

BUSINESS STUDIES*Time Allowed: 3 hours**Maximum Marks: 80***General Instructions:**

- i) Answers to questions carrying **1** mark may be from **one word** to **one sentence**.*
- ii) Answer to questions carrying **3** marks may be from **50 to 75** words.*
- iii) Answer to questions carrying **4-5** marks may be about **150** words.*
- iv) Answer to questions carrying **6** marks may be about **200** words.*
- v) Attempt all parts of a question together.*

1. Name the method of training which facilitates easy promotions, placement or transfers. 1
2. Give the meaning of 'Democratic Style' of leadership. 1
3. Which element of directing which helps in implementing principle of scalar chain? 1
4. Haldirams' is a well-known brand in the sweets and snacks market. It has branches all across the world. If we visit any branch of Haldirams' any day of the year anywhere in the country or world, the taste of its namkeen and sweets is the same. Which marketing function is involved in making their products uniform and consistent? 1
5. Which principle of management indicates that in order to

- maintain organizational efficiency, employee turnover should be minimized? 1
6. Name the participant of depository system who performs the function of opening the Demat Account. 1
7. 'Globus is offering a scheme of 30% + 20% less on retail price.' Identify the sales promotion technique. 1
8. Mr. Narain filed a case against "ACS Travelers P. Ltd.' in the state commission. But he was not satisfied with the order of the state commission. Name the next higher authority to which he can appeal against the decision of state commission. 1
9. Every organisation has to take three major decisions in respect of financial management. State the decisions. 3
10. Explain any three differences between Fayol's principles of management and Taylor's principles of scientific management. 3
11. Explain policy and rule as types of plan. 3
12. Which incentive gives more autonomy and powers to subordinates? Explain. 3
13. Explain price as an element of a marketing mix. 3

14. "All leaders are managers." Do you agree with the statement? Give reasons for your answer. 4
15. Explain the importance of the function of management which provides direction to work flow and assurance of performance according to the plan. 4
16. Enumerate any three market related factors that should be kept in view while taking decision on the choice of channels of distribution of any product. 4
17. What do you mean by communication network? Enumerate any three forms of communication network. 4
18. What do you mean by 'consumer'? Explain with reference to Consumer protection Act, 1986 and explain the need for consumer protection. 4
19. Shika Textiles wants to develop an effective system of controlling so that progress of work is determined and corrective measures can be implemented for any deviations. Controlling is an indispensable function of management.
How does controlling inculcate values in Shikha Textiles? 4
20. Explain with the help of one example each how do 'social environment' and 'legal environment' affect the function of business enterprises. 5

21. Explain the process of selecting candidates. 5
22. Explain the financial planning. Why financial planning is important in corporate financial management? 5
23. The Directors of a newly established company having paid capital of Rs. 2.5 crores, desires to get its shares traded at an all India level Stock Exchange. Suggest the name of Stock Exchange for the purpose. Given any five reasons in support of your answer. 6

Or

- What are the various functions of Stock and Exchange Board of India (SEBI)? 6
24. Explain following principles of Fayol.
- a. Scalar chain
 - b. Discipline
 - c. Centralisation and decenetratisation
- 6

Or

- Over a large few decades, there is an increased demand for professionally qualified managers. The task of manager has been quite specialized. As a result of these developments, the management is to be considered as a spate profession.
- Discuss the basic features of management as a profession. 6
25. Which type of oragnisatinal structure is more suitable for an

organisation engaged in production and distribution of a single product line? How this structure is different from other classification of divisional structure?

6

Or

What is meant by decentralization of authority? How is it different from delegation of authority?

6

ANSWERS

1. Job rotation
2. A leader consults with his subordinates for taking actions.
3. Communication
4. Standardization
5. Stability of personnel
6. Depository participant
7. Discount
8. National commission
9. Three major decisions of financial management:
 - a. Investment decision
 - b. Financing decision
 - c. Dividend decision
10. Differences between Fayol's principles and Taylor's scientific principles of management.

<i>Basis of difference</i>	<i>Fayol's Principles</i>	<i>Taylor's Principles of Scientific Management</i>
1. Perspective	Top management	Operative and floor level
2. Result	Personal experiences translated to universal truth	Scientific observation, study and measurement
3. Personality	Practitioner	Scientist
4. Focus	Improving overall administration by observing certain principles	Increasing productivity through work, time and modern studies and elimination of waste
5. Major Contribution	A systematic theory of management	Provided a basis for accomplishments on the production line

11.

<i>Policy</i>	<i>Rule</i>
general statement	Specific statement
Guided to decision making	Guide to behavior
Lays down management attitude	Indicates what should or should not be done
Provides discretion during implementation	Provides no scope for discretion

12. Incentive name – Employee Empowerment

Due to this incentive, people start feeling that their jobs are important and they contribute positively to use their skill and talents in the jobs.

13. Price – It is the worth of a product or service in monetary terms. As an element of marketing mix, price mix is the value of product determined by the procedures. It includes decisions related to price level to be adopted, discount to be offered, terms of the credit, etc.

14. All managers are leaders but all leaders are not managers.

Difference between leadership and managership:

Basis of Difference	Leadership	Managership
a. Origin	Originates out of individual influence	Originates out of official power and rights
b. Formal rights	No formal rights	Certain formal rights
c. Followers and subordinates	A leader has followers	A manager has subordinates
d. Functions	To guide and motivate his followers	To plan, organise, direct, motivate and control his subordinates
e. Necessity	Necessary	Not necessary
f. Scope	Limited	Wide

15. Importance of controlling:

a. It helps the organisation in achieving goals.

b. It helps improving the adaptability to environmental changes.

