

INTERMEDIATE EXAMINATION – 2019 (ANNUAL)

BUSINESS STUDIES

Note : Answer All questions.

Total No. of Questions (कुल प्रश्नों की संख्या) : 83

Time : 3 Hours 15 Minutes (समय : 3 घंटे 15 मिनट)

Full Marks (पूर्णांक) : 100

Instructions for the Candidates : परीक्षार्थियों के लिये निर्देश

1. Candidates are required to give their answers in their own words as far as practicable .
परीक्षार्थी यथा सम्भव अपने शब्दों में ही उत्तर दें।
2. Figures in the Right Hand Margin Indicates Full Marks .
दाहिनी ओर हाशिये पर दिये हुये अंक पूर्णांक निर्दिष्ट करते हैं।
3. 15 Minutes of Extra Time has been Allotted for the Candidates to Read the Question Paper .
इस प्रश्न पत्र को ध्यानपूर्वक पढ़ने के लिये 15 मिनट का अतिरिक्त समय दिया गया है।
4. The Question Paper is Divided into Two Sections : **Section – A** and **Section – B** .
यह प्रश्न पत्र दो खण्डों में है : खण्ड – A तथा खण्ड – B .
5. In **Section – A** , there are 50 Objective Types Questions which are Compulsory . Each carrying 1 Mark . Darken the Circle with Blue / Black Ball Pen against the Correct Option on OMR Answer Sheet provided to you . Do Not use Whitener / Liquid / Blade / Nail etc on OMR Sheet, Other the Result will be Invalid .
खण्ड – A , में 50 वास्तुनिष्ठ प्रश्न हैं। सभी प्रश्न अनिवार्य हैं, प्रत्येक के लिये 1 अंक निर्धारित है। इनका उत्तर उपलब्ध कराये गये OMR उत्तर पत्रक में दिये गये सही वक्त को नीले / काले बॉल पून से भरें। किसी भी प्रकार के व्हाइटनर / तरल पदार्थ / ब्लेड / नाखून आदि का उत्तर पुस्तिका में प्रयोग करना मना है अन्यथा परीक्षा परिणाम अमान्य होगा।
6. In **Section – B** , there are **25 Short Answer Questions** , Each carrying 2 Marks , Out of which **Any 15 Questions are to be Answered** . Apart from this , there are **8 Long Answer Questions** , Each carrying 5 Marks , Out of which **Any 4 Questions to be Answered** .
खण्ड – B , में 25 लघु उत्तरीय प्रश्न हैं। प्रत्येक प्रश्न के लिये 2 अंक निर्धारित है, जिसमें से किन्हीं 15 प्रश्नों का उत्तर देना अनिवार्य है। इनके अतिरिक्त इस खण्ड में 8 दीर्घ उत्तरीय प्रश्न दिये गये हैं। प्रत्येक के लिये 5 अंक निर्धारित है, जिसमें से किन्हीं 4 प्रश्नों का उत्तर देना है।
7. Use of any Electronic Appliances is Strictly Prohibited .
किसी प्रकार के इलेक्ट्रॉनिक उपकरण का प्रयोग पूर्णतया वर्जित है।

SECTION-A (खण्ड - अ)

Objective Type Questions/ वस्तुनिष्ठ प्रश्न

Q.1. विकास का उद्देश्य है –

- (A) योग्यता में वृद्धि (B) श्रेष्ठ निष्पादन
(C) पदोन्नति के अवसर (D) ये सभी

Objective of development is

- (A) Increase in knowledge (B) Better Performance
(C) Promotion opportunities (D) All of these

Sol. (D)

Q.2. रेपो है –

- (A) पुनर्खरीद समझौता (विलेख) (B) रिलायन्स पेट्रोलियम
(C) रीड एण्ड प्रोसेसे (पढ़ो और प्रकम करो) (D) उपर्युक्त कुछ भी नहीं

Repo is –

- (A) Repurchase agreement (B) Reliance Petroleum
(C) Read the process (D) None of the above

Sol. (A)

Q.3. हेनरी फेयोल के सिद्धान्त हैं –

- (A) 5 (B) 10 (C) 14 (D) 15

Henry Fayol's principles of management are –

- (A) 5 (B) 10 (C) 14 (D) 15

Sol. (C)

Q.4. संगठन के जीवन में भर्ती होती है –

- (A) एक बार (B) दो बार (C) कभी-कभी (D) निरन्तर

Recruitment in the life of organization is –

- (A) Once (B) Twice (C) Occasionally (D) Continuous

Sol. (D)

Q.5. कार्य पर स्वयं-विकास आवश्यकताएँ के द्वारा पूर्ण की जाती हैं।

- (A) कार्य में मेहनत (B) किस्म उत्पाद आश्वस्त करना
(C) प्रशिक्षण कार्यक्रम में भागीदारी (D) उपरोक्त में से कोई नहीं

Self-actualization needs on the job are fulfilled by -

- (A) Hard work in the job (B) Ensuring Quality products
(C) Participate in training programme (D) None of these

Sol. (A)

Q.6. स्कंध विपणियों के लिए सेबी की सेवाएँ हैं –

- (A) ऐच्छिक (B) आवश्यक (C) अनावश्यक (D) अनिवार्य

For stock exchange the service of SEBI are -

- (A) Voluntary (B) Necessary (C) Unnecessary (D) Compulsory

Sol. (D)

Q.7. प्रशासनिक प्रबन्ध के प्रस्तुतकर्ता थे –

- (A) फेयोल (B) टेलर (C) टेरी (D) इनमें से कोई नहीं

The propounder of administrative management was -

- (A) Fayol (B) Taylor (C) Terry (D) None of these

Sol. (A)

