



केंद्रीय विद्यालय संगठन , नई दिल्ली

शिक्षा मंत्रालय, भारत सरकार के अधीन स्वायत्त निकाय



Chapter wise CBT Questions

कक्षा: बारहवीं / Class : 12th

विषय : व्यवसाय अध्ययन

Subject: Business Studies

सत्र : 2024-25



प्रेरणा स्रोत

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मार्गदर्शक

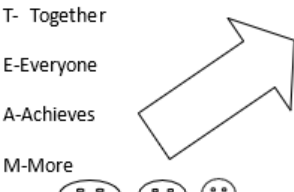
श्री भरत कुमार शेठ, प्राचार्य, पी.एम श्री केन्द्रीय विद्यालय देवास
श्रीमती कविता जैन, प्राचार्या, केन्द्रीय विद्यालय गेल गुना

निर्माण सहयोग

1. श्रीमती अरुणा पाटिल, स्नातकोत्तर (वाणिज्य), पी.एम श्री केन्द्रीय विद्यालय देवास
2. श्री जगदीश मालवीय, स्नातकोत्तर (वाणिज्य), पी.एम श्री केन्द्रीय विद्यालय उज्जैन
3. श्रीमती वन्दना शर्मा, स्नातकोत्तर (वाणिज्य), पी.एम श्री केन्द्रीय विद्यालय न.1 इंदौर
4. श्री सुधीर सिंघई, स्नातकोत्तर (वाणिज्य), पी.एम श्री केन्द्रीय विद्यालय बड़वाह
5. श्री मनीष अग्रवाल, स्नातकोत्तर (वाणिज्य), पी.एम श्री केन्द्रीय विद्यालय खंडवा

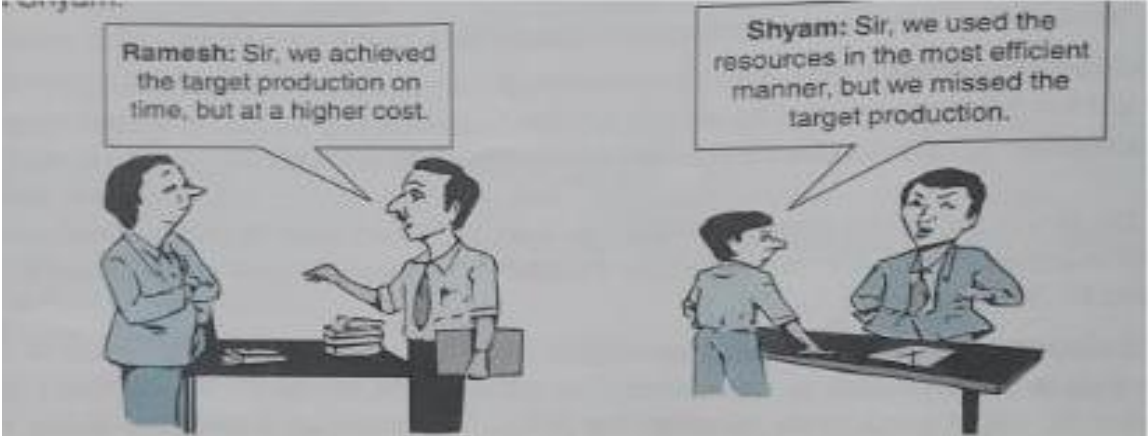
CHAPTER- 1

NATURE AND SIGNIFICANCE OF MANAGEMENT

1	<p>In order to become a lawyer, one has to register himself as a member of Bar Council of India. Which feature of profession is being revealed? (R)</p> <p>(a) Ethical code of conduct (b) Restricted entry (c) Service motive (d) Professional association</p>	1
2	<p>Identify the feature of management as a science when the principles are based on cause-and-effect relationship.</p> <p>(a) Based on practice and creativity (b) Universal validity (c) Systematised body of knowledge (d) Based on existence of theoretical knowledge</p>	1
3	<p>Which level of management is responsible for the welfare and survival of organization?</p> <p>(a) Middle level (b) Supervisory level (c) Operational level (d) Top level</p>	1
4	<p>” Management has to adapt itself according to the changing environment”. Which characteristic of management is highlighted in the above statement?</p> <p>(a) Continuous process (b) Group activity (c) Dynamic function (d) Goal oriented</p>	1
5	<p>This concept provides the requisite amount, quality, timing and sequence of efforts which ensures that planned objectives are achieved with a minimum of conflict. Identify the concept identified in the above stated line.</p> <p>(a) Cooperation (b) Coordination (c) Management (d) Planning</p>	1
6	<p>Highlight the feature of management depicted by the image given here:</p> <p>(a) Group activity (b) Goal oriented (c) Pervasive (d) Dynamic</p> <p>T- Together E-Everyone A-Achieves M-More</p> 	1

