

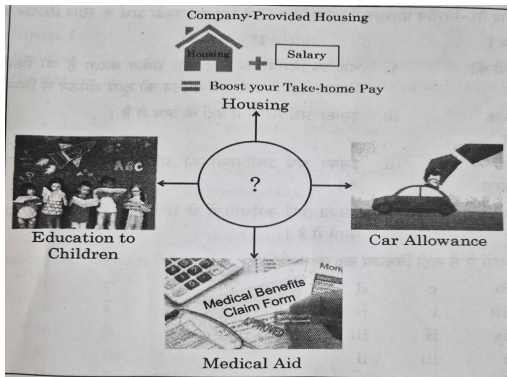
66 /2 /3	BUSINESS STUDIES EXPECTED ANSWERS / VALUE POINTS	Marks
	SECTION A	
1	Q. In the 'Primary Market' prices of securities are determined by: (A) Management of the company (B) Demand and supply of the security (C) Employees of the company (D) Only demand for the security Ans. (A) Management of the company	1 mark
2	Q. 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 Ans. (D) Customer support services	1 mark
3	Q. 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 Ans. (D) Financial Planning	1 mark
4	Q. 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. Ans. (D) This technique helps to determine the number of workers to be employed,	

	frame suitable incentive schemes and determine labour costs.	1 mark
5	Q. 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. Ans. (D) Both Statement-I and Statement-II are false.	1 mark
6	Q. '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 Ans.(B) Uncertainty	1 mark
7	Q. '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 Ans. (B) Spreading of Equity Cult	1 mark
8	Q. 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 Ans. (B) Middle level	1 mark

9	Q. 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 Ans. (D) Stock-market conditions	1 mark
10	Q. '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 Ans. (D) Both Brand mark and Trade mark	1 mark
11	Q. 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. Ans. (B) Statement I is false and Statement II is true.	1 mark
12	Q. '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. Ans. (D) Development of Each and Every Person to His or Her Greatest Efficiency and Prosperity.	1 mark
13	Q. 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 Ans. (B) Social Environment	1 mark
14	Q. 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). Ans. (A) Assertion (A) is false and Reason (R) is true.	1 mark
15	Q. 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)	

	Ans. (D) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)	1 mark																																			
16	Q. 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 Ans. (A) Right to choose/be assured	1 mark																																			
17	Q. Match the non-financial incentives given in Column I with their meaning given in Column II: <table><tr><th>Column I</th><th>Column II</th></tr><tr><td>a. Employee participation</td><td>i. It indicates the characteristics which describe an organization and distinguish one organization from the other.</td></tr><tr><td>b. Organisational climate</td><td>ii. It means ranking of positions in the organisation.</td></tr><tr><td>c. Employee empowerment</td><td>iii. It means giving more autonomy and powers to subordinates.</td></tr><tr><td>d. Status</td><td>iv. It means involving employees in decision making of the issues related to them.</td></tr></table> Choose the correct option from the options given below: <table><tr><td></td><td>a</td><td>b</td><td>c</td><td>d</td></tr><tr><td>(A)</td><td>ii</td><td>iii</td><td>i</td><td>iv</td></tr><tr><td>(B)</td><td>i</td><td>iv</td><td>ii</td><td>iii</td></tr><tr><td>(C)</td><td>iv</td><td>i</td><td>iii</td><td>ii</td></tr><tr><td>(D)</td><td>iii</td><td>ii</td><td>iv</td><td>i</td></tr></table>	Column I	Column II	a. Employee participation	i. It indicates the characteristics which describe an organization and distinguish one organization from the other.	b. Organisational climate	ii. It means ranking of positions in the organisation.	c. Employee empowerment	iii. It means giving more autonomy and powers to subordinates.	d. Status	iv. It means involving employees in decision making of the issues related to them.		a	b	c	d	(A)	ii	iii	i	iv	(B)	i	iv	ii	iii	(C)	iv	i	iii	ii	(D)	iii	ii	iv	i	
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(D)	iii	ii	iv	i																																	

