

Business Studies 2017 (Outside Delhi)

Set I

Time allowed : 3 hours

Maximum marks : 80

Note : Except for the following questions, all the remaining questions have been asked in previous sets.

1. Give the meaning of 'Supervision' as an element of directing. [1]

Answer : Supervision means overseeing the subordinates to ensure that they perform assigned jobs as per the instructions or order issued to them.

2. Differentiate between 'Formal' and 'Informal' organisation on the basis of 'flow of communication'. [1]

Answer :

Basis	Formal organisation	Informal organisation
Flow of communication.	In this, communication takes place according to organisation hierarchy. It follows principle of scalar chain and chain of command.	There is no fixed direction for flow of communication. It flows in all direction.

3. Why is 'Aptitude Test' conducted in the process of selection? [1]

Answer : This test is conducted during selection procedure to test the capacity of the applicant to learn the skills required for a job.

4. Bhagwati Enterprises is a company engaged in the marketing of air-conditioners of a famous brand. The company has a functional structure with four main functions—Purchase, Sales, Finance and Staffing. As the demand for the product grow, the company decided to recruit more employees. [1]

Identify the concept which will help the Human Resource Manager to find out the number and type of personnel available so that he could decide and recruit the required number of person for each department.

Answer : Workforce analysis. It is used by the human resource manager to find out the actual number of persons required in each department.

5. Isha Machines was a renowned name for quality sewing machines since 1960. Mr. Suresh, the owner of Isha Machines, was worried as the production had declined during the last three months. The Production Manager ordered the different supervisors to prepare a performance report of the workers working under them.

Identify the step taken by the Production

Manager that is related to one of the functions of management. [1]

Answer : Measurement of actual performance is the step which is taken by the production manager that is related to the controlling function of management.

6. What is meant by 'Capital Structure' ? [1]

Answer : Capital structure is also known as capital mix or capital composition in a company. It means the proportion in which debt and equity funds are used for financing the operations of business.

7. Sika Ltd. a reputed industrial machines manufacturer, needs Rupees twenty crores as additional capital to expand the business. Mr. Amit Joshi, the Chief Executive Officer (CEO) of the company wants to raise funds through equity. The Finance Manager, Mr. Narinder Singh, suggested that the shares may be sold to investing public through intermediaries, as the same will be less expensive.

Name the method through which the company decided to raise additional capital. [1]

Answer : The method through which the company decided to raise additional capital is called as Offer for sales.

8. Mansi took her niece, Ridhima, for shopping to 'Mega Stores' to buy her a bag for her birthday. She was delighted when on payment of the bag she got a pencil box along with the bag free of cost.

Identify the technique of sales promotion used by the company. [1]

Answer : The technique of sales promotion used by company is called as product combination.

9. Explain briefly 'Unity of Direction' and 'Order' as principles of general management. [3]

Answer :

(a) **Unity of Direction**— It states that all the units of an organisation should be moving towards the same objectives through coordinated and focussed effort. Each group of activities having the same objective must have one head one plan.

Positive impact :

(i) Achievement of organisational goal.

(ii) Efforts of all personnel get unified towards one direction.

Order : According to this principle, people and material must be in suitable place at appropriate time for achieving maximum efficiency.

Positive impact :

- (i) Better utilisation of resources.
- (ii) Saving of time.
- (iii) Systematic working in organisation.

10. State any three features of planning. [3]

Answer : "Planning is deciding in advance what to do, how to do, when to do, and who is to do etc. Planning bridges the gap from where we are and where we want to go. It makes it possible for things to happen".

—Konntz & O'donnell.

On the basis of above definition, following are the features of planning :

(i) **Primary function of management :** Planning is the primary or first function to be performed by every manager. No other function can be executed by the manager without planning because planning set the objectives and other functions depend on these objectives.

(ii) **Mental exercise :** It is a mental exercise as it is an intellectual activity of thinking rather than doing which requires application of mind involving foresight, intelligent imagination and sound judgement.

(iii) **Planning is futuristic :** Planning is always done for future, not for past. All managers try to predict/forecast future performance with the help of past performances. So that they can scan the general environment and accordingly set their objectives.

11. Explain briefly any three semantic barriers to communication. [3]

Answer : Semantic barriers to communication: Semantic barriers occur due to different interpretations by individuals. The choice of a wrong word or a word having dual meaning, lack of clarity etc. can change the meaning of message. The possible reasons are:

- (i) Badly expressed message
- (ii) Words/symbols with different meaning
- (iii) Faulty translation
- (iv) Unclarified assumptions
- (v) Technical jargon etc.

(i) **Badly expressed message :** If the manager is not able to communicate his/her message clearly to their subordinates because of use of wrong words, inadequate vocabulary, it will hamper effective communication.

(ii) **Unclarified assumption :** Some messages are based on assumption, if manager does not make his/her assumption clear, the receiver

may misunderstand the message.

(iii) **Technical Jargon :** The workers sometimes not able to understand the technical words used by manager during communication. This will lead to faulty translation.

12. Ramnath Ltd. is dealing in import of organic food items in bulk. The company sells the items in smaller quantities in attractive packages. Performance of the company has been up to the expectations in the past. Keeping up with the latest packaging technology, the company decided to upgrade its machinery. For this, the Finance Manager of the company, Mr. Vikrant Dhull, estimated the amount of funds required and the timings. This will help the company in linking the investment and the financing decisions on a continuous basis.

Therefore, Mr. Vikrant Dhull began with the preparation of a sales forecast for the next four years. He also collected the relevant data about the profit estimates in the coming years. By doing this, he wanted to be sure about the availability of funds from the internal sources. For the remaining funds he is trying to find out alternative sources.

Identify the financial concept discussed in the above paragraph. Also, state any two points of importance of the financial concept, so identified. [3]

Answer : Financial planning : It is the process of estimating the fund requirement of a business and specifying the sources of such fund.

Importance of financial planning :

(i) It ensures smooth running of a business enterprise by ensuring availability of funds at the right time.

(ii) It helps in anticipating future requirement of the funds and avoid barriers, shocks and surprises.

(iii) It increases the efficiency in the operations by clubbing wastages of funds, duplication of efforts and gaps in planning.

13. Hemant, Guddu and Toshita were friends from college days and presently they were doing different kinds of business. They regularly meet and discuss their business ideas, and exchange notes on customer satisfaction, marketing efforts, product designing, selling techniques, social concerns etc.

In one of such meetings, Hemant drew the attention of Guddu and Toshita towards the exploitation of consumers. He told that most of the sellers were exploiting the consumers

in various ways and were not paying attention towards the social, ethical and ecological aspects of marketing, whereas he was not doing so. Guddu told that they were under pressure to satisfy the consumers but stated that the consumers would not buy or not buy enough unless they were adequately convinced and motivated for the same.