7	<p>It is not a separate function of management but its very essence. Identify it.</p> <p>(a) Effectiveness (b) Cooperation (c) Efficiency (d) Coordination</p> <div data-bbox="694 197 1305 743" data-label="Diagram"> <pre> graph TD Planning --- Organising Organising --- Staffing Staffing --- Directing Directing --- Control Control --- Planning BindingForce((Binding Force?)) </pre> </div>	1				
8	<p>“Management cannot be seen but its presence can be felt”. Which characteristic of management is highlighted in the above statement?</p> <p>(a) Group activity (b) Intangible force (c) Dynamic function (d) Continuous process</p>	1				
9	<p>Match the columns on the basis of nature of management:</p> <table border="1" data-bbox="242 1191 1204 1473"> <tr> <td data-bbox="242 1191 746 1361">1. Principles are based on observation and experimentation</td> <td data-bbox="746 1191 1204 1281">a) Management as an art</td> </tr> <tr> <td data-bbox="242 1361 746 1473">2. Principles are based on practice and creativity</td> <td data-bbox="746 1281 1204 1473">b) Management as a profession c) Management as a science</td> </tr> </table> <p>(a) 1-c,2-a (b) 1-a,2-c (c) 1-b,2-c (d) 1-b,2-a</p>	1. Principles are based on observation and experimentation	a) Management as an art	2. Principles are based on practice and creativity	b) Management as a profession c) Management as a science	1
1. Principles are based on observation and experimentation	a) Management as an art					
2. Principles are based on practice and creativity	b) Management as a profession c) Management as a science					
10	<p>Analyse the picture in which the in-charge of all the departments are in chaos and unable to work properly. Which function of management is missing here?</p> <p>(a) Coordination (b) Directing (c) Planning (d) Controlling</p> <div data-bbox="826 1854 1359 2161" data-label="Image"> </div>	1				

11	<p>Profit is essential for covering cost and risk of the business. Which management objective is discussed here?</p> <p>(a) Social objective (b) Organisational objective (c) Personal objective (d) Individual objective</p>	1								
12	<p>Divisional heads, department heads belong to -----</p> <p>(a) Middle level of management (b) Top level of management. (c) Lower level of management. (d) (d) Supervisory level of management</p>	1								
13	<p>Match the columns to identify the importance of coordination:</p> <table border="1" data-bbox="248 730 1217 1167"> <thead> <tr> <th data-bbox="248 730 588 792">Column-A</th> <th data-bbox="588 730 1217 792">Column-B</th> </tr> </thead> <tbody> <tr> <td data-bbox="248 792 588 931">(1) Functional differentiation</td> <td data-bbox="588 792 1217 931">(a) When all departments have their own objectives, policies and their own style of working</td> </tr> <tr> <td data-bbox="248 931 588 1025">(2) Specialisation</td> <td data-bbox="588 931 1217 1025">(b) When organization is performing on large scale and more people are employed</td> </tr> <tr> <td data-bbox="248 1025 588 1167"></td> <td data-bbox="588 1025 1217 1167">(c) When more complexities of modern technology and diversity of tasks is to be perform</td> </tr> </tbody> </table> <p>(a) 1-a,2-b (b) 1-a,2-c (c) 1-b,2-c (d) 1-b,2-a</p>	Column-A	Column-B	(1) Functional differentiation	(a) When all departments have their own objectives, policies and their own style of working	(2) Specialisation	(b) When organization is performing on large scale and more people are employed		(c) When more complexities of modern technology and diversity of tasks is to be perform	1
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(1) Functional differentiation	(a) When all departments have their own objectives, policies and their own style of working									
(2) Specialisation	(b) When organization is performing on large scale and more people are employed									
	(c) When more complexities of modern technology and diversity of tasks is to be perform									
14	<p>Assertion(A): Management is a dynamic function and has to adapt itself to the changing environment.</p> <p>Reason (R): The effect of management is noticeable in an organisation where targets are met according to plans.</p> <p>(a) Both Assertion(A) and Reason(R) are true and Reason is the correct explanation of assertion. (b) Both Assertion (A)and Reason(R) are true but Reason is not the correct explanation of assertion. (c) Assertion(A) is true but Reason (R) is false D) Assertion(A) is false but Reason(R) is true. (d) Both Assertion (A) & Reasons (R) are false.</p>	1								
15	<p>Statement I: Management is multi-dimensional.</p> <p>Statement II: The activities involved in managing an enterprise are common to all organisations whether economic, social or political.</p>	1								