Q.8. बजट का अर्थ है –

- (A) निष्पादन का नियोजित लक्ष्य (B) भविष्य के कार्यकलाप का प्रयोग
(C) संसाधनों की व्यवस्थित कारवाई और सही वितरण (D) ये सभी

Budget refers to -

- (A) Planned target of performance (B) Use of handling future activities
(C) Systematic action and allocation of resources (D) All of these

Sol. (D)

Q.9. कर्मचारियों का चयन होता है –

- (A) निम्न श्रेणी के अधिकारियों के द्वारा (B) मध्यम श्रेणी के अधिकारियों के द्वारा
(C) उच्चतम श्रेणी के अधिकारियों के द्वारा (D) ये सभी

Selection of employees is -

- (A) Lower level executive (B) Middle level executive
(C) Top level executive (D) All of these

Sol. (D)

Q.10. प्रभावी सन्देशवाहन में भाषा का उपयोग नहीं होना चाहिए।

- (A) स्पष्ट (B) प्रभावशाली (C) अस्पष्ट (D) शालीन

In effective communication language should not be used.

- (A) Clear (B) Impressive (C) Ambiguous (D) Courteous

Sol. (C)

Q.11. उद्यमिता विकास कार्यक्रम के प्रति भारत के सरकारी तन्त्र का दृष्टिकोण है –

- (A) विनाशात्मक (B) नकारात्मक (C) रचनात्मक (D) असहयोगात्मक

The attitude of Government mechanism of India towards entrepreneurial development programme is -

- (A) Destructive (B) Negative (C) Constructive (D) Non-Cooperative

Sol. (C)

Q.12. एक कार्य के निष्पादन के लिए प्रबन्ध को "सर्वोत्तम रास्ता ढूँढना चाहिए।" वैज्ञानिक प्रबन्ध का कौन सा सिद्धान्त इस पंक्ति की व्याख्या करता है –

- (A) समय अध्ययन (B) गति अध्ययन (C) थकान अध्ययन (D) विधि अध्ययन

Management should find 'One best way' to perform a task. Which technique of scientific management is defined in this sentence ?

- (A) Time study (B) Motion study (C) Fatigue study (D) Method study

Sol. (D)

Q.13. कूण्टज एवं ओडोनेल के अनुसार प्रबन्ध के प्रमुख कार्य हैं –

- (A) 5 (B) 4 (C) 3 (D) इनमें से कोई नहीं

According to Koontz and O'Donnell the main function of management are -

- (A) 5 (B) 4 (C) 3 (D) None of these

Sol. (A)

Q.14. प्रचार का सबसे महँगा साधन है –

- (A) विज्ञापन (B) व्यक्तिगत विक्रय (C) विक्रय सर्वेक्षण (D) जन-सम्पर्क

Costliest means of promotion is –

- (A) Advertising (B) Personal selling (C) Sales Promotion (D) Public relations

Sol. (A)

Q.15. यदि आप सन्देशवाहन का प्रमाण रखना चाहते हैं, तो आपको सन्देशवाहन का उपयोग करना चाहिए।

- (A) अनौपचारिक (B) औपचारिक (C) मौखिक (D) इनमें से कोई नहीं

If you want to keep a proof of your communication you should use communication.

- (A) Informal (B) Formal (C) Verbal (D) None of these

Sol. (B)

Q.16. जार्ज आर टेरी के अनुसार प्रबन्ध के कार्य हैं –

- (A) 2 (B) 4 (C) 6 (D) ये सभी

According to George R. Terry the functions of management are -

- (A) 2 (B) 4 (C) 6 (D) All of these

Sol. (B)

Q.17. निम्नलिखित में से कौन-सा व्यावसायिक वातावरण का लक्षण नहीं है ?

- (A) अनिश्चितता (B) कर्मचारी (C) सम्बन्धता (D) झंझट

Which of the following does not characterize the business environment ?

- (A) Uncertainty (B) Employees (C) Relativity (D) Complexity

Sol. (B)

Q.18. अफवाहों को बढ़ावा देने वाले संगठन स्वरूप को समझा जाता है –

- (A) केन्द्रीयकृत संगठन (B) विकेन्द्रीयकृत संगठन
(C) अनौपचारिक संगठन (D) औपचारिक संगठन

The form of organization known for giving rise to rumours is called –

- (A) Centralised Organisation (B) Decentralised Organisation
(C) Informal Organisation (D) Formal Organisation

Sol. (C)

Q.19. नियोजन सभी प्रबन्धकीय क्रियाओं का है।

- (A) प्रारम्भ (B) अन्त (C) प्रारम्भ तथा अन्त दोनों (D) इनमें से कोई नहीं

Planning is the for all managerial activities.

- (A) Beginning (B) End (C) Beginning and end both (D) None of these

Sol. (A)

Q.20. नियोजन है –

- (A) लक्ष्य-अभिमुखी (B) उद्देश्य अभिमुखी (C) मानसिक प्रक्रिया (D) ये सभी

Planning is -

- (A) Goal oriented (B) Objective oriented (C) Mental process (D) All the above

Sol. (D)

Q.21. नियन्त्रण संबंधित है –

- (A) परिणाम (B) कार्य (C) प्रयास (D) किसी से नहीं

Control is related to -

- (A) Results (B) Functions (C) Efforts (D) None of these

Sol. (A)

Q.22. स्थाई सम्पत्तियों की वित्त व्यवस्था होनी चाहिए –

- (A) दीर्घकालीन दायित्वों से (B) अल्पकालीन दायित्वों से
(C) दीर्घकालीन तथा अल्पकालीन दायित्वों के मिश्रण से (D) इनमें से कोई नहीं

A fixed asset should be financed through -

- (A) Long term liabilities (B) Short term liabilities
(C) A mix for long term and short term liabilities (D) None of these

Sol. (A)

Q.23. भारत के उदारीकरण की नीति रही है –

- (A) सफल (B) असफल (C) पूर्णतः असफल (D) इनमें से कोई नहीं

Liberalization policy in India has been -

- (A) Successful (B) Unsuccessful (C) Total failure (D) None of these

Sol. (A)

Q.24. प्रभावी सन्देशवाहन के लिए आवश्यक है –

- (A) स्पष्टता (B) शिष्टता (C) निरन्तरता (D) उपरोक्त सभी

For effective communication is necessary.

