?

- (a) District Commission (b) State Commission
- (c) National Commission (d) Supreme Court

VERY SHORT ANSWER (4)

Q16. CBSE 2026 · 3 marks Aditi purchased a high speed blender from an online retailer for ₹2,000. When she used it to prepare soup, it made a loud noise. It also failed to blend properly and emitted an unusual smell. She first contacted the online retailer through their toll-free helpline. They told her that they were responsible only for selling the blender and were not responsible for defects. Aditi then collected all relevant proofs such as the invoice and records of her communication etc. Then she contacted the customer service team of the manufacturer. The technical team inspected the blender and confirmed that the motor was defective. Despite this, the manufacturer neither replaced the blender, nor refunded her money. They stopped responding to Aditi's calls. Aditi was frustrated and filed a complaint against the manufacturer in the appropriate consumer court. State any three reliefs available to Aditi if the consumer court is satisfied about the defect in the high speed blender.

Q17. CBSE 2025 · 2 marks Name any two consumer organisations active in India.



Q18. CBSE 2025 · 2 marks Why is consumer protection important for business? Give two reasons.

Q19. CBSE 2025 · 2 marks Distinguish between consumer and customer with one example each.

SHORT ANSWER (17)

Q20. CBSE 2026 · 4 marks State any four responsibilities of a consumer under the Consumer Protection Act, 2019.

Q21. CBSE 2026 · 4 marks 'Sabka Consumer Forum', a well-known non-governmental organisation (NGO), has been working for the welfare of the consumers. Its main aim is to educate the general public about consumer rights by organising training programmes, seminars and workshops. Seeing the growing need for awareness, the NGO started publishing periodicals and other publications to impart knowledge about consumer problems, legal reporting, reliefs available and other matters of consumer interest. These publications became very popular and people began approaching the NGO for guidance. One day, a group of residents from a nearby housing society approached 'Sabka Consumer Forum'. They had purchased water purifiers from a company, which turned out to be defective. Even after repeated complaints, the company had failed to respond. 'Sabka Consumer Forum' studied the case and decided to file a complaint on behalf of the consumers in the appropriate consumer court. Apart from the functions mentioned in the above case, state any four other functions which may be performed by 'Sabka Consumer Forum' for protecting and promoting consumer interests.

Q22. CBSE 2026 · 4 marks State any four remedies available to the consumer under the provisions of the Consumer Protection Act, 2019.

Q23. CBSE 2026 · 4 marks Meera purchased a mixer-grinder of a reputed brand from a well-known electronic store for ₹ 5,000. Within ten days, the mixer-grinder stopped working. Meera visited the shop for repair or replacement showing the cash memo and the warranty card but the shopkeeper refused to help her. Though the product was only for ₹ 5,000, she filed a complaint at the District Consumer Disputes Redressal Forum. The Forum ordered the store to replace the product within 30 days. They also added ₹ 1,000 as compensation for mental harassment and ₹ 800 for legal costs. State two responsibilities fulfilled by Meera and two reliefs which Meera got through Consumer Redressal Forum.

Q24. CBSE 2026 · 4 marks Rishabh purchased a car for ₹ 8,00,000. He insured the car on the same day from Alex Insurance Company. Rishabh's car was stolen in Kedwan while he was on vacation with his family. He promptly filed a First Information Report (FIR), informed the insurer and submitted all the required documents. To Rishabh's shock, the insurance company rejected his claim, alleging he had failed to take due care and had parked the car in an unsafe manner. Determined to challenge this, Rishabh wrote multiple letters to the insurance company, but the insurance company refused to pay the compensation. Rishabh filed a case with District Commission. The District Commission was satisfied with the genuineness of the complaint and ordered the insurance company to pay a reasonable amount. Identify and explain two consumer rights which have been exercised by Rishabh.

Q25. CBSE 2025 · 3 marks Briefly explain any three rights of a consumer as per the Consumer Protection Act, 2019.