	Ans. (C) iv i iii ii	1 mark
18	Q. 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. Ans. (A) Cooperating with other departments for smooth functioning of the organisation.	1 mark
19	Q. The process by which a manager synchronizes the activities of different departments is known as: (A) Management (B) Planning (C) Organising (D) Co-ordination Ans. (D) Co-ordination	1 mark
20	The question mark in the picture given below represents a financial incentive. Identify the incentive:  (A) Pay and allowances (B) Retirement benefits (C) Productivity linked wage incentives (D) Perquisites Ans. (D) Perquisites For Visually Impaired Candidates: Authority, responsibility, rewards, perquisites and prestige of job etc. indicate	1 mark

	which of the following non-financial incentives given to a person holding a managerial position? (A) Job Enrichment (B) Job security (C) Status (D) Organisational climate Ans. (C) Status	
21	Q. (a) State any three points of importance of Management Ans. <u>Importance of Management</u>: (Any THREE) (i) It helps in achieving group goals by giving a common direction to individual effort. (ii) It increases efficiency by reducing costs and increasing productivity through better planning, organising, directing, staffing and controlling the activities of the organisation. (iii) It creates a dynamic organisation by making the organisation adapt itself to the changing environment so that the organisation is able to maintain its competitive edge. (iv) It helps in achieving personal objectives by motivating and leading in such a way that both personal goals and organisational objectives are accomplished. (v) It helps in the development of society by providing good quality products and services, creating employment opportunities and adopting new technology etc. and leads the path towards growth and development. OR (b) State any three objectives of Management Ans. <u>Objectives of Management</u>: (i) Organisational objectives aim at utilising human and material resources to the maximum possible advantage to fulfill the economic objectives of a business which include Survival, Profit and Growth. (ii) Social objectives refer to consistently creating economic value for various constituents of society which include using environmental friendly methods of production, giving employment opportunities to the underprivileged sections of society and providing basic amenities like schools and healthcare etc.	1 x 3 = 3 marks OR 1 x 3 = 3 marks

	(iii) Personal/ Personnel objectives aim to reconcile personal goals with organizational objectives for harmony in the organisation as people working in the organisations have diverse needs like financial needs, social needs and higher level needs.	
22	Q. 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. Ans. (i) <u>Two functions being performed by SEBI:</u> <i>'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.'</i> - Regulatory Function <i>'By taking action against the group of traders, SEBI made it clear that fraudulent and unfair trade practices are strictly prohibited.'</i> - Protective Function (ii) <u>Regulatory function of Securities and Exchange Board of India:</u> (Any ONE) ▪ Registration of brokers and sub brokers and other players in the market. ▪ Registration of collective investment schemes and mutual funds.	(½ mark for quoting + ½ mark for identifying) = 1 x 2

	▪ Regulation of stock brokers, portfolio exchanges, underwriters and merchant bankers. ▪ Regulation of takeover bids by companies. ▪ Levying fee or other charges for carrying out the purposes of the SEBI Act, 1992. ▪ Performing and exercising such powers under Securities Contract (Regulation) Act 1956 as may be delegated by the Government of India. <u>Protective function of Securities and Exchange Board of India: (Any ONE)</u> ▪ Controlling insider trading and imposing penalties for such practices. ▪ Undertaking steps for investor protection. ▪ Promotion of fair practices and code of conduct in securities market.	½ ½ = 3 marks
23	Q. (a) Explain “Transfers” and ‘Promotions’ as internal sources of recruitment. Ans. <u>Transfers</u> ▪ Transfers involve shifting of an employee from one job to another, one department to another or from one shift to another, without a substantive change in the responsibilities and status of the employee. ▪ It may lead to changes in duties and responsibilities, working condition etc., but not necessarily salary. ▪ It is a horizontal movement of employees. <u>Promotions</u> ▪ Promotions involve shifting an employee to a higher position, carrying higher responsibilities, facilities, status and pay. ▪ This practice helps to improve the motivation and increases loyalty and satisfaction level of employees. ▪ It is a vertical movement of employees. OR (b) Explain ‘Placement and Orientation’ and ‘Performance Appraisal’ as steps	1½ 1½ = 3 marks OR

	in the process of 'Staffing' function of management. Ans. <u>Placement and Orientation</u> - Placement refers to occupying of position by the employee for which he has been selected. - Orientation refers to introducing the selected employee to other employees and familiarising him with the rules and policies of the organisation. <u>Performance Appraisal</u> - Performance Appraisal means evaluating an employee's current and /or past performance as against certain predetermined standards. - The performance appraisal process will include defining the job, appraising performance and providing feedback	1½ 1½ = 3 marks
24	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. Ans. (i) <u>Direct recruitment</u> - It is a source of recruitment, in which, a notice is placed on the notice board of the enterprise specifying the details of the jobs available. - Job-seekers (unskilled or semi-skilled) assemble outside the premises of the organisation on the specified date and selection is done on the spot. (ii) <u>Placement Agencies and Management Consultants</u>	½ 1 ½