Toshita stressed that a company cannot achieve its objectives without satisfying the needs of the customers. It was the duty of the businessmen to keep consumer satisfaction in mind, because business is run by the resources made available by the society. She further stated that she herself was taking into consideration the needs of the customers.

Identify the various types of thinking that guided Hemant, Guddu and Toshita in the marketing efforts of their business. Also, state one more feature each of the various types of thinking identified that is not given in the above para. [3]

Answer : The various types of thinking that guided Hemant, Guddu and Toshita in the marketing are :

Hemant

Societal marketing concept

- (i) It takes care of long term well being of the consumers as well as the society.
- (ii) In this concept, organisation earn profit through customer satisfaction and social welfare.

Guddu

Selling concept

- (i) As per this concept, marketing aims at influencing the customers to buy what a firm has to offer.
- (ii) In this, aggressive selling and promotional technique are used to influence the customers.
- (iii) In this main focus is on increasing sales volume.

Toshita

Marketing concept

- (i) It involves development of products for satisfying needs of the target market better than the competitors.
- (ii) The marketing efforts starts from the identification of needs of target markets.

14. Rishitosh Mukerjee has recently joined AMV Ltd., A company manufacturing refrigerators. He found that his department was under-staffed and other departments were not cooperating

with his department for smooth functioning of the organisation. Therefore, he ensured that his department has the required number of employees and its cooperation with other departments is improved.

- (a) Identify the level at which Rishitosh Mukerjee was working.
- (b) Also, state three more functions required to be performed by Rishitosh Mukerjee at this level. [4]

Answer : (a) Rishitosh Mukerjee was working at middle level of management.

(b) The functions performed at middle level of management are :

- (i) To interpret the policies framed by the top management.
- (ii) To motivate the employee of their respective department to achieve the desired objective.
- (iii) To cooperate with other department for smooth functioning of the organisation.

15. Sanket, after completing his entrepreneurship course from U.S.A. returned to India and started a coffee shop 'Fioma Coffee' in a famous mall in Mumbai. The speciality of the coffee shop was the special aroma of coffee and wide variety of flavours to choose from. Somehow, the business was neither profitable nor popular, Sanket was keen to find out the reason. He appointed Riya, an MBA from a reputed management institute as a manager to find out the causes of the business not doing well.

Riya, took feedback from the clients and found out that though they loved the special unique aroma of coffee but were not happy with the long waiting time being taken to process the order. She analysed and found out that there were many unnecessary obstructions, which could be eliminated. She fixed a standard time for processing the order.

She also realised that there were many flavours whose demand was not enough. So, she also decided to discontinue the sale of such flavours. As a result, with in a short period Riya was able to attract the customers.

Identify and explain any two techniques of scientific management used by Riya to solve the problem. [4]

Answer : Techniques of scientific management used by Riya in above case are :

- (i) **Motion study :** The objective of Motion study are :
 - (a) To determine the movements of workers

when they are performing the job.

- (b) To differentiate between productive and unproductive movements.
- (c) To cut down unproductive and wasteful movements.
- (d) To design suitable equipment and tools to minimize the unproductive movement of workers.
- (ii) **Time study** : The objectives of time study are:
 - (a) To determine the time required to perform a job.
 - (b) Setting up the standard targets for worker.
 - (c) Determine the number of workers required to perform the job.
 - (d) Categorizing the worker in efficient and inefficient categories.

16. Give the meaning of 'Strategy' and 'Rule' as types of plans. [4]

Answer : Strategy : It is a comprehensive plan for accomplishing an organisational objective. It is influenced by business environment. It directs future decisions making and scope in long run.

Rule : A rule is a statement that specifies what is to be done. It is a code of conduct governing human behaviour. It is used to maintain discipline and command in the organisation.

17. Explain briefly 'Casual Callers' and 'Labour Contractors' as external sources of recruitment. [4]

Answer : Casual Callers : It is an external source of recruitment. Generally the large business organisation maintain an application file in which they keep all the pending application which the job seekers leave with the reception, sometimes the application of suitable candidate who were not selected in previous years selection process are also kept in application file.

This application file is considered as a waiting list.

Whenever there is a job vacancy the suitable candidates from the waiting list are called for the selection process.

Labour contractor : It is also external source of recruitment. In this, organisation tells its requirement of labour to contractors. Contractors maintain close contact with labours and they provide the required number of unskilled workers at short notice, the contractor charge commission for this work.

18. These days, the development of a country is also judged by its system of transferring

finance from the sector where it is in surplus to the sector where it is needed the most. To give strength to the economy, SEBI is undertaking measures to develop the capital market. In addition to this, there is another market in which unsecured and short term debt instruments are actively traded everyday. These markets together help the savers and investors in directing the available funds into their most productive investment opportunity.

- (a) Name the function being performed by the market in the above case.
- (b) Name the market segment other than the capital market segment in which unsecured and short-term debt instruments are traded. Also, give any three points of difference between the two. [4]

Answer : (a) The above case study is related to Financial Market.

The function of financial market highlighted in above case is mobilization of savings and channelising them into the most productive use.

(b) The market segment other than the capital market segment is Money Market.

Difference between capital market and money market

Basis	Money Market	Capital Market
(i) Participation	The participants are financial institution, bank, public and private companies. Individual and foreign investors are not allowed.	The participants are financial institutions bank, public and private company, individuals foreign investors etc.
(ii) Duration	Short term, maximum duration is 1 year.	Medium and long term securities (more than 1 year).
(iii) Instruments	Treasury bill, trade bill certificate of deposits, commercial paper etc.	Equity share, debenture, bonds and other innovative securities.

19. Avdhesh is the Managing Director of Delta Ltd. The company had established a good name for itself and had been doing well. It was known for timely completion of orders. The Production Manager, Ms. Priyanka was efficiently handing the processing of orders and had a team of ten motivated employees working under her.

Everything was going well. Unfortunately, Priyanka met with an accident.

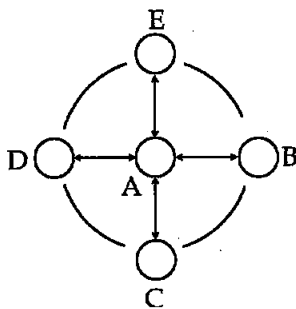
Avdhesh knew that in the absence of Priyanka, the company may not be able to meet the deadline. He also knew that not meeting the deadlines may lead to customer dissatisfaction with the risk of loss of business and goodwill. So, he had a meeting with his employees in which accurate and speedy processing of orders was planned. Everybody agreed to work as a team because the behaviour of Avdhesh was positive towards the employees of the organisation. Everyone put in extra time and efforts and the targets were met on time.