Q26. CBSE 2024 · 4 marks Anuj, after a lot of research, paid 'SS Developers' an advance of ₹ 2 crore to build a lavish house for him. They promised to deliver the property within 18 months. At the end of 18 months, Anuj asked for the delivery of the property many times but the developer did not respond. Anuj realized that 'SS Developers' was not in a position to hand over the property to him. Anuj asked for a refund of the money with interest, which 'SS Developers' refused. Anuj approached the consumer court with his complaint. (i) Which grievance redressal agency had Anuj approached? (ii) State any three reliefs Anuj is likely to get, if the consumer court is satisfied with the complaint.

Q27. CBSE 2024 · 4 marks State any four functions performed by consumer organizations and non-governmental organizations for protecting and promoting the interest of consumers.

Q28. CBSE 2024 · 4 marks State any four points of importance of consumer protection from the point of view of business.

Q29. CBSE 2024 · 4 marks State any four reliefs that can be issued to the opposite party when the consumer court is satisfied about the genuineness of the complaint.

Q30. CBSE 2024 · 4 marks Nishi had gone to a grocery store to make routine purchases. On reaching home, as she took out Binx tomato chips packet from the bag to give it to her son, she felt that it was underweight. She checked its weight on the kitchen weighing scale and found that it weighed 60 grams whereas the label on the chips packet mentioned the weight of the packet as 100 grams. She approached the manufacturer and complained about it. The manufacturer offered her a gift hamper and requested her not to disclose this to anyone. Nishi refused to accept the gift hamper and took the issue to a redressal agency. (a) State two responsibilities discharged by Nishi, as a consumer, in the above case. (b) State any two reliefs which can be granted to Nishi, if the consumer court is satisfied with the genuineness of the complaint.

Q31. CBSE 2024 · 4 marks Kewalram started a sweets shop 'Karamati Sweets' in 1950. The sweets were famous all over India for their good quality and people would come from far and wide to purchase sweets from him. As he grew old, he could no longer run the shop. So, he sold the shop to one of his neighbours 'Bholaram'. After a few months, to further increase the revenue, 'Bholaram' started engaging in unfair trade practices like using adulterated khoya and paneer. He thought that no one would know about it as 'Karamati Sweets' had a good image in the eyes of the people. Slowly, people started falling sick after consuming sweets purchased from 'Karamati Sweets' but they did not know where to go and to whom to complain. Raghav, a resident of the village had recently completed his studies. He was also a member of a non-governmental organisation, 'Meri Voice'. He felt that the villagers should be made aware about the rights and reliefs available to them. He started creating awareness about consumer rights among the villagers to protect their interest through a series of talks and presentations in the village. (a) Identify and explain the consumer right discussed in the above para. (b) Also, identify and explain the consumer right violated by 'Bholaram' in the above case.



Q32. CBSE 2023 - 4 marks (a) State the role of consumer organisations and non-governmental organisations for the protection and promotion of consumers' interests on the basis of any four points.

Q33. CBSE 2023 - 4 marks (a) Explain any four points of importance of consumer protection from the point of view of business.

Q34. CBSE 2023 - 4 marks M.V.T. Ltd. is an agricultural company producing beauty and health products. It has its own consumer service and grievance redressal centre to address consumer concerns. The mobile phone number of the consumer service and grievance redressal cell is printed on the labels of all its products as a policy to get feedback or complaints from their consumers. It also runs various programmes to educate the consumers about their rights and reliefs available to them in case a product or service falls short of their expectations. Explain the two rights of the consumers which are being promoted by the company.

Q35. CBSE 2023 - 4 marks M.V.T. Ltd. is an agricultural company manufacturing dairy products. It has its own consumer service and grievance redressal centre to address consumer concerns. The mobile phone number of the consumer service and grievance redressal cell is printed on the labels of all its products as a policy to get feedback or complaints from their consumers. It also runs various programmes to educate the consumers about their rights and reliefs available to them in case a product or service falls short of their expectations. Explain the two rights of the consumers which are being promoted by the company.

Q36. CBSE 2023 - 4 marks M.V.T. Ltd. is an agro-based company manufacturing health food and beauty products. It has its own consumer service and grievance redressal centre to address consumer concerns. The mobile phone number of the consumer service and grievance redressal cell is printed on the labels of all its products as a policy to get feedback or complaints from their consumers. It also runs various programmes to educate the consumers about their rights and reliefs available to them in case a product or service falls short of their expectations. Explain the two rights of the consumers which are being promoted by the company.