	▪ Placement agencies provide a nationwide service in matching demand and supply by compiling bio data of a large number of candidates and recommending suitable names to their clients. ▪ Management consultants help the organisations to recruit technical, professional and managerial personnel by maintaining a data bank of persons with different qualification and skills and even advertise the jobs on behalf of their clients.	1 = 3 marks
25	Q. 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. Ans. (i) <u>Functional structure</u> (ii) <u>Advantages of Functional structure not discussed in the given case are:</u> ▪ It promotes control and coordination within a department because of similarity in the tasks being performed. ▪ It leads to minimal duplication of effort which results in economies of scale and this lowers cost. ▪ It ensures that different functions get due attention.	1 1 1 1 = 4 marks
26	Q. (a) State any four merits of external sources of recruitment. Ans. <u>Merits of external sources of recruitment:</u> (i) The management can attract qualified and trained personnel to apply for vacant jobs in the organisation.	

	(ii) The management has a wider choice while selecting the people for employment. (iii) External sources bring fresh talent in the organisation. (iv) External sources encourage competitive spirit among the existing staff. <i>(If an examinee has only listed the points, ½ mark for each point should be awarded)</i> OR Q. (b) State any four benefits of training to employees. Ans. <u>Benefits of training to employees:</u> (i) It helps in better career of the employees due to improved skills and knowledge. (ii) It helps them to earn more due to improved performance. (iii) It reduces accidents as training makes the employees more efficient to handle machines. (iv) It increases the satisfaction and morale of the employees. <i>(If an examinee has only listed the points, ½ mark for each point should be awarded)</i>	1 x 4 = 4 marks OR 1 x 4 = 4 marks
27	Q. 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. Ans. <u>Responsibilities fulfilled by Meera:</u> (i) Ask for a cash memo on purchase of goods or services.	1

	(ii) File a complaint in an appropriate consumer forum in case of a shortcoming in the quality of goods purchased or services availed. <u>Reliefs which Meera got through Consumer Redressal Forum:</u> (i) To replace the defective product with a new one, free from any defect. (ii) To pay a reasonable amount of compensation for any loss or injury suffered by the consumer due to the negligence of the opposite party.	1 1 1 = 4 marks
28	Q. 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. Ans. Functions of marketing discussed above are: (Any TWO) (i) Branding ▪ A very important decision area for marketing is whether to sell the product in its generic name or to sell them in a brand name. Branding is the process of giving a name or a sign or a symbol etc., to a product. ▪ Brand name helps in creating product differentiation, i.e., providing basis for distinguishing the product of a firm with that of the competitor, which in turn, helps in building customer's loyalty and in promoting its sale. (i) Product designing and development ▪ The design of the product contributes to making the product attractive to the target customers.	½ mark for identify ing the function + 1½ marks for its

	▪ A good design can improve performance of a product and give it a competitive advantage in the market. (ii) Standardisation and Grading ▪ Standardisation refers to producing goods of predetermined specifications, which helps in achieving uniformity and consistency in the output. ▪ Grading is the process of classification of products into different groups, on the basis of some of its important characteristics such a quality, size, etc.	explan ation = 2+2 = 4 marks
29	Q. (a) Explain the following features of planning: (i) Planning is futuristic. (ii) Planning involves decision-making. Ans. (i) Planning is futuristic ▪ Planning involves looking ahead and preparing for the future as the purpose of planning is to meet future events effectively to the best advantage of the organisation. ▪ Planning is regarded as a forward-looking function based on forecasting future events and drawing plans accordingly. (ii) Planning involves decision-making ▪ Planning essentially involves choice from among various alternatives and activities. If there is only one possible course of action, there is no need for planning because there is no choice. ▪ Planning involves thorough examination and evaluation of each alternative and choosing the most appropriate one. OR Q. (b) Explain the following points of importance of Decentralisation: (i) Facilitates growth (ii) Better control Ans. (i) <u>Facilitates growth</u> ▪ Decentralisation awards greater autonomy to the lower levels of management as	2 2 = 4 marks OR

	well as divisional or departmental heads. This allows them to function in a manner best suited to their department and fosters a sense of competition amongst the departments. - With each department doing its best in a bid to outdo the other, the productivity levels increase and the organisation is able to generate more returns which can be used for expansion purposes. (ii) Better control - Decentralisation makes it possible to evaluate performance at each level and the departments can be individually held accountable for their results. - The extent of achievement of organisational objectives as well as the contribution of each department in meeting the overall objectives can be ascertained. Feedback from all levels helps to analyse variances and improve operations.	2 2 = 4 marks
30	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. <u>Ans. Factors that were taken into consideration by 'Nat-Ayur' for determining the price of their herbal face cream: (Any TWO)</u> (i) Product Cost - Product cost includes the cost of producing, distributing and selling the product. It determines the minimum level or the floor price at which the product may be sold. - Generally, all marketing firms strive to cover all their cost at least in the long run. In addition, they aim at earning a margin of profit over and above the cost.	