- (A) Clarity (B) Courtesy (C) Continuity (D) All of these

Sol. (D)

Q.25. नियन्त्रण क्रिया है –

- (A) महँगी (B) सस्ती (C) अनार्थिक (D) इनमें से कोई नहीं

Control is a / an activity

- (A) Costly (B) Cheap (C) Uneconomic (D) None of these

Sol. (A)

Q.26. एक अच्छी योजना होती है

- (A) खर्चीली (B) समय लेने वाली (C) लोचपूर्ण (D) संकीर्ण

A good plan is -

- (A) Expensive (B) Time consuming (C) Flexible (D) Rigid

Sol. (C)

Q.27. सन् 2004 में भारत में स्क्व विपणियों की संख्या थी –

- (A) 20 (B) 21 (C) 23 (D) 24

The number of stock exchanges in 2004 was -

- (A) 20 (B) 21 (C) 23 (D) 24

Sol. (C)

Q.28. सन्देशवाहन के प्रकार हैं –

- (A) लिखित (B) मौखिक (C) औपचारिक (D) उपरोक्त सभी

Types of communication are -

- (A) Written (B) Verbal (C) Formal (D) All of these

Sol. (D)

Q.29. कार्य के आधार पर सामूहिक क्रिया अंग है –

- | | |
|----------------------------|---------------------------|
| (A) विकेन्द्रीकृत संगठन का | (B) प्रभागीय संगठन का |
| (C) कार्यात्मक संगठन का | (D) केन्द्रीयकृत संगठन का |

On the basis of functions grouping of activities is a part of -

- | | |
|--------------------------------|------------------------------|
| (A) Decentralised organization | (B) Divisional organization |
| (C) Functional organization | (D) Centralised organization |

Sol. (C)

Q.30. समन्वय स्थापित किया जाता है –

- | | |
|-------------------------------------|---------------------------|
| (A) समूहों के मध्य | (B) विभागों के मध्य |
| (C) प्रबन्ध एवं कर्मचारियों के मध्य | (D) उपर्युक्त सभी के मध्य |

Co-ordination is established

- | | |
|------------------------------------|-------------------------|
| (A) Between groups | (B) Between departments |
| (C) Between management and workers | (D) All of the above |

Sol. (D)

Q.31. निम्न में से कौनसी नियोजन की सीमा नहीं है ?

- | | | | |
|------------|--------------------|----------------------|-------------------|
| (A) कठोरता | (B) समय की बर्बादी | (C) नियंत्रण का आधार | (D) अत्याधिक लागत |
|------------|--------------------|----------------------|-------------------|

Which of the following is not a limitation of planning ?

- | | | | |
|--------------|---------------------|----------------------|---------------|
| (A) Rigidity | (B) Wastage of time | (C) Basis of control | (D) Huge Cost |
|--------------|---------------------|----------------------|---------------|

Sol. (C)

Q.32. नियन्त्रण का कर्मचारी करते हैं।

- | | | | |
|-----------|------------|-----------|-----------------------|
| (A) विरोध | (B) समर्थन | (C) पसन्द | (D) इनमें से कोई नहीं |
|-----------|------------|-----------|-----------------------|

Employees control

- | | | | |
|------------|-------------|----------|-------------------|
| (A) Oppose | (B) Support | (C) Like | (D) None of these |
|------------|-------------|----------|-------------------|

Sol. (A)

Q.33. कर्मचारियों के विकास में सम्मिलित है –

- | | | | |
|--------------|-----------------|---------------|------------|
| (A) पदोन्नति | (B) स्थानान्तरण | (C) प्रशिक्षण | (D) ये सभी |
|--------------|-----------------|---------------|------------|

Development of employees involves

- | | | | |
|---------------|--------------|--------------|------------------|
| (A) Promotion | (B) Transfer | (C) Training | (D) All of these |
|---------------|--------------|--------------|------------------|

Sol. (C)

Q.34. नियन्त्रण आवश्यक है –

- (A) लघु-उपक्रम के लिए (B) मध्यम श्रेणी के उपक्रम के लिए
(C) बड़े आकार वाले उपक्रम के लिए (D) उपरोक्त सभी के लिए

Controlling is necessary -

- (A) For small enterprise (B) For medium sized enterprise
(C) For large sized enterprise (D) For all of the above

Sol. (D)

Q.35. प्रभावी सन्देशवाहन में बाधा है –

- (A) भाषा (B) दूरी (C) व्यक्तिगत भिन्नताएँ (D) उपरोक्त सभी

Barrier in effective communication is -

- (A) Language (B) Distance
(C) Individual differences (D) All of the above

Sol. (D)

Q.36. एक व्यवसाय की चालू सम्पत्तियों की वित्त व्यवस्था होनी चाहिए –

- (A) केवल चालू दायित्वों से (B) केवल दीर्घकालीन दायित्वों से
(C) दीर्घकालीन तथा अल्पकालीन दोनों से अंशतः (D) उपरोक्त सभी