	<p>Choose the correct option from the options given below:</p> <p>(a) (a)Statement I is true and II is false (b) Statement II is true and I is false. (c) Both the statements are false. (d) (d)Both the statements are true</p>	
16	<p>Assertion (A): Coordination is the essence of management. Reason (R): Coordination is required at all levels and through all functions of management. Choose one of the correct Options given below:</p> <p>(a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A). (b) Both Assertion (A) and Reason (R) are true and Reason (R) is not correct explanation of Assertion (A). (c) Assertion (A) is true but Reason (R) is false. (d) Assertion (A) is false but Reason (R) is true</p>	1
17	 <p>The above pictorial presentation highlights the achievements of two production managers: Ramesh and Shyam. Select the correct statement on the basis of the picture:</p> <p>(a) Ramesh is ineffective and inefficient (b) Ramesh is effective and efficient (c) Shyam is effective and efficient (d) Shyam is efficient but ineffective</p>	
18	<p>Sachin the director of Apex Ltd.is engaged in manufacturing furniture. He decided to keep one-third seats reserved for specially disadvantaged section of society. Which objective of management is discussed here?</p> <p>(a) Individual objective (b) Social objective (c) Organizational objective (d) Personal objective</p>	

19	In order to enter into profession, one has to acquire an educational degree by clearing specified examination conducted by registered institutes. Which feature of profession is being revealed? (a) Restricted entry (b) Ethical code of conduct (c) Professional association (d) Well defined body of knowledge	
20	An organization is providing basic amenities like schools and crèches to employees. Which management objective is highlighted? (a) Organisational objective (b) Personal objective (c) Individual objective (d) Social objective	


ANSWERS

1	Professional associations	
2	c) Systematised body of knowledge	
3	d) Top level	
4	c) <u>Dynamic function</u>	
5	b) <u>Coordination</u>	
6	a) Group activity	
7	<u>d) Coordination</u>	
8	<u>b) Intangible force</u>	
9	(a) 1-c, 2-a	
10	a) Coordination	
11	(b) Organisational objective	
12	a) Middle level of management	
13	(b) 1-a, 2-c	
14	b) Both Assertion (A) and Reason (R) are true but Reason is not the correct explanation of assertion	
15	d) Both the statements are true	
16	Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).	
17	(d) Shyam is efficient but ineffective	
18	b) Social objective	
19	a) Restricted entry	
20	d) Social objective	

CHAPTER- 2

PRINCIPLES OF MANAGEMENT

1	<p>“One head One plan” is concerned with the following principle of Fayol</p> <ul style="list-style-type: none">(a) Unity of command(b) Unity of Direction(c) Fair remuneration(d) Division of work	1
2	<p>Which study of Taylor aims at eliminating unnecessary movements to ensure timely completion of work.</p> <ul style="list-style-type: none">(a) Method study(b) Motion study(c) Time study(d) Fatigue study	1
3	<p>The principles of management are significant because of:</p> <ul style="list-style-type: none">(a) Increase in efficiency(b) Adaption to change technology(c) Optimum utilization of resources(d) All the above	1
4	<p>Which of the principles of management does functional foremanship violates?</p> <ul style="list-style-type: none">(a) Unity of Direction(b) Unity of Command(c) Principle of Order(d) Principle of Discipline	1
5	<p>The principle which states that there should be good supervisors at all levels for smooth and systematic working of an organisation is</p> <ul style="list-style-type: none">(a) Equity(b) Initiative(c) Discipline(d) Order	1
6	<p>“Panchayats in our country have been given more powers to decide and spend funds granted to them by the government for welfare of villages. Identify the principle of management highlighted in the statement</p> <ul style="list-style-type: none">(a) Equity(b) Centralization and decentralization(c) Authority and Responsibility(d) Espirit De corps	1
7	<p>Which foreman is keeping the machinery and tools ready for operation by workers:</p> <ul style="list-style-type: none">(a) repair Boss(b) gang Boss(c) speed boss(d) inspector	1
8	<p>Which principle is an extension of harmony not discord</p> <ul style="list-style-type: none">(a) cooperation not individualism(b) Espirit de Corps(c) initiative	1