	(ii) The Utility and Demand ▪ The utility provided by the product and the intensity of demand of the buyer set the upper limit of the price. The buyer may be ready to pay up to the point where the utility from the product is at least equal to the sacrifice made in terms of the price paid. However, the seller would, however, try to at least cover the costs. ▪ Consumer usually purchase more units at a low price than at a high price. (iii) Extent of Competition in the Market ▪ The price will tend to reach the upper limit in case there is lesser degree of competition while under conditions of free competition; the price will tend to be set at the lowest level. ▪ Competitors prices and their anticipated reactions must be considered before fixing the price of a product. Not only the price but the quality and the features of the competitive products must be examined carefully before fixing the price. (iv) Marketing Methods Used ▪ Price fixation process is affected by other elements of marketing such as distribution system, quality of salesmen employed, quality and amount of advertising, sales promotion efforts, the type of packaging, etc. ▪ Uniqueness of any of the above elements gives the company a competitive freedom in fixing prices of its products.	½ mark for the heading + 1½ marks for its explan ation = 2 +2 = 4 marks
31	Q. (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. Ans. <u>Co-operation, not Individualism</u> ▪ This principle emphasises that there should be complete cooperation between the labour and the management instead of individualism. Competition should be replaced by cooperation and both the management and the workers should realise that they need each other. ▪ Management should not close its ears to any constructive suggestions made by the employees and should reward the suggestions which results in substantial reduction in cost. The workers should be part of management and if any important decisions are taken, they should be taken into confidence. <u>Fatigue Study</u>	2

▪ Fatigue Study determines the amount and frequency of rest intervals in completing a task. ▪ A person is bound to feel tired physically and mentally if he/she does not rest while working. The rest intervals will help one to regain stamina and work again with the same capacity.	2
<u>Differential Piece Wage System</u> • Differential Piece Wage System is a technique which differentiates between efficient and less efficient workers. It rewards the efficient workers and motivates the less efficient ones to improve their efficiency. • In this plan, there are different rates of wage payment- higher for those who performed standard output or more and lower for those who performed below the standard output. The difference in the wage payment motivates the inefficient workers to perform better.	2
OR	
Q. (b) Explain the following principles of General Management: (i) Initiative (ii) Scalar chain (iii) Authority and responsibility	
Ans.	
(i) <u>Initiative</u> ▪ Initiative means taking the first step with self motivation. Principle of initiative states that the workers should be encouraged to develop and carry out their plans for improvements. ▪ A good company should have an employee suggestion system whereby initiative/ suggestions which result in substantial reduction in cost/ time should be rewarded but it does not mean going against the established practices of the company.	2
(i) <u>Scalar Chain</u> ▪ The formal lines of authority from highest to lowest ranks are known as Scalar chain. Organisations should have a chain of authority and communication that runs from top to bottom and should be followed by managers and the subordinates. ▪ This chain should not be violated in the normal course of formal communication.	2

	However, in case of any emergency, a shorter route named gang plank may be used to avoid delay in communication. (iii) <u>Authority and responsibility</u> ▪ The principle of Authority and Responsibility suggests that managers require authority commensurate with their responsibility. Authority is the right to give orders and obtain obedience and responsibility is the corollary of authority. ▪ An organisation should build safeguards against abuse of managerial power. At the same time, a manager should have necessary authority to carry out his responsibility. <i>(or any other suitable explanation)</i>	2 = 6 marks
32	Q. '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' Ans. <u>Factors that will affect the fixed capital requirements of 'Freshju':</u> (Any FOUR) (i) 'For this, 'Freshju' decided to enter into 'Juice manufacturing.' Nature of Business A trading concern needs lower investment in fixed assets compared with a manufacturing organization since it does not require to purchase plant and machinery etc. (ii) 'To meet anticipated higher demand in future, the company set-up a larger	