Current assets of business firm should be financed through

- (A) Current liabilities only (B) Long term liabilities only
(C) Partly from both long and short term liabilities (D) All of these

Sol. (C)

Q.37. सेबी का मुख्य कार्यालय है –

- (A) दिल्ली (B) मुम्बई (C) कोलकाता (D) चेन्नई

Head Office of SEBI is in -

- (A) Delhi (B) Mumbai (C) Kolkata (D) Chennai

Sol. (B)

Q.38. प्रबन्ध के सिद्धान्त है –

- (A) गतिशील (B) लोचशील (C) सार्वभौमिक (D) उपरोक्त सभी

Principles of Management are -

- (A) Dynamic (B) Flexible (C) Universal (D) All of these

Sol. (D)

Q.39. भारत में सबसे पहले स्कंध विपणि की स्थापना हुई थी –

- (A) 1857 (B) 1877 (C) 1887 (D) 1987

The first stock exchange in India was established in -

- (A) 1857 (B) 1877 (C) 1887 (D) 1987

Sol. (A)

Q.40. समतल सन्देशवाहन में सुझाव का प्रवाह होता है –

- (A) ऊपर की ओर (B) नीचे की ओर (C) समतल स्तर पर (D) उपरोक्त सभी

In horizontal communication, flow of suggestion is -

- (A) Upward (B) Downward (C) Same level (D) All of the above

Sol. (C)

Q.41. विश्व में सबसे पहले स्कंध विपणि की स्थापना हुई थी –

- (A) दिल्ली (B) लन्दन (C) अमेरिका (D) जापान

The foremost stock exchange in the World was established in -

- (A) Delhi (B) London (C) America (D) Japan

Sol. (C)

Q.42. उत्पादन रेखा पर आधारित सामूहिक क्रिया अंग है –

- (A) अन्तरित संगठन का (B) प्रभागीय संगठन का
(C) कार्यात्मक संगठन का (D) स्वायत्तशासित संगठन का

Grouping of activities on the basis of product lines is a part of -

- (A) Delegated Organisation (B) Divisional Organisation
(C) Functional Organisation (D) Autonomous Organisation

Sol. (B)

Q.43. सामाजिक वातावरण का निम्नलिखित में से कौन सा उदाहरण है ?

- (A) अर्थव्यवस्था में मुद्रा की आपूर्ति (B) उपभोक्ता संरक्षण अधिनियम
(C) देश का संविधान (D) परिवार की संरचना

Which one of the following is an example of social environment

- (A) Money supply in the economy (B) Consumer Protection Act
(C) The constitution of the country (D) Composition of family

Sol. (D)

Q.44. समन्वय है –

- (A) ऐच्छिक (B) आवश्यक (C) अनावश्यक (D) समय की बर्बादी

Co-ordination is

- (A) Voluntary (B) Necessary (C) Unnecessary (D) Wastage of time

Sol. (B)

Q.45. भारत में गैर-सरकारी कार्यरत संगठन है –

- (A) वॉइस (B) कॉमन कॉज
(C) दोनों (D) उपर्युक्त में से कोई नहीं

Working non-government organization of India is -

- (A) Voice (B) Common cause
(C) Both (D) None of these

Sol. (C)

Q.46. प्रशिक्षण की विधियाँ हैं –

- (A) कार्य बदली प्रशिक्षण (B) कार्य पर प्रशिक्षण
(C) प्रशिक्षुता प्रशिक्षण (D) ये सभी

Methods of training are -

- (A) Job rotation training (B) On the job training
(C) Apprenticeship training (D) All of these

Sol. (B)

Q.47. समन्वय स्थापित किया जाता है –

- (A) उच्चतम स्तर के प्रबन्ध द्वारा (B) मध्यम स्तर के प्रबन्ध द्वारा
(C) निम्न स्तर के प्रबन्ध द्वारा (D) इनमें से सभी

Co-ordination is established by -

- (A) Top level management (B) Middle level management
(C) Lower level management (D) All of above

Sol. (D)

Q.48. उपभोक्ता विवादों के निपटारे की अवस्था तंत्र है –

- (A) एक स्तरीय (B) त्रिस्तरीय (C) द्वि-स्तरीय (D) कोई नहीं

The mechanism for settlement of consumer dispute is -

- (A) One-tier (B) Three-tier (C) Two-tier (D) None of these

Sol. (B)

Q.49. प्रबन्ध के सिद्धान्त नहीं हैं –

- (A) सार्वभौमिक (B) लचीले (C) सम्पूर्ण (D) व्यवहारिक

Principles of management are not -

- (A) Universal (B) Flexible (C) Absolute (D) Behavioral

Sol. (B)

Q.50. भारत में स्कन्ध विपणियों का भविष्य है –

- (A) उज्ज्वल (B) अंधेरे में (C) सामान्य (D) कोई भविष्य नहीं

The future of stock exchanges in India is -

- (A) Bright (B) In dark (C) Ordinary (D) No future

Sol. (A)

SECTION - B

Q.1. State the definition of management given by Advin. M. Robinson.

Sol. Management is the process of planning, organizing, direction and controlling activities of and using resources of an organization for accomplishing the organizational goals efficiently and effectively.

Q.2. Write any two characteristic of management.

Sol. **CHARACTERISTICS OF MANAGEMENT :**

(i) Management is a Goal Oriented Process :

An Organization has a set of basic goals which are the basic reasons for its efficiency . Management unites the efforts of different individuals in the organization towards achieving these goals . Eg. A Firm decides to sell 10,000 TV Sets in a particular year . The Manager will plan a course of action and organize the activities to achieve this goal .