Not only this, Avdhesh visited Priyanka and advised her to take adequate rest.

(a) Identify the leadership style of Avdhesh and draw a diagram depicting the style.

(b) Also identify any two values highlighted by the behaviour of Avdhesh.** [4]

Answer : Leadership style : Participative/ Democratic.



A participative leader is one who take decisions only after consulting with group members.

In the above diagram, A is the leader and B, C, D and E are the subordinates.

20. Nandrachal Networks and Technologies Ltd, is a leader in technology innovation in U.S.A., creating products and solutions for a connected world. It has a large Research and Development team which invented the first smart watch W-I, which besides showing the time would also monitor few health parameters like heart beat, blood pressure, etc. While in search of markets abroad, the company found that in India, the reform process was underway with the aim of accelerating the pace of economic growth. The company decided to take advantage of the fact that licensing requirements had been abolished. The company was also aware that there had been increased level of interaction and interdependence among the various nations of the world and India could be made a base

for its international trade. It set up its office in Gujarat with a view to capture the Indian market. In a short span of time, the company emerged as a market leader. Success of the company attracted many other players to enter the market. Competition resulted in reduction in prices, thereby benefitting the customers.

(a) In the above paragraph, two major concepts related to government policy have been discussed. Identify and explain those concepts.

(b) Also, explain briefly any three impacts of those concepts on Indian business and industry. [5]

Answer : (a) Two major concepts related to government policy are :

(i) **Liberalisation** : It is a reform, which was introduced to remove unnecessary control and restrictions in the form of license, penalties or quota.

(ii) **Globalisation** : It is an economic reform which was introduced to integrate the various economies of the world into a world economy.

It involves increased level of interaction and interdependence amongst various nations of the global economy.

(b) **Impact of these concepts on Indian business and industries :**

(i) **Increasing competition** : Increase in number of Indian firms and entry of foreign companies increased competition especially in service sector.

(ii) **More demanding consumers** : Increase in number of firms gave consumers wider choice of product leading to rise in expectations and demand.

(iii) **Rapidly changing technological environment** : Fast changing technology required companies to install latest machinery, adopt latest techniques of production leading to increase in investment in the business.

21. State any five points that highlight the importance of controlling. [5]

Answer : **Controlling** : Controlling as a function of management refers to the process of comparing actual performance with the planned performance to ensure that all activities are done according to standards.

An effective controlling system helps an organisation in following ways :

(1) **Accomplishment of organisational goal :**

** Answer is not given due to change in present syllabus

Controlling measures the progress of the activities and ensure that each activity is directed towards achievement of organisational goals.

- (2) **Judging accuracy of standards** : A good controlling reviews and verifies the accuracy and objectives of standards set at the planning stage.
 - (3) **Making efficient use of resources** : Controlling ensures efficient utilization of resources and reducing the scope of wastage and spoilage.
 - (4) **Improving employees motivation** : Controlling helps the employees to achieve the predetermined standards and motivate to achieve their potential.
 - (5) **Ensuring order and discipline** : Controlling ensures that no undesirable activities take place in the organisation and there is an atmosphere of order and discipline.
 - (6) **Facilitate co-ordination in action** : Controlling ensures that all activities and efforts of each individual are coordinated with each other to accomplish the common objective.
22. 'RO Youth Club' organised a visit of its members to an Old Age Home to inculcate the habit of social work among them. The visit revealed that the living conditions of the inmates of the Old Age Home were not hygienic. So, the RO Youth Club members decided to clean the premises. During their cleanliness drive, they realised that the Old Age Home also required pest control. But some of the inmates of the Old Age Home were reluctant for it because they believed that the pest control may create health problems for them. RO Youth Club, therefore, decided to provide ethical, safe and odourless pest control. They showed to the inmates of the Old Age Home a pamphlet of the proposed pest control product which promised easy, inexpensive and long-lasting pest control. The inmates happily agreed and the pest control was carried out. The effect of the pest control started wearing off after a fortnight. RO Youth Club contacted the pest control company which kept on postponing their visit. After waiting for a month, RO Youth Club filed a case in the consumer court.

The consumer court was satisfied about the genuineness of the complaint and issued necessary directions to the pest control company.

- (a) State any six directions that might have been issued by the court.
- (b) Identify any two values that are being

communicated by RO Youth Club to the society.** [5]

Answer : (a) Directions issued by court on the complaint filed by RO Youth Club are :

- (i) To remove the defect in goods or deficiency in service.
 - (ii) To replace the defective product with a new one, free from any defect.
 - (iii) To refund the price paid for the product or the charges paid for the service.
 - (iv) To pay a reasonable amount of compensation for any loss or injury suffered by the consumer due to the negligence of the opposite party.
 - (v) To discontinue the unfair/restrictive trade practice and not to repeat in future.
 - (vi) To issue corrective advertisement to neutralise the effect of a misleading advertisement.
 - (vii) To pay adequate cost to the aggrieved party.
23. Anoop Gaur started 'Cats Eye', a company for providing cyber security solutions to businesses. Its objective is to prevent, detect respond to cyber attacks and protect critical data. He was a hardworking software engineer and an expert in cyber security. His reputation grew by leaps and bounds as he was not only a person of integrity but also did his work with utmost honesty and sincerity. The business started growing day by day. He was delighted when he was offered a big project by the Ministry of Science and Technology. While working on the project he found that the volume of work made it impractical for him to handle all the work by himself. Therefore, he decided to expand the team. The company maintained a close liaison with an engineering college in the State. During a campus placement, Aarav and Pranshi were appointed to work for the new project. He found the new employees were capable, enthusiastic and trustworthy. Anoop Gaur was thus, able to focus on the objectives and with the help of Aarav and Pranshi, the project was completed on time. Not only this, Anoop Gaur was also able to extend his area of operations. On the other hand, Aarav and Pranshi also got opportunities to develop and exercise initiative.
- (a) Identify and explain briefly the concept used by Anoop Gaur in the above case which helped him in focusing on the objectives.

** Answer is not given due to change in present syllabus

(b) Also, explain any four points of importance of the concept identified in part (a). [6]

Answer : (a) Delegation : Delegation refers to the downward transfer of authority from a superior to a subordinate to enable subordinates to perform their responsibilities effectively.

It must be noted that in delegation manager shares his responsibility but at the end, it is the manager's responsibility and accountability for the performance of assigned task.