<i>manufacturing unit.</i>’ <i>Or</i> <i>‘It also has ambitious plans to export its juices to other countries in the future’</i> Growth Prospects When a company expects higher growth in the future, it creates higher capacity in order to meet the anticipated higher demand quicker. This entails larger investment in fixed capital. <i>(iii) ‘To meet anticipated higher demand in future, the company set-up a larger manufacturing unit.’</i> Scale of Operations A larger organisation operating at a higher scale needs bigger plant, more space etc. and therefore, requires higher investment in fixed assets when compared with the small organisation. <i>(iv) ‘The Chief Executive Officer, Ravinder, ordered automatic juice-filling and bottling machines to increase speed, improve hygiene and for consistency in production.’</i> Choice of Technique A capital-intensive organisation requires higher investment in plant and machinery, thus higher fixed capital than a labour intensive organisation. <i>(v) ‘Since the investment was huge, instead of buying all new machinery ‘Freshju’ took some expensive machines on lease.’</i> Financing Alternatives Availability of leasing facilities, may reduce the funds required to be invested in fixed assets, thereby reducing the fixed capital requirements. <i>(vi) ‘They also collaborated with a nearby packaging unit to use their packing machines during peak-season.’</i> Level of Collaboration Collaboration reduces the level of investment in fixed assets when the organisations share each other’s facilities in case the scale of operations of each one of them is not sufficient to make full use of the facility.	$\frac{1}{2}$ mark for quoting $+$ $\frac{1}{2}$ mark for identi fying the factor $+$ $\frac{1}{2}$ mark for its explan ation $=$ $1 \frac{1}{2} \times 4$ $=$ 6 marks
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33	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. Ans. Four types of plans discussed in the above case are: (i) Objective ▪ Objectives are the ends, which the management seeks to achieve. They are usually set by top management of the organisation and focus on broad, general issues. ▪ Objectives need to be expressed in specific terms i.e. they should be measurable in quantitative terms and are to be achieved within a given time period. (ii) Strategy ▪ A strategy is a comprehensive plan for accomplishing organisation's objectives and involves determining long term objectives, adopting a particular course of action and allocating necessary resources. ▪ Whenever a strategy is formulated, the business environment needs to be taken into consideration. (iii) Policy ▪ Policy is a general statement that guides thinking and channelizes energies towards a particular direction. ▪ It defines the broad parameters within which a manager may function. He/ she may use his/ her discretion to interpret or apply a policy.	$\frac{1}{2}$ 1 $\frac{1}{2}$ 1 $\frac{1}{2}$ 1
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	(iv) Budget ▪ A budget is a statement of expected results expressed in numerical terms. It is a plan which quantifies future facts and figures. ▪ Since budget represents all items in numbers, it becomes easier to compare actual figures with expected figures and take corrective action.	$\frac{1}{2}$ 1 = 6 marks
34	Q.(a) Explain any four psychological barriers to communication. Ans. <u>Psychological barriers to communication</u>: (Any FOUR) (i) Premature evaluation Sometimes people evaluate the meaning of message before the sender completes his message. Such premature evaluation may be due to pre-conceived notions or prejudices against the communication. (ii) Lack of attention The pre-occupied mind of receiver and the resultant non-listening of message acts as a major psychological barrier. This happens when the receiver is preoccupied and does not grasp the message. (iii) Loss by transmission and poor retention When communication passes through various levels, successive transmissions of the message results in loss of, or transmission of inaccurate information. Poor retention happens when people cannot retain the information for a long time if they are inattentive or not interested. (iv) Distrust Distrust between communicator and communicate acts as a barrier. If the parties do not believe each other, they cannot understand each other's message in its original sense. OR Q.(b) Explain first four steps in the process of controlling. Ans. <u>First four steps in the process of controlling</u>: (i) Setting Performance Standards	$\frac{1}{2}$ mark for the heading + 1 mark for its explan ation = $1\frac{1}{2} \times 4$ = 6 marks OR

	▪ Standards are the criteria against which actual performance would be measured. Standards can be set in both quantitative as well as qualitative terms. ▪ It is important that standards should be flexible enough to be modified due to changes taking place in the internal and external business environment. (ii) Measurement of Actual Performance ▪ Performance should be measured in an objective and reliable manner and in the same units in which standards are set ▪ There are various techniques for measurement of performance like personal observation, sample checking, performance reports etc. Measurement of work should be done during the performance, wherever possible. (iii) Comparing Actual Performance with Standards ▪ This involves comparison of actual performance with the standard. ▪ Such comparison will reveal the deviation between actual and desired results. (iv) Analysing Deviations Analysis of deviations is done through Critical Point Control and Management by Exception to find out the causes of deviation. ▪ <u>Critical point control</u> refers to focusing on key result areas which are critical to the success of an organisation as it is neither economical nor easy to keep a check on each and every activity in an organisation. ▪ <u>Management by Exception helps in</u> identifying only significant deviations which go beyond the permissible limit and bringing them to the notice of the management. It is based on the belief that an attempt to control everything results in controlling nothing.	½ mark for the heading + 1 mark for its explan- ation = 1½ x 4 = 6 marks
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