(ii) Management is a Group Activity :

An Organization is a group of different individuals with different needs . But as members of the organization, they work towards achieving the common organizational goal . This requires Team Work and Co-ordination. Management as a Team can contribute more Effectively and Efficiently rather than Individuals .

Q.3. What do you mean by Principles of Management ?

Sol. ***“Principle is a fundamental statement or truth providing a guide to the thought or action.”***

G.R. Terry

The principles of management act as guidelines for the practice of management. They help in predicting what would happen if the principles were applied. For example, application of the principle of 'discipline' leads to smooth and systematic functioning of the business and helps in improving efficiency. Without proper understanding of management principles, a person cannot perform managerial functions efficiently.

Q.4. Name any two factors of economic environment of the business.

Sol. **Example of Impact of Economic Environment on Business:-**

- (1)** In case of construction companies and automobile manufactures, low long-term interest rates are beneficial because they result in increased spending by consumers for buying homes and cars.
- (2)** Increase in the incomes of the consumers leads to increase in their purchasing power. Hence, demand for goods and services rises.

- (3) High inflation rates generally result in constraints on business enterprise because they increase the costs of raw materials or machinery and payment of wages & salaries to employees.

Q.5. What do you understand by economic environment ?

Sol. Economic Environment :

Economic Environment consists of factors like inflation rates, interest rates, consumer's incomes, economic policies, market conditions etc. which affect the performance of a business firm.

Q.6. Explain in brief any three characteristics of an ideal plan.

Sol. The essential nature of planning can be highlighted by the following major aspects of planning:

- (i) **Planning – an Intellectual process:** Planning is the process of choosing the proper course of action from among alternative and calls for decision-making, which is an intellectual process.
- (ii) **Planning – a Primary Functions :** Planning is the most basic function of management. As a matter of fact, all other functions of management largely depend upon planning.
- (iii) **Planning - a Continuous Function of Management :** Management is a dynamic process and planning as its function cannot be an exception to it.
- (iv) **Planning – a Pervasive Function:** Planning is pervasive function. It pervades at all levels and in all departments of an organization. Sometimes, planning is erroneously considered to be the prerogative and responsibility of top management alone.

Q.7. Write two points of importance of planning.

- Sol. (a) Planning makes Personnel Conscious of Enterprise objectives :** The first stage in any type of planning is the deliberate statement of objectives of each department in the organization and the enterprise as a whole. It helps personnel to see the enterprise in its entirety and see how their actions may contribute to its ultimate goals. Since objectives represent end point of planning, management should be aware of the future and revise its plans in the light of possible changes so that goals are accomplished more effectively.
- (b) Planning Leads to Economy in Operations :** Planning is always done with an eye on economy and efficiency in operations. Since it involves choosing, planning facilitates the choice of the best method and helps to identify alternatives expected to produce desired results with minimum unsought consequences.

Q.8. Is there any differences between formal and informal organization ?

Sol.

Basis	Formal Organisation	Informal Organisation
1. Definition	It refers to the structure of well - defined authority and responsibility relationships.	It refers to the personal relationships which develop automatically when people work together.
2. Purpose	It is created to achieve predetermined objectives.	It has no predetermined objectives.
3. Formation /Origin	Formal relations are well planned and are created deliberately.	Informal relations are unplanned and they originate automatically.

Q.9. Is there any differences between decentralization and delegation of authority ?

Sol.

Basis	Delegation	Decentralisation
1. Nature	It refers to the entrustment of responsibility and authority from a superior to his subordinate. Thus, it is individualistic.	It refers to the systematic delegation of authority to a lower level in the organisation. Thus, it is totalistic
2. Scope or Parties Involved	It has a narrow scope as it is restricted from one person to another.	It takes place when delegation is made to all the employees at a particular level.
3. Purpose	Its purpose is to lessen the burden of the superior.	Its purpose is to give greater autonomy (or freedom of action) to the lower levels.

Q.10. State any two benefits of training.

Sol. NEED / IMPORTANCE / BENEFITS OF TRAINING FOR ORGANISATIONS

- 1. Higher profits:** It enhances employee productivity both in terms of quantity and quality. leading to higher profits.
- 2. Develops future managers:** Training helps to develop future managers who can manage the enterprise in emergency.

Q.11. What are the internal sources of recruitment ?

Sol. UNDER THE INTERNAL RECRUITMENT FOLLOWING METHODS OF RECRUITMENTS ARE USED :

- (a) Transfer :** Transfer means shifting of employees from one job position to other at the same level of authority. Generally with the transfers there is no change in compensation level and authority level. There is no change even in his rank, responsibilities and prestige. Only the place of working is changed.
For example, transfer of clerk from accounts department to purchase department.
- (b) Promotion :** Promotion refers to shifting of employees from one job position to other with higher level of authority. In promotion the authority level, the rank, responsibilities of employees and prestige improve or increase. Generally with the promotions there is increase in compensation or salary also.
For example, promotion of clerk to accountant post.

Q.12. Give any two elements of directing.

Sol. 1. Supervision : The word 'supervision' consists of two parts :

- Super (Means – Over and above)
- Vision (Means – Art of seeing objects)

Supervision means overseeing the subordinate at work by their superiors and giving instruction to ensure optimum utilisation of resources and accomplish the desired objectives.

- 2. Motivation :** Motivation means a process of stimulating people to action to accomplish desired goals.

Q.13. What is meant by directing ?