(b) Importance of Delegation :

(1) Effective management : Delegation of authority means sharing responsibilities with subordinates. This give managers the freedom from doing routine jobs and the opportunities to focus on core issue. This help management to use managerial skills effectively.

(2) Employee development : Delegation increase the employee's morale and provides them opportunities to use their potential, develop skills and the ability to handle complex task. This not only strengthens the employees career but also prepares them as future leaders and decision-makers

(3) Motivaton of employees : Delegation of responsibility by superior to subordinate indicate superiors confidence and trust in subordinates. This increases confidence and motivates employee to prove himself.

(4) Facilitation of growth : Delegation help in training of worker in house. By delegation workers are ready to work in newly set up branches and easily adopt the changing environment.

(5) Better coordination : Predefine powers, duties and answerability of each position in organisation bring clarity and avoid duplication of efforts leading to effective coordination.

Conclusion : From above it is clear that delegation plays a vital role in effective organising.

24. Explain briefly any four factors that affect the Working Capital requirements of a company. [6]

Answer : Working capital or circulating capital is that part of total capital, which is required to meet day to day expenses, to purchase raw material, to pay wages and other expenses of routine nature in production process.

It include stock, debtor, cash, bank balance, tools, receivables, short term investment, etc. The factors determining the working capital needs of an enterprise are as follows :

(1) Nature of business :

- (i) Trading organisations** requires lower amount of working capital.
- (ii) Manufacturing organisation** requires large amount of working capital.

(iii) Service enterprises requires lower amount of working capital.

(2) Scale of operations : Organisations operating at large scale would require large amount of working capital as compared to organisations operating at lower scale.

(3) Business cycle : During boom period, scale and production tend to be high and therefore higher amount of working capital is required. On the other hand during depression, working capital requirement is less because sale and production are slow.

(4) Production cycle : Business organisations having longer production cycle will require more working capital as their money get locked in production process for a longer period.

(5) Credit allowed : If business organisation allowed long credit period to debtor, working capital requirement is large. However business organisation deals with cash, do not require large working capital.

(6) Credit availed : The working capital requirement needs will be low if raw material and supplies are available on credit to a firm.

The other factors are :

Seasonal factor, availability of raw material, growth prospects, inflation etc.

25. Medi Instruments Ltd., is a company dealing in the distribution of medical instruments. The company recently imported 15000 units of sugar testing machines to test the sugar levels without taking blood samples. For deciding the marketing strategy, the Chief Executive Officer of the company called a meeting of the marketing heads of different zones.

In the meeting, Sanjay, the North Zone Marketing Head, suggested that since the machines were sophisticated they need to visit hospitals personally to explain its working to the hospital staff who would be using the machines. He also suggested that additional trained people may be recruited for the same. Hitesh, another Zonal Head, added that since lots of money had been spent on the import of the machines, the company was short of funds to pay the additional staff, as suggested by Sanjay.

Revansh, a newly appointed Zonal Head of South Zone, suggested that since the size of the order was not large, a detailed study of the factors determining the choice of channels of distribution was required before making the right choice.

(a) Identify the factors influencing the choice of channels of distribution which were discussed in the meeting.

(b) Also explain briefly the other considerations to be taken care of in each factor identified in

part (a). [6]

Answer : (a) In the meeting of Medi Instruments Ltd., regarding marketing strategies. Following factors that affect choice of channels of distribution are discussed below :

- (1) Product related factors.
 - (2) Company related factors.
 - (3) Market related factors.
- (b) Other consideration to be taken care of, in each of the factors identified above are :
- (1) **Product related factor : Nature of the product :** Customised product require direct marketing as they involve interaction between

buyer and seller where as standardised product are sold through a number of intermediaries.

(2) Company related factors : Financial health : If the firm has enough fund, it may go for direct selling as it involve huge investment on opening its own retail shops and engaging work force. If the firm has shortage of funds it may think for intermediaries.

(3) Market related factors : Nature of Market : For consumer goods, the channels of distribution are mostly indirect, where as for industrial goods direct channels are preferred.

••

Business Studies 2017 (Outside Delhi)

Set II

Time allowed : 3 hours

Maximum marks : 80

Note : Except for the following questions, all the remaining questions have been asked in previous set.

9. Explain briefly 'Initiative' and 'Espirit de Corps' as principles of general management. [3]

Answer : Initiative : Initiative refers to taking the first step with self motivation. Every employee in an organisation must be given an opportunity so that he can prove his ability and skills. Ideas and suggestions given by an employee must be welcomed by managers before making plans.

Positive impact : (i) Develop feelings of belongingness in employees.

(ii) Employees achieve the targets efficiently, if they are set up with their consultation.

(b) Espirit De Corps : Manager must encourage and develop team spirit, unity and harmony among all employees. A manager should replace "I" with "We" in his conversation with employees. This will bring coordination and co-operation in organisation and organisation goals can be achieved efficiently.

Positive impact : (i) Develops team spirit,

(ii) Achievement of group goals

10. State any three points of importance of planning. [3]

Answer : Planning is determination of organisational objectives and selection of best course of action for their attainment. It is the primary function of management that provides guidelines for achieving organisational goal.

The importance of planning are :

(i) **Planning reduces the risk of uncertainty :** Planning help the managers to look into

the future, anticipate changes and plan accordingly and reducing the risks due to uncertainty.

(ii) **Planning promotes innovative ideas :** Thinking in advance gives managers the opportunities to discover new and better ideas and effective methods of performing an activity.

(iii) **Planning facilitates decision making :** The selection of best course of action after the evaluation of various alternatives, facilitates rational decision making.

11. Explain briefly any three organisational barriers to communication. [3]

Answer : Few organisational barriers to communication are :

(i) **Technical Jargon :** People who belongs to a certain technical group have their own technical language, which cannot be understood by everybody, technical language could be a barrier in effective communication, so managers should use simple language while communicating with employees.

(ii) **Lack of Attention :** Sometimes it may happen that the receiver is not paying full attention to the sender or he may be distracted by something, so psychological hurdle may arise in the communication.

(iii) **Faulty Translations :** Managers are the link between the superiors and the subordinates, they transfers the orders of the superiors to the lower level, so he should translate the messages given by superiors in such a way that it could be easily understood by the subordinates.

(iv) **Semantic Barriers** : When the managers are explaining something to their subordinates, there are chances that they may make certain gestures or expressions of which receiver may get a wrong meaning of, this happens because the messages are not sent in the simple understandable language.

16. Give the meaning of 'Policy' and 'Budget' as types of plans. [4]

Answer :

Policy :

- (i) Policies are the general statements which defines broad parameters within which a manager may function.
- (ii) Policies bring uniformity in decision making for the achievement of organisational goals.
- (iii) Policies are formulated for all levels and departments in the organisation.