LONG ANSWER (11)

Q37. CBSE 2025 - 5 marks Explain any five rights of consumers under the Consumer Protection Act, 2019.

Q38. CBSE 2024 - 6 marks Ashish wanted to purchase one LCD TV for his home. He decided to go to various stores selling electronic items to check the available varieties of different brands. One of his friends took him to a manufacturer selling LCD TV at almost half the price. The manufacturer described its various features and insisted that Ashish buys the LCD TV from him. Seeing the features, Ashish decided to buy the TV from him, even when the TV was not having any standardisation mark on it. When Ashish asked for the cash memo, the manufacturer discouraged him, saying that it will attract additional tax. He further told Ashish not to worry and promised that if there would be any problem with the TV, he would replace it immediately. The TV started malfunctioning within a month and Ashish asked for its replacement. The manufacturer refused to replace the LCD TV, telling him that the problem is due to mishandling of the TV. Ashish decided to file a complaint in the Consumer Court against the manufacturer. (i) Identify and explain two consumer rights discussed in the above case. (ii) State two consumer responsibilities that Ashish did not fulfil while buying the LCD TV.

Q39. CBSE 2023 - 6 marks Kartik is engaged in trading of Smart Televisions. He purchases these televisions from Vivek Electronics, a manufacturer. Vivek Electronics has supplied some defective televisions to Kartik. Kartik is getting complaints about the televisions from almost all the customers. (a) Against whom can Kartik exercise his rights? (i) Kartik (ii) Vivek Electronics (iii) Consumers (b) Define Consumer under the Consumer Protection Act, 2019. (c) State the right that can be exercised to seek relief.

Q40. CBSE 2023 - 6 marks Kartik is engaged in trading of Smart Televisions. He purchases these televisions from Vivek Electronics. All the televisions are certified by the Bureau of Indian Standards. During the Diwali season, Vivek Electronics supplied some defective television sets to Kartik. Kartik is getting complaints about the televisions from almost all the customers. (a) Who amongst the following can exercise his/her Right and against whom? (i) Kartik (ii) Vivek Electronics (iii) Consumers (b) Define consumer as per the provisions of the Consumer Protection Act, 2019. (c) State the rights available to a consumer to get relief.

Q41. CBSE 2023 - 6 marks (a) Against whom can Kartik exercise his rights? (i) Kartik (ii) Vivek Electronics (iii) Consumers (b) Define a consumer as per the Consumer Protection Act, 2019. (c) State the right that can be exercised to lodge a complaint. Kartik is engaged in trading of Smart Televisions. He purchases these televisions from Vivek Electronics. All these Smart Televisions are certified by the Indian Bureau of Standards. During Diwali season, Vivek Electronics supplied some defective televisions to Kartik. Kartik is getting complaints about the televisions from almost all the customers.

Q42. CBSE 2022 - 5 marks (a) State any five remedies available to a consumer under the provisions of The Consumer Protection Act, 2019. OR (b) Explain the following rights of a consumer provided under The Consumer Protection Act, 2019: (i) Right to Safety (ii) Right to Seek Redressal

Q43. CBSE 2022 - 5 marks State any five responsibilities of a consumer provided under The Consumer Protection Act, 2019.



Q44. CBSE 2022 · 5 marks (a) Explain the following rights of a consumer provided under The Consumer Protection Act, 2019: (i) Right to be Informed (ii) Right to be Heard

Q45. CBSE 2022 · 5 marks Explain the following redressal mechanisms available to a consumer under The Consumer Protection Act, 2019: (i) District Commission (ii) National Commission

Q46. CBSE 2022 · 5 marks Explain the following rights of a consumer as per The Consumer Protection Act, 2019: (i) Right to be Heard (ii) Right to be Informed

Q47. CBSE 2022 · 5 marks Explain the following rights of a consumer as per The Consumer Protection Act, 2019: (i) Right to Consumer Education (ii) Right to Seek Redressal

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