Sol. MEANING OF DIRECTING

In the ordinary sense, directing means giving instructions and guiding people in doing work. But in the context of management of an organisation, directing refers to the process of instructing, guiding, motivating, leading, counseling and coaching people in the organisation to achieve its objectives. It is called Management in action.

“Directing is telling people what to do and seeing that they do it to the best of their ability.”

Q.14. What is the formula of calculating Break-even Point ?

Sol.
$$\text{B.E.P.} \Rightarrow \frac{\text{Fixed Cost}}{\text{Contribution per unit}}$$

Q.15. State any two limitations of control.

Sol. (a) External factors cannot be controlled such as government policies, etc.
(b) Lot of expenditure, time and effort is involved in to enforce control which proves to be a costly affair.

Q.16. What are the main two functions of Financial Management ?

Sol. (a) **Estimation of capital requirements**– A finance manager has to make estimation with regards to capital requirement of the company. This will depend upon expected costs and profits and future programmes and policies of a concern. Estimation have to be made in an adequate manner which increases earning capacity of enterprise.
(b) **Determination of capital composition** – Once the estimation have been made, the capital structure have to be decided. This involves short term and long term debt equity analysis. This will depend upon the proportion of equity capital a company is possessing and additional funds which have to be raised from outside parties.

Q.17. Define Financial Management.

Sol. Financial management may be defined as planning, organising, directing and controlling the financial activities of the organisation. It is concerned with management of flow of funds and involves decisions relating to procurement of funds, investment of funds in long-term and short-term and distribution of earnings to the owners.

Q.18. State the meaning of marketing.

Sol. It is the process of exchange of goods and service for money or for something of value of them.

Q.19. What is meant by labeling ?

Sol. Labeling: A label identifies the product or brand. Labels are attached onto the product package to help identification and provide some information to the customers. A label is carrier of information, which is to be provided to the customers.

Q.20. What is meant by consumer ?

Sol. **Consumer of goods** – A consumer of goods means any person who buys any goods for a consideration (which has been paid or promised or partly paid and partly promised, or under any system of deferred payment).

A consumer of service means a person who hires or avails of any service for a consideration (which has been paid or promised or partly paid and partly promised, or under any system of deferred payment).

Q.21. What is Lok Adalat ?

Sol. Lok Adalat is one of the administrative dispute resolution mechanism in India; it is a forum where cases pending or at prelitigation stage in a court are settled.

Q.22. Explain the role of press in consumer protection.

Sol. The Press in India has always been responsive in performing duties so that those who are involved in the matters of policy making can give justice to their duties.

The Press here play the role of spreading consumer education and informed them about the right of consumer, as well as making conscious to consumer, how the consumer have right to seek redressal through Consumer Protection Act, 1986.

Q.23. "Control means back looking". Explain.

Sol. **Controlling is Backward looking**

- **Controlling** : As like a postmortem of past activities the manager looks back to previous year's performance to find out its deviation from standard.
- **Planning** : As planning is guided by past experience and feed-back report of controlling function.

Q.24. What is meant by control by exception ?

Sol. **Control by Exception/Management by Exception** :- This principle of management control is based on the belief that—***"An attempt to control everything may end up by controlling nothing,"***

Minor deviations from standards are insignificant for success. They should be ignored. Therefore, only significant deviations, which go beyond the permissible limit, should be reported to the management so that the management may take corrective action to deal with the situation.

Example 1: A manager establishes a quality control standard which says that 5 defects per 100 units produced are permissible. Under the "control by exception" principle, only significant deviations from this standard, i.e., 6 or more defects per 100 units should be reported to the manager.

Example 2: The management lays down a standard that the cost of production per unit should not exceed by 10% from the earlier period. If the actual cost exceeds by 10% (say by 15%), it should be reported to the management.

Q.25. Explain the meaning of development.

Sol. **Development refers to overall growth of the employee** .It focuses on personal growth and successful employee's development. Development is much wider in concept as compared to training as training is only one part of development.

However, both training and development are related process. Training helps the employee in learning job skills whereas development shapes attitude of the employee. The term 'training' is used in relation to operative employee whereas 'development' is used in relation to executives and managers.

Q.26. "Direction is the heart of the Management Process". Do you agree ? Give any two reasons in support of your answer.

Sol. **"Directing is heart of Management" because any management function for proper execution requires direction.**

1. **Initiation of Action** : Directing initiates action in the organisation. Through directing, a superior conveys to his subordinates what to do and how to do it. Which results in unity of direction without such an action, all organisational resources – both human and non human – remain unused.
2. **Means of Motivation** : Every individual has lot of potential to get things done but in the absence of proper motivation, this potential remains unused. So a manager with good leadership and motivational skill provides needed confidence, support, motivation and encouragement. Directing provides this motivation to the individuals to get maximum out of them.

Q.27. Explain the meaning and importance of planning.

Sol. Planning is Deciding in Advance , **"What to do" and "How to do it"** . It is one of the Basic Managerial Function . Before doing something, the Manager must Formulate an Idea of , How to Work on a Particular Task . Thus Planning is clearly connected with **"Creativity"** and **"Innovation"**.

Planning Seeks to Bridge the Gap between , **"Where we Are" and "Where we Want to Go"** .

It is concerned with both Ends and Means , i.e. **"What is to Done" and "How it is to be Done"**.

Managers think in Advance on **"Whatto Do"** and **"How to Do it"** . This is the Essence of Planning.