Budget :

- (i) It is a statement which forecasts the expected results of a specific task to be performed in the future period.
- (ii) Provides quantitative results based on future facts and figures.
- (iii) The possible results expressed in numerical terms facilitates the comparison of actual results with expected results and then takes **corrective actions** subsequently.

22. Describe briefly the steps in the process of controlling. [5]

Answer : Controlling as a function of management refers to the process of comparing actual performance with the planned performance to ensure that all activities are up to the standards.

The steps in the process of controlling are :

- (i) **Setting performance standards** : It sets quantitative and qualitative standards of performance as the criteria for controlling. The standards must be flexible, so that they can be modified to incorporate changes in the internal and external business environment.
- (ii) **Measurement of actual performance** : In this step the actual performance is measured in the same units in which the standards are set. Small organisations measures the performance of every task performed but large scale organisations measures the performance by conducting sample testing.
- (iii) **Comparing actual performance with standards** : In this step the actual performance is compared with the standard performance to check if there are any deviations between actual performance and desired results.

(iv) **Analyzing deviations** : In this step the causes of deviations in the actual performance are analyzed by using critical point control method or management by exception method.

(v) **Taking corrective action** : In this step the corrective and preventive actions are taken for the deviations which are beyond permissible limits, so that such deviations do not occur again and standards are accomplished effectively.

25. Explain briefly any four factors that affect the fixed capital requirements of a company. [6]

Answer : Fixed Capital : It involves allocation of firm's capital in long terms assets. Managing fixed capital is related to investment decision and it is also known as capital budgeting decision. Fixed capital budgeting includes purchase of land, building, plant and machinery, change of technology, expenditure on advertisement campaign, research and development, etc. The requirement of fixed capital depends on various factors such as :

- (i) **Scale of operations** : The companies which are operating at large scale require more fixed capital. For instance, if an organisation operates on a relatively large scale, then its requirement of fixed capital like plants, land or building increases. This is because such firms would need to maintain high stock of inventory for their large scale operations but if an organisation is working on a smaller scale, then the requirement of fixed capital will be less so, it depends upon scale of operation.
- (ii) **Choice of technique** : There are generally two types of techniques that a company can choose for; capital intensive or labour intensive. The choice of these techniques differs from company to company. A company that follows a capital intensive technique would require a larger amount of fixed capital. This is because such a company would require higher investment in plants and machinery rather than in manual labour. In contrast to this, a company following labour intensive techniques would require a relatively lower amount of fixed capital.
- (iii) **Technology upgradation** : Technology plays an important role in the fixed capital requirement of a company. This is because it continuously changes or becomes **obsolete** over time. Thus, the companies that work with machinery or with equipment that

become obsolete faster require a high amount of investment in fixed capital. For instance, equipment such as computers become obsolete much faster, than other assets like furniture and require regular upgradation. In such cases, a higher amount of fixed capital is required.

- (iv) **Financing alternatives** : If leasing facilities are easily available in the financial market, it would provide an easy alternative for

the outright purchase of the fixed assets. That is, the businesses can easily obtain the assets on lease and use them, instead of purchasing them. In this way, the need to invest a huge sum in fixed assets reduces considerably; thereby, reducing the fixed capital requirements.

Thus we can say that requirement of fixed capital depends upon many factors.

●●

Business Studies 2017 (Outside Delhi)

Set III

Time allowed : 3 hours

Maximum marks : 80

Note : Except for the following questions, all the remaining questions have been asked in previous sets.

11. Explain briefly 'Remuneration of Employees' and 'Scalar Chain' as principles of general management. [3]

Answer : (a) Remuneration of Employees : Remuneration refers to the salaries and wages which are paid to the employees, so that they can work efficiently and effectively. It also helps in motivating the employees.

Remuneration of employees should be just and equitable so as to give maximum satisfaction to both employees and employers.

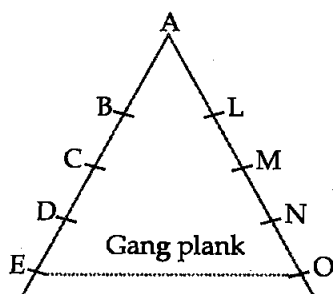
The employees should be paid fair wages/salaries, which would give them at least reasonable standard of living.

At the same time, it should be within the paying capacity of the company.

This will ensure good relations between workers and management.

(b) Scalar Chain : It refers to chain to authority and communication that runs from top to bottom and should be followed by the managers and the subordinates.

The concept of scalar chain can be easily understood with the help of the following diagram :



In the given diagram under A there are two lines of authority one is B-C-D-E and another is L-M-N-O. If 'O' want to communicate with E, he has to follow the chain *i. e.* O-N-M-L-A-B-C-D-E. However, in case of emergency O can directly contact with E through gang plank.

12. State any three limitations of planning. [3]

Answer : Planning : Planning is deciding in advance what to do and how to do. It is one of the basic functions of management.

Though planning is an important tool of management, yet it is not a solution to all the problems.

Planning may fail due to its limitations such as :

(i) **Planning leads to rigidity** : A plan is drawn with specific goals to be achieved within a specific time period. Once a well defined plan is drawn manager may not be able to change it. They do not have flexibility to be able to cope with the changed circumstances.

(ii) **Planning is a time-consuming process** : Sometimes plans to be drawn up takes so much of time that there is not much time left for their implementation.

(iii) **Planning reduces creativity** : Planning is done by the top management. Middle and lower management are neither allowed to deviate from plans nor they are permitted to act on their own. They only carry out orders. This hampers the initiative or creativity of the subordinates.

13. Explain briefly any three personal barriers to communication. [3]

Answer : Personal barriers to effective communication :

There barriers are related to the personal factors of both the sender and receiver of communication.

- (i) **Fear of challenge of authority** : If a superior perceives that a particular communication may adversely affect his/her authority, he/she may withhold such communication.
- (ii) **Lack of confidence of superior on his subordinate** : If a superior does not have confidence on the competency of his/her subordinate, he/she may not seek his advice or opinion.
- (iii) **Lack of proper incentive** : If there is no motivation or incentive for communication, subordinates may not take initiative to communicate with their superiors.

14. Give the meaning of 'Objectives' and 'Procedure' as types of plans. [4]

Answer : Objectives : Objective are the end point which are numerically expressed, that the management seeks to achieve within a given time period. These are set by top management and focus on broad general issues. They serve as a guide for overall business planning.

Example : increase sale by 10%, by the end of July 2017

Procedures : It consist of sequence of routine stress performed in a chronological order to carry out activities within a broad policy framework. It details the exact manner in which any work is to be performed.