	(d) Discipline	
9	<p>The production manager asked his subordinate to produce 100 units in a week but he is not given the right to purchase the raw materials. Which principle of management is violated in this statement?</p> <p>(a) Principle of remuneration (b) Principle of Division of work (c) Authority and Responsibility (d) Principle of unity of Direction</p>	1
10	 <p>Which principle of scientific management is being depicted in the picture</p> <p>(a) Harmony not Discord (b) Principle of Science not rule of thumb (c) Subordination of Individual Interest in to General Interest (d) Principle of Equity</p>	1
11	<p>Assertion (A): The principles of management should be distinguished from techniques of management. Reason (R): Techniques are guidelines to take decisions while practicing principles</p> <p>(a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A). (b) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A). (c) Assertion (A) is true and Reason (R) is false (d) Assertion (A) is false and Reason (R) is true</p>	1
12	<p>The plant superintendent of a company is very sad. When he was on leave, he was expecting his subordinates to take the remaining work to the finish. However, he finds a new way of dealing with this problem. He develops a system of suggestion building from the side of workers. For this a suggestion/complain box is to be kept where the workers can drop their advice and hence take steps from their side. Which principle of management has been implemented here off late by the plant superintendent?</p> <p>(a) Unity of Direction (b) Stability of Tenure (c) Principle of Initiative (d) Principle of Esprit-De-Corpse</p>	1
13	<p>Analyse the picture of a factory in which the owner is giving bonus to his worker for making profit due to high production. Which principle of Taylor is shown in the picture below:</p>	1



- (a) Harmony, not discord
- (b) Efficiency and prosperity
- (c) Science, not rule of thumb
- (d) Cooperation, not individualism

14 Which study of Taylor aims at eliminating unnecessary movements to ensure timely completion of work.

- (a) Method study
- (b) Motion study
- (c) Time study
- (d) Fatigue study

15 Which principle is being highlighted?

- (a) Scalar Chain
- (b) Esprit De Corps
- (c) Unity of Command
- (d) Unity of Direction



16 Match the technique of scientific management given below:

1. One best way of doing job	a. Simplification
2. Eliminates unnecessary	b. Standardisation diversity of products
3. Setting standards for business activities	c. Motion study
4. Eliminates unnecessary movements	d. Method study

- (a) 1-d,2-a,3-b,4-c
- (b) 1-d,2-b,3-c,4-a
- (c) 1-d,2-c,3-b,4-a
- (d) 1-c,2-b,3-d,4-a

17 In your school, you observe that books are kept in office, chinks in the library and office records in the staff room. Which principle of management is violated here ?

- (a) Unity of Direction
- (b) Stability of Tenure
- (c) Principle of Order
- (d) Principle of Esprit-De-Corps

18 **Assertion (A):** Principles of management are universal

Reason (R): They can be applied to all types of organizations, regardless of their size or nature.

- (a) Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).