IMPORTANCE OF PLANNING :

1. **Planning provides direction** : By starting in Advance, How work is to be done , Planning provides direction for action . Planning ensures that the goals or objectives are clearly stated so that they act as a guide for deciding, what action should be taken and In which direction. It goals are well defined, employees are aware of what the organization has to do and what they must do to achieve those goals . Departments and individuals in the organization are able to work in co-ordination. If there was no planning, employees would be working in different directions and the organization would not be able to achieve its desired Goals .
2. **Planning reduces the risk of uncertainties** : Planning is an activity which enables a manager to look ahead and anticipate changes. By deciding in advance the tasks to be performed, planning shows the way to deal with changes and uncertain events. Changes or events cannot be eliminated, but they can be anticipated and managerial responses to these can be developed.

3. **Planning reduces overlapping and wasteful activities :** Planning serves as the basis of co-coordinating the activities and efforts of different divisions, departments and individuals. It helps in avoiding confusion and misunderstanding. Since planning ensures clarity in thought and action, work is carried on smoothly without interruption. Useless and redundant activities are minimised or eliminated. It is easier to detect inefficiencies and take corrective measures to deal with them .
4. **Planning promotes innovative ideas :** Planning is thinking in advance and therefore, there is scope of finding better ideas and better methods and procedures to reach the objectives / goals of the enterprise . This forces the managers to think differently about the future of the organization as compared to the present .
5. **Planning facilitates decision making :** Planning helps the manager to look into the future and make a choice amongst various alternative courses of action. The Manager has to enhance each alternative and select the most visible proposition.
6. **Planning establishes standards for controlling :** Planning provides the goals or standards against which the actual performance can be measured and evaluated .

Q.28. Describe the importance of business environment in management.

Sol. **IMPORTANCE OF BUSINESS ENVIRONMENT**

The complete awareness and understanding of business environment is known as 'Environment Scanning'.

Signification of understanding environment in shaping the future of business can be appreciated if we consider the following facts.

1. **It enables the firm to identify opportunities and getting the first mover advantage :**
'Opportunities' refer to the positive external environment trends and changes that will help a firm to improve its performance. By keeping in touch with the changes in the external environment, an enterprise can identify opportunities and find strategies to capitalise on the opportunities at the earliest. For example, Maruti Udyog became the leader in the small car market because it was the first to recognise the need for small cars in an environment of rising petroleum prices and a large middle-class population in India
2. **It helps the firm to identify threats and early warning signals :**
'Threats' refer to the external environment trends and changes that will hamper a firm's performance. Environmental scanning helps to identify possible threats in future. For example if an Indian firm finds that an MNC is entering the Indian market with new substitutes, this should work as a warning signal for the Indian firm. Based on this information, the Indian firm can improve the quality of its products, reduce cost of production, engage in aggressive advertisements, etc.
3. **It helps in assisting in planning and policy formulation :**
Environment analysis helps in identifying threats and opportunities in the market. These can serve as the basis for deciding the future course of action (*planning*) or training guidelines for decision-making (*policy*).

4. It helps in tapping useful resources :

A business firm is an open system which gets resources such as capital, labour, machines and equipment, materials, etc. from the environment, converts them into goods and services desired by the customers and then supplies its output to the environment.

5. It helps in coping with rapid changes :

Managers must understand and examine the business environment and develop suitable courses of action to cope with turbulent market conditions, rapid changes in technology, intense global competition, etc.

6. It helps in improving performance :

The enterprises which continuously monitor their environment and adopt suitable business practices not only improve their present performance, but also continue to succeed in the market for a longer period. For example, if a firm is sensitive to the external environment, it will come out with new products and services to meet the future requirements of the customers.

7. Image building :

If a firm is sensitive to the external environment, it will come out with new products and services to meet the requirements of the customers. This would build the image or reputation of the firm in the eyes of the customers and the general public. Because of sensitivity to Indian consumers' requirements, LG was able to enhance its brand image in the Indian market in a short span of time.

Q.29. Give in brief any six reasons as to why consumer protection is needed in India.

Sol. In our country, when voluntary efforts failed, the Government of India incorporated some of the most important rights in the Consumer Protection Act, 1986. The statement of objects and reasons of the Act Section 6 incorporate the various rights of consumers. They are as under :

- 1. Right to be protected or right to safety —** Every consumer has the right to be protected against the marketing of goods and services which are hazardous to life and property.
- 2. Right to be informed -** Every consumer has the right to be informed about the quantity, potency, purity, standard and price of goods or services, as the case maybe, so as protect the consumer against run fair trade practices.
- 3. Right to choose -** Every consumer has the right to be assured, wherever possible, access to a variety of goods and service at competitive prices. By this right, he will be in a position to buy goods or services of his choice.
- 4. Right to be heard -** Every consumer has the right to be heard and to be assured that consumer 's interests will receive due consideration at appropriate forums.
- 5. Right to be redressed -** Every consumer has the right to seek redressal against unfair trade practices or restrictive trade practices or unscrupulous exploitation of consumers.
- 6. Right, to consumes education -** Every consumer has the right to consumer education A consumer has a right to his rights as consumer He is entitled to obtain knowledge of all the remedies available to him against the exploitation by the manufacturers and traders of goods and services.

Besides these rights covered under the Act, following are the other rights of a consumer recognised by some or the nations of the world.

- 7. Right to value -** Every consumer has the right to get full value in return of the price paid.
- 8. Right to healthy environment or quality of life -** Every consumer has the right to expect from the business a healthy environment so that he may enjoy quality life. He can expect an environment free from all kinds of pollutions.

Q.30. What is meant by marketing ? Explain any four functions performed by marketing manager.

Sol. The marketing concept implies that the firm can achieve its goals by identifying the needs of customers in a chosen market and satisfying them better than the competitors. This essentially involves that the firm must develop products and services that customers require, and not what it can make.