For example- selection procedures of employee.

22. Explain briefly the relationship between controlling and planning. [5]

Answer : (i) Controlling takes place on the basis of standards developed by planning because if the standards are not set in advance then managers have nothing to control.

(ii) Planning without controlling is meaning less because once a plan becomes operational, controlling ensures that events confirm to the plans.

(iii) Controlling directs the course of planning. Controlling spots the areas where planning is required.

(iv) Planning and controlling both are forward looking because while plans are prepared for the future, controlling seeks to improve the future on the basis of past experiences.

(v) Planning and controlling are inter-related.

Planning is the initial step and controlling is the last but is required at every step. Hence, both are dependent upon each other.

23. Explain briefly any four factors that affect the choice of capital structure of a company. [6]

Answer : Capital structure : Capital structure means the proportion of debt and equity used for financing the operations of a business. It can be calculated as debt-equity ratio.

Factors affecting capital structure :

(i) Cost of debt : When a company is able to arrange borrowed fund at lower rates of interest, it will prefer more of debt as compared to equity.

(ii) Risk consideration : Financial risk refers to that position when a company is unable to meet its financial requirement. Debt is cheaper but is more risky because interest on debt has to be paid even if company is suffering loss. So, if there is high risk in the business, then company should depend on its equity.

(iii) Return on Investment (ROI) : When ROI of a company is greater than rate of interest on debt, it can use more debt to increase the profit earned by shareholders. This is called trading on equity.

(iv) Stock market condition : If the stock market are bullish, equity share can be easily issued even at higher price. However, during a bear phase a company may find it difficult to raise equity capital and hence it may opt for debt.

(v) Flotation cost : It refers to the cost of raising the funds such as broker's commission, underwriting commission, etc. Higher the flotation cost involved in raising funds from a particular source, lower is the proportion in the capital structure.

(vi) Debt-Service Coverage Ratio (DSCR) : This ratio states the cash payment obligations as against the availability of cash. It is calculated as :

$$\frac{\text{Annual net profit} + \text{Depreciation} + \text{existing interest expenses} + \text{non-cash or discretionary items}}{\text{Annual principle payments} + \text{Annual interest payments} + \text{Annual lease payments}}$$



Business Studies 2017 (Delhi)

Set I

Time allowed : 3 hours

Note : Except for the following questions, all the remaining questions have been asked in previous sets.

1. Give the meaning of 'motivation' as an element of directing. [1]

Answer : Motivation means stimulating people to act in a desired manner to achieve certain organisational goals.

2. Differentiate between 'formal' and 'informal' organisation on the basis of 'origin'. [1]

Answer : Formal organisation originates as a result of company's rules and policies, while an informal organisation originates as a result of social interaction.

3. Why is 'employment interview' conducted in the process of selection ? [1]

Answer : Employment interview is conducted to evaluate the applicant's suitability for the job.

4. Alpha Enterprises is a company manufacturing water geysers. The company has a function structure with four main functions—Production, Marketing, Finance and Human Resource. As the demand for the product grew, the company decided to hire more employees.

Identify the concept which will help the Human Resource Manager in deciding the actual number of persons required in each department. [1]

Answer : The concept which will help the Human Resource Manager in deciding the actual number of persons required in each department in above case is workload analysis.

5. Hina Sweets is a renowned name for quality sweets since 1935. Harsh the owner of Hina Sweets was worried as the sales had declined during the last three months. When he enquired from the Sales Manager, the Sales Manager reported that there were some complaints about the quality of sweets. Therefore, Harsh ordered for sample for checking of sweets.

Identify the step taken by Harsh that is related to one of the functions of management. [1]

Answer : The steps taken by Harsh that is related to one of the functions of management is Measurement of actual performance.

6. What is meant by 'financial management' ? [1]

Answer : Financial management means planning, organising, directing and controlling the financial activities of an organisation.

7. Meca Ltd. a reputed automobile manufacturer needs Rupees ten crores as additional capital to expand its business. Atul Jalan, the CEO of the company wanted to raise funds through equity. On the other hand the Finance Manager, Nimi Sahdev said that the public issue may be expensive on account of various mandatory and non-mandatory expenses. Therefore, it was decided to allot the securities to institutional investors.

Name the method through which the company decided to raise additional capital. [1]

Answer : The method through which the company can decide to raise the additional capital is private placement.

8. Sunita took her niece, Aishwarya for shopping to 'Benetton' to buy her a dress on the occasion of her birthday. She was delighted when on payment for the dress she got a discount voucher to get 20% off for a meal of ₹ 500 or above at a famous eating joint.

Identify the technique of sales promotion used by the company in the above situation. [1]

Answer : The techniques of sales promotion used by the company in this case is usable benefit.

9. Explain 'unity of command' and 'equity' as principles of general management. [3]

Answer : Unity of Command :

(i) The principle of unity of command states that each employee in an organisation should receive orders from one superior only and he/she should be responsible to only one superior.

(ii) It prevents confusion regarding tasks to be done.

Equity :

(i) Equity states that there should be no discrimination against anyone on account of sex, religion, language, caste, belief, nationality etc.

(ii) It emphasises on kindness and justice in the behaviour of managers towards the workers to ensure loyalty and devotion.

10. State any three points of importance of planning function of management. [3]

Answer : Importance of planning is as follows :

(i) Provides directions :

Planning provides directions by deciding in advance what action should be taken.

(ii) Reduces the risks of uncertainty :

Planning reduces the risks of uncertainty by anticipating changes and developing managerial responses to them.

(iii) Planning facilitates decision making :

Planning makes decision making easy and less time consuming as it gives a criteria for taking decisions and evaluation of various alternatives.

11. Explain briefly any three functions performed by a supervisor. [3]

Answer : Functions performed by supervisor are:

(i) A supervisor guides workers and provides support to them. He ensures that workers work with harmony and unity.

(ii) He serves as link of communication between the manager and workers. On one hand, he communicates the information and ideas of the management to workers, on the other hand, he communicates the problems of workers to managers.

(iii) It is the responsibility of the supervisor to ensure that the work is carried out efficiently and smoothly so that the set targets are met.

12. Somnath Ltd. is engaged in the business of export of garments. In the past, the performance of the company had been upto the expectations. In line with the latest technology, the company decided to upgrade its machinery. For this, the Finance Manager, Dalmia estimated the amount of funds required and the timings. This will help the company in linking the investment and the financing decisions on a continuous basis. Dalmia therefore, began with the preparation of a sales forecast for the next four years. He also collected the relevant data about the profit estimates in the coming years. By doing this, he wanted to be sure about the availability of funds from the internal sources of the business. For the remaining funds he is trying to find out alternative sources from outside.