- c. It helps in coping with organizational complexities.
 - d. It helps maintaining and improving quality
 - e. It helps in financial matters
 - f. It helps in improving employee's performance
 - g. It help monitoring execution of plans
- 16.** Various market related factors that should be taken into consideration while taking a decision on the choice of channel of distribution for any product are as follows:
- a. Geographic concentration
 - b. Size of Market
 - c. Nature of market
 - d. Quantity of purchase
- 17. Meaning of communication network** – It refers to the pattern through which members of work groups communicate.
- Forms of communication network (any three from following):**
- a. Single chain
 - b. Wheel
 - c. Circular
 - d. Free flow
 - e. Inverted V. Superior
- 18. Meaning of consumer:**
- a. One who buy goods or hires services for consideration

- b. Any user of such goods with the approval of buyer and beneficiary of services which is availed of with the approval of one who hires the services
- c. Anyone who uses goods bought or services hired exclusively for earning livelihood by self-employment.

Need for consumer protection:

Business practices which ignore consumer interests are basically linked with the need for consumer protection. In order to achieve the goal of profit maximization a business unit sometimes resorts to adulteration of goods. Poor quality, unfair trade practices, lack of services, failure to give fair measures, etc. which necessitates consumer protection.

- 19.
 - a. Controlling judges the accuracy of standards.
 - b. It makes efficient use of resources. It reduces wastage and spoilage of resources.
 - c. It ensures order and discipline.
 - d. It facilitates coordination in action.

- 20. **Social environment** – It include the social forces like customs, traditions, values, social trends, society's expectation, etc.
Legal environment – It include various legislations passed by the government, court judgments, orders issued by government authorities, etc.

- 21. Steps involved in the selection process:
 - a. Preliminary screening
 - b. Selection tests

- c. Employment interview
- d. Reference and background checks
- e. Selection decision
- f. Medical examination
- g. Job offer
- h. Contract of employment

22. Meaning of financial planning:

Financial planning is the act of deciding in advance the financial goals and objectives of the organisation. It includes

- a. Determination of financial objectives
- b. Formulation of financial policies
- c. Development of financial procedures to ensure optimal utilization of resources

Importance of financial planning: The success of business essentially depends on how carefully the financial flow has been developed.

- a. It helps incorporating intelligent estimates of current and future capital requirements in the financial flow.
- b. It ensures coordination between different functional areas of the business.
- c. It helps coordinating the activities of financial department.
- d. It helps financial managers in financial control.
- e. It helps in avoiding wastage resulting from complexity of operations.

23. Suggested Name - Over the Counter Exchange of India (OTCEI)

Small companies find it difficult to meet the stringent requirements for listing shares at stock exchanges. As a result, shares issued by small companies become untradeable. Hence, they do not have liquidity. Therefore, when such companies issue shares, there are very few buyers for them. The OTCETI has been set up as a second tier exchange for small companies with paid capital less than Rs. 3 crores.

Reasons:

- a. Compulsory market maker to provide liquidity
- b. Payment and delivery on OTCEI are completed within T +2 days of the transaction
- c. National wide coverage

OR

a. Regulatory functions

1. Regulates business in stock exchange
2. Registers and regulates the working of different persons involved in trading and intermediates
3. Registers and regulates the working of mutual funds
4. Regulates takeover of the companies
5. Conducts inquiries and audits of stock exchanges

b. Development functions

1. Promotes trading of intermediaries of the securities market
2. Adopts a flexible approach as a measure to develop the capital markets

c. Protective functions

1. Prohibits fraudulent and unfair trade practices

2. Prohibits inside trading
 3. Undertakes steps to educate the investors
 4. Promotes fair practices and code of conduct
- 24.**
- a. Scalar chain** – The formal lines of authority from highest to lowest ranks are known as scalar chain.
 - b. Discipline** – It is the obedience of organisational rules and employment agreement which are necessary for the working of an organisation.
 - c. Centralisation and decentralisation** – The concentration of decision-making authority is called centralization whereas its dispersal among more than one person is called decentralisation.

OR

Features of management as a profession:

- a. Specialized knowledge
 - b. Acquired knowledge and training
 - c. Representative body
 - d. Code of Conduct
 - e. Service motive
 - f. Social obligations
- 25.** Suitable organisation structure – Functional structure
- Other classification of organisation structure is organisational structure. Functional structure can be differentiated from organizational structure on the basis of following points.

Basis of difference	Functional Structure	Organisational Structure
a. Formation	Based on function	Based on product lines and supported by functions
b. Managerial development	Difficult, as each functional head has to report to top management	Easier,
c. Responsibility	Difficult to fix on a department	Easy to fix for performance
d. Specialisation	Functional	Product
e. Cost	Economical as functions are not duplicated	Costly due to duplication of resources in different departments

OR

Decentralization of authority – It refers to the systematic delegation of authority from top management to the lower management except such authority which needs to be exercised at top level.

Differences between delegation of authority and decentralization of authority:

Basis of difference	Delegation of Authority	Decentralization of Authority
a. Nature	Compulsory, as no individual can perform	Optional policy decision

	all tasks on his own	
b. Freedom of action	Less freedom to take own decisions because of more control by superiors	Less control over subordinates hence greater freedom of action
c. Status	It is a process followed to share tasks	It is the result of the policy decisions
d. Scope	Narrow; limited to superior and his immediate subordinated	Wide; implies extension of delegation to the lowest level of management
e. Purpose	To lessen the burden of manager	To increase the role of subordinates