Marketing functions include a series of specified activities performed in the marketing of goods and service.

- (a) **Gathering and analysing market information.** Marketing research is the systematic investigation of the facts relevant to various aspects in marketing. Marketing research helps managers to arrive at appropriate decisions. Market information should be gathered and analysed.
- (b) **Marketing planning.** To achieve the marketing objectives of the organization appropriate marketing plans covering various important aspects should be developed.
- (c) **Product designing and development.** Product designing and development is concerned with anticipating customers' needs, developing new products and improving the existing products so as to meet expectations of customers. A good design can improve the performance of a product and also give it a competitive advantage in the market.
- (d) **Standardisation and grading.** Standardisation refers to the process of setting certain standards for a commodity on the basis of its desired qualities. Grading refers to the division of products into classes made up of units possessing similar features.
- (e) **Packaging and labeling.** Packaging is the act of designing and producing the package for a product. A package is a wrapper or a container in which a product is enclosed. Packaging reduces the risk of spoilage, breakage, etc. in the process of storage and transportation of goods. Whereas labeling means putting identification marks on the package.
- (f) **Branding.** It is the process of stamping a product with some identifying name or mark or a combination of both.

Q.31. What is money market ? State any three of its characteristics.

Sol. Money market is the market for short-term funds meant for use for a period of upto 1 year. Money market provides means for raising funds, for meeting short-term requirements of cash on one hand and the deployment of surplus funds for short periods (of one year or less), on the other hand.

The important money market instruments are:

- (a) **Call Money.** It is a method by which commercial banks borrow from each other and are able to maintain the minimum cash balance called as Cash Reserve Ratio as required by RBI. It is a short-term finance repayable on demand with a maturity period of one to fifteen days. The interest rate paid on call money loans is known as call rate, It is a highly fluctuating rate that changes from day-to-day and sometimes even from hour-to-hour.
- (b) **Treasury Bill(T-Bills).** Treasury bills are issued by Reserve Bank of India on behalf of the Government of India to meet its short-term requirements of funds. The issue period ranges from 14 to 364 days. T-Bills are negotiable instruments, i.e., they are freely transferable. T-Bills are available for a minimum amount of 25,000 and in multiples thereof. These are also called Zero Coupon Bonds.

- (c) **Commercial Bill\Trade Bills.** A commercial bill is a bill of exchange used of finance the working capital requirements of business firms. It is a short- term negotiable and self-liquidating instrument. When goods are sold on credit. the seller (drawer) draws a bill of exchange and the buyer (drawee) accept it. On being accepted, the bill becomes a marketable instrument and is called a trade bill. when a trade bill is accepted by a commercial bank. it is known as commercial bill.
- (d) **Commercial Paper.** A commercial paper is an unsecured promissory note, issued by a corporate with a fixed maturity period which varies from 15 days to 2 months. Since a commercial paper is unsecured, it is issued only by a highly creditworthy, reputed leading firms. Proceeds from, the commercial paper is to be raised only for working capital purposes.
- (e) **Certificate of Deposit.** These are unsecured, negotiable, short-term instruments in bearer form, issued by commercial banks and development financial institutions. They can be issued to individuals, corporations and companies during periods of tight liquidity when the deposit growth of banks is slow but the demand for credit is high. The time period of certificate of deposits ranges from 91 days to one year.

Q.32. What is meant by control ? Discuss its nature.

Sol. MEANING OF CONTROLLING

Controlling refers to comparison of actual performance with the planned performance and taking corrective actions, in case of deviations between actual and planned performance.

Controlling cannot prevent deviations. But it can minimize them by taking actions and decisions that reduce their recurrence.

CHARACTERISTICS OF CONTROLLING

1. Controlling is a goal-oriented function :

Controlling means ensuring that activities in an organisation are performed as per the plans. The essence of control lies in managerial action taken to correct the performance. Mere measurement of performance and finding deviations does not achieve control. An effective control system facilitates timely corrective action so that deviations do not occur again and standards are accomplished. Thus, controlling is a goal-oriented function.

2. Pervasive Function :

Control is pervasive function in the sense that it is required at all levels of management in every type of organisation. It is applicable to production, finance, marketing and organisational activities. Every manager performs the controlling function irrespective of his status and the nature of his job.

3. Continuous Process :

Controlling is a continuous process in the sense that it involves review of performance and revision of standard operations on a continuous basis. As long as an organisation exists, control continues to exist. Controlling is not an activity to be pursued in the end only, it has to be on a continuous basis. Activities should be supervised on continuous basis.

4. Backward and Forward Looking Process :

Control is backward looking process in the sense that it compares actual performance which has been or is being carried out with the planned performance. Control is a forward looking process in the sense that it improves future planning by suggesting revision of existing plans and targets and adoption of new plans on the basis of information derived from past experience. It looks at future through the eyes of past. Therefore, control is both a backward and forward looking process.

Q.33. What are the main functions of financial market ?

Sol. The functions of a financial market are :

- (a) **Mobilisation of savings and channeling them into the most productive uses** : It is a forum which facilitates the flow of capital from investors to borrowers and, thus, funds are utilised for productive purpose.
- (b) **Facilitating price Discovery** : Price for the financial assets is determined by the equality of demand (business firms) and supply (households) forces in the financial market.
- (c) **Providing liquidity to functional assets** : Convertibility of financial assets into cash is done easily through mechanism of the financial markets.
- (d) **Reducing the cost of transactions** : Financial markets save a lot of time and efforts of the buyers and sellers by providing a forum through which they can meet each other to fulfill their needs.