Identify the financial concept discussed in the above para. Also state the objectives to be achieved by the use of financial concept, so identified. [3]

Answer : Concept discussed in the above para is Financial planning

Objectives of financial planning :

(i) To ensure availability of funds whenever required—It involved estimation of the funds required the time at which these funds are to be made available and the sources of these funds.

(ii) To see that the firm does not raise resources unnecessarily—It ensures that firm does not raise resources unnecessarily as it will increase the costs and the resources will remain idle.

(iii) To formulate overall organisational goals and plans for their achievement.

14. Ashutosh Goenka was working in 'Axe Ltd.', a company manufacturing air purifiers. He found that the profits had started declining from the last six months. Profit has an implication for the survival of the firm, so he analysed the business environment to find out the reasons for this decline.

(a) Identify the level of management at which Ashutosh Goenka was working.

(b) State three other functions being performed by Ashutosh Goenka. [4]

Answer : (a) Top level management

(b) The three functions performed by Ashutosh Goenka are :

(i) To coordinate the activities of different departments.

(ii) To be responsible for welfare and survival of the organisation.

(iii) Planning reduces overlapping and wasteful activities by coordinating the activities of different divisions.

16. Give the meaning of 'objectives' and 'budget' as types of plans. [4]

Answer : Objectives : Objectives are end points which are numerically expressed that the management seeks to achieve within a given time period. These are set by the top management and focus on broad general issues. Objectives should Serve as a guide for over all business planning.

Budget : It is a statement of expected results for a given future period expressed in numerical terms from which deviations can be taken care of. It is a fundamental planning instrument as making a budget involves forecasting. There are many types of budgets.

17. Explain briefly 'transfers' and 'promotions' as internal sources of recruitment. [4]

Answer : Transfers : Transfers involves shifting

of an employee from one job to another, one department to another or from one shift to another, without a change in the responsibilities and status of an employee.

Promotions : It involves shifting of an employee to higher position carrying higher responsibilities, facilities status and pay. Vacant positions at the higher level are filled by suitably promoting employees from the lower level. To continue to work with greater efficiency and productivity, an employee needs encouragement and motivation which can be done through promotions.

18. These days, the development of a country is also judged by its system of transferring finance from the sector where it is in surplus to the sector where it is needed the most. To give strength to the economy, SEBI is undertaking measures to develop the capital market. In addition to this there is another market in which unsecured and short-term debt instruments are actively traded everyday. These markets together help the savers and investors in directing the available funds into their most productive investment opportunity.

(b) Also, explain briefly three other functions performed by this market. [4]

Answer :

(b) The three other functions of market are as follows:

- (i) **Mobilises savings and channelise them into most productive uses :** Financial market provides the choice of different investment options to the savers. It helps the savers to invest or channelise their surplus funds into the most productive use.
- (ii) **Provides liquidity to financial assets :** Financial market facilitates easy purchases and sale of financial assets. So, it provides liquidity to financial assets as it can be easily converted into cash when required.
- (iii) **Reducing the cost of transactions :** Financial market provides a common platform where buyers and sellers can fulfill their individual needs. It provides valuable information about price, cost and availabilities. It reduces the cost of transactions as investors are not required to spend much on getting such information.

19. Umang Gupta is the Managing Director of Denver Ltd. The company had established a good name for itself and had been doing well. It was known for timely completion of orders. The Production Manager, Ms. Kanta was efficiently handling the processing of orders and had a team of fourteen motivated employees working under her. Everything was going on well. Unfortunately she met with

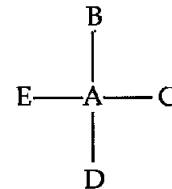
an accident. Umang knew that in the absence of Ms. Kanta, the company may not be able to meet the deadlines. He also knew that not meeting the deadlines may lead to customer dissatisfaction with the risk of loss of business and goodwill. So, he had a meeting with his employees in which accurate and speedy processing of orders was planned. Everybody agreed to work as a team because the behaviour of Umang Gupta was positive towards the employees of the organisation. Hence everyone put in extra time and efforts and the targets were met on time.

Not only this, Umang visited Ms. Kanta and advised her to take sufficient rest.

(a) Identify the leadership style of Umang Gupta and draw a diagram depicting the style.

(b) State any two values highlighted by the behaviour of Umang Gupta.** [4]

Answer : (a) Leadership style : Democratic style.



In above diagram A is boss and B, C, D, E are subordinates.

21. Indian Youth Organisation (IYO) organised a visit of its members to an old age home to inculcate the habit of social work among them. The visit revealed that the living conditions of the inmates of the old age home were not hygienic. So, the IYO members decided to clean the premises. During their cleanliness drive, they realised that the old age home also required pest control. But some of the inmates of old age home were reluctant for it because they believed that the pest control may create health problems for them. IYO, therefore decided to provide ethical, safe and odourless pest control. They showed to the inmates of old age home a pamphlet of the proposed pest control product which promised easy, inexpensive and long lasting pest control. The inmates happily agreed and the pest control was carried out. It worked for a fortnight but to their dismay the effect started wearing off. IYO contacted the pest control company which kept on postponing their visit. After waiting for a month, IYO filed a case in the consumer court. The consumer court was satisfied about the genuineness of the complaint and issued necessary directions to the pest control company.

** Answer is not given due to change in present syllabus

- (a) State any six directions that might have been issued by the court.
 (b) Also identify any two values that are being communicated by IYO to the society. [4]

Answer : (a) The direction that might have been issued by the court are :

- (i) To remove the deficiency in service.
 (ii) To refund the price. Paid for the service provided.

- (iii) To pay a reasonable amount of compensation for the service.
 (iv) To pay for punitive damages.
 (v) To discontinue the unfair trade practice.
 (vi) To issue corrective advertisement to neutralize the effect of misleading pamphlet.
 (b) Values : That are being communicated by IYO to the society are—
 (i) Sensitivity towards the environment.
 (ii) Respect for the elderly.

Business Studies 2017 (Delhi)

Set II

Time allowed : 3 hours

Maximum marks : 80

Note : Except for the following questions, all the remaining questions have been asked in previous set.

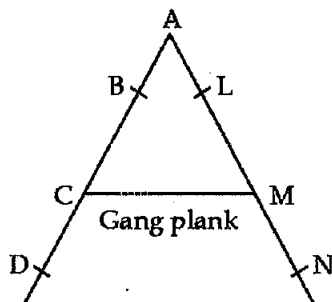
9. Explain briefly 'discipline' and 'scalar chain' as principles of general management. [3]

Answer : Discipline :

- (i) It is the obedience to organisational rules and employment agreement, necessary for the working of the organisation by both workers and management.
 (ii) It requires good superior at all levels, clear and fair agreements and judicious applications of penalties.

Scalar Chain :

- (i) It refers to chain of authority and communication that runs from top to bottom and should be followed by the managers and the subordinates.
 (ii) For example : There is one head who has two lines of authority under him B-C-D and L-M-N at the same level of authority. He has to transverse the route D-C-B-A-L-M-N due to the principle of scalar chain. However if there is an emergency, then C can directly contact to N through gang plank.



10. State any three limitations of planning. [3]

Answer : Limitations of planning are :

(i) Leads to rigidity—Planning leads to rigidity because once a well defined plan is drawn, the manager may not be in a position to change it with the changed circumstances.

(ii) May not work in dynamic environment—Planning may not work in the dynamic environment as the environment in which business operates keep on changing and planning may not foresee everything.

(iii) Involve huge cost—Huge costs are induced in formatting the plan and sometimes incorrect cost may not justify the benefit derived from plan.

11. Explain any three points that highlight the importance of directing function of management. [3]

Answer : Importance of directing function :

(i) Initiates action—A directing function is performed by the managers along with planning, staffing, organising and controlling in order to discharge their duties in the organisation.

(ii) Integrates employee's efforts— Directing integrates the efforts of all the employees and departments through persuasive leadership and effective communication towards the accomplishment of organisational goals.

(iii) Brings stability and balance in the organisation—Stability is significant in the growth of any organisation. Effective directing develops. Cooperation and commitment among the employees creates a balance among various departments and groups.

16. Give the meaning of 'procedure' and 'rule' as types of plans. [3]

Answer : Procedure : It consists of sequence of routine steps performed in a chronological order to carry out activities within a broad policy framework. It details the exact manner in which any work is to be performed.

Rule : A rule is a statement that specifies what is to be done or not to be done. It is a guide to behaviour. A rule does not allow any flexibility or discretion and prescribes a penalty for violation.

25. Explain briefly any four factors that affected the working capital requirement of a company. [6]

Answer : The factors affecting requirement of working capital are—

(i) **Nature of Business :** The requirement of working capital depends on the nature of business. The nature of business is usually of two types : (a) Manufacturing and (b) Trading business. In the case of manufacturing business, more capital is required. On the contrary, in case of trading business, the goods are sold immediately after purchasing or sometimes the sale is affected even before the purchase itself. Therefore, very little working capital is required.

(ii) **Scale of operations :** There is direct link between the working capital and scale of operations. In other, words, more working capital is required in case of big organisation while less working capital is needed in case of small organisation.

(iii) **Business cycle :** The need for the working capital is affected at various stages of the business cycle. During the boom period, the demand of a product increases and sale also increases. Therefore, more working capital is needed, on the contrary during the period of the depression the demand declines. It affects both the production and sales of goods. Therefore, in such situation less working capital is required.

(iv) **Seasonal factors :** Some goods are in demand throughout the year while some other products have seasonal demand which have uniform demand throughout the year, their production and sales are continuous. The seasonal manufacturing units whose production is limited to particular season like coolers in summers, room heater/geyser in winters, needs little capital.

••

Business Studies 2017 (Delhi)

Set III

Time allowed : 3 hours

Maximum marks : 80

Note : Except for the following questions, all the remaining questions have been asked in previous set.

11. Explain 'order' and 'initiative' as principles of general management. [3]

Answer : Order :

(i) It states that there should be a place for everything and everyone in an organisation and that thing or person should be found in its allotted place.

People and material must be in suitable places at appropriate time for maximum efficiency.

Initiative :

(i) It states that the workers should be encouraged to develop and carry out their plans for improvement in the organisation.

(ii) It does not mean going against the established practice of the company for the sake of being different.

12. State any three features of 'Planning.' [3]

Answer : The three features of planning are :

(i) **Focuses on achieving objectives**—It focuses on achieving organisational objectives as specific goals are set out in the plans along with the activities to be undertaken to achieve the goals.

(ii) **Primary function of management**—It is the primary function of management as it lays down the basis for all other function of management

(iii) **Pervasive**—It is pervasive as it is required in all organization, at all levels and in all departments.

13. Explain briefly any three measures to overcome the communication barriers. [4]

Answer : Measures to overcome communication barriers are :

(i) **Clarify ideas before communicating :** Sender should be clear in his mind that what he has to say, he should know the objective of his thoughts and arrange his message properly and then speak.

(ii) **Ensure proper feedback :** Sender should take the feedback of the receiver in order to know that he understood the message clearly or not, this

can be understood by his facial expressions also.

(iii) Be a good listener : For a good communication both the receiver and the sender should have good listening skills, they should patiently listen what others has to say and understand it.

(iv) Communicate according to the needs of the consumers : Sender should know the needs of the receiver i.e., kind of environment that he wants and the language which he understands completely. Sender should also keep in mind the level of the receiver while communicating. So that communication can take place effectively.

14. Give the meaning of 'policy' and 'strategy' as types of plans. [4]

Answer : Policy : Policy is a general guidelines that guides thinking or channelises energies towards a particular direction. It defines the broad parameters within which a manager may function. It brings uniformity in decision making and action for interpretation of strategy.

Strategy : A strategy is a comprehensive plan for accomplishing an organisation's objectives taking environment into consideration. It provides broad contours of an organisation and refers to future decisions. Defining the organisation's

direction and scope in the long run.

22. State any five points that highlight the importance of 'controlling' function of management. [5]

Importance of controlling are :

Answer : (i) Accomplishing organisational goals—It helps in accomplishing organisational goals by bringing to light, deviations if any and indicating corrective action.

(ii) Making efficient use of resources—It helps in making efficient use of resources by ensuring that each activity is performed in accordance with pre-determined standards.

(iii) Ensuring order and discipline—It ensures order and discipline among employees by keeping a close check on their activities.

(iv) Improving employee motivation—It improves employee motivation as the employee's know well in advance the standards of performance on the basis of which they will be appraised.

(v) Judging accuracy of standard—It helps in judging accuracy of standards in the light of changes taking place in the organization and in the environment.



Students don't need to purchase any Guide, Question Bank or Sample/model paper from market. All material will be available on this website in the form of free PDFs by 30 September. On website www.cbsepdf.com following materials will be provided :

1. NCERT Solutions
2. Previous Years Papers (2011-2019)
3. Previous Years Chapterwise Question Bank
4. 20 Solved Sample Paper

Students can download from following website

www.cbsepdf.com

A mission for free content for all.