	<p>(b) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A).</p> <p>(c) Assertion (A) is true and Reason (R) is false</p> <p>(d) Assertion (A) is false and Reason (R) is true</p>	
19	<p>Statement 1: The principles of management are universal in nature.</p> <p>Statement 2: They can be applied to all types of organizations, irrespective of their size and nature.</p> <p>(a) Statement I is true and II is false</p> <p>(b) Statement II is true and I is false.</p> <p>(c) Both the statements are false.</p> <p>(d) Both the statements are true.</p>	
20	<p>Statement 1: The principle of "unity of command" states that an employee should receive orders from more than one superior.</p> <p>Statement 2: Unity of command aims to avoid confusion and conflicts in instructions.</p> <p>(a) Statement I is true and II is false</p> <p>(b) Statement II is true and I is false.</p> <p>(c) Both the statements are false.</p> <p>(d) Both the statements are true</p>	

Answer Scheme

1	b . Unity of Direction	
2	b) Motion study	
3	d)All the above	
4	b)Unity of commend	
5	c. Discipline	
6	b) Centralisation and decentralisation	
7	b) gang Boss	
8	A) cooperation not individualism	
9	c) Authority and Responsibility	
10	(a)Harmony not Discord	
11	(c)Assertion (A) is true and Reason (R) is false	
12	c)) Principle of Initiative	
13	(a)Harmony,not Discord	
14	(b) Motion study	
15	b) Esprit De Crops	
16	(a)1-d,2-a,3-b,4-c	
17	c) Principle of Order	
18	Both A and R are correct, and R is the correct explanation of A.	
19	B) Both Statement 1 and Statement 2 are correct.	
20	(b) Statement II is true and I is false.	

CHAPTER-3

BUSINESS ENVIRONMENT

Q.No.	Questions
1	<p>Which of the following is an example of social environment?</p> <p>a. Consumer Protection Act b. Status of women in society c. Money Supply in economy d. The Constitution of India</p>
2	<p>“It becomes difficult to comprehend the business environment as it consists of numerous interrelated and dynamic conditions or forces which arise from different sources.”</p> <p>Identify the feature of business environment discussed here:</p> <p>a. Dynamic b. Inter-relatedness c. Complexity d. Uncertainty</p>
3	<p>Which of the following will not be specific force that affects the business?</p> <p>a. Customer b. Legal Environment c. Supplier d. Competitors</p>
4	<p>“Nokia failed to take advantage of the Android bandwagon and remained stubborn when other manufacturers were improving their smartphones.”</p> <p>Which dimension of business environment is ignored by Nokia?</p> <p>a. Social b. Technological c. Economic d. Legal</p>
5	<p>Identify the importance of business environment in the picture given below:</p> <div style="text-align: center;"> </div> <p>a. It enables the firm to identify opportunities and getting the first mover advantage. b. It helps in coping with rapid changes c. It helps in tapping useful resources d. It helps in assisting in planning and policy formulation</p>

6	<p>Assertion:The business environment is the sum total of all the external force Reason:The different elements of the business environment are closely interrelated.</p> <p>Which of the following statement is correct?</p> <p>a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A). b) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A). c) Assertion (A) is true but Reason (R) is False d) Assertion (A) is false but Reason (R) is True</p>
7	<p>“Planned Outlay in public and private sector” is a component of:</p> <p>a. Economic Environment b. Social Environment c. Political Environment d. Legal Environment</p>
8	<p>‘Legal Environment’ of business does not include:</p> <p>a. Several acts passed by government. b. Court judgements. . . .” c. Statutory warnings prescribed under law. d. Foreign policy of government</p>
9	<p>According to the United Nations Environmental Agency, the world produces around 300 million tons of plastic each year, half of which constitutes single-use items. Ford is recycling over one billion plastic bottles every year to develop elements of the car’s interior, reducing the amount of plastic ending up in a landfill. The American car maker has revealed that their Romanian-built EcoSport SUVs’ carpets are made using 470 recycled single-use plastic bottles. The process for making Ford EcoSport carpets involves shredding bottles and their caps into tiny flakes and then heating them to 260° C.</p> <p>Identify the related dimension of business environment.</p> <p>(a) Economic dimension (b) Social dimension (c) Technological dimension (d) Political dimension</p>

10	<p>Assertion:Food Safety and Standards (Packaging and Labelling) Regulations, 2011, along with specific regulations.issued following labelling requirement:</p> <p>A statement, "IMPORTANT NOTICE : MOTHER’S MILK IS BEST FOR YOUR BABY," must be included in capital letters with text no smaller than five millimeters on the front of the package of Infant food.</p> <p>Reason:This constraint is levied by Social Environment.</p> <p>Which of the following statement is correct?</p> <p>a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A). b) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A). c) Assertion (A) is true but Reason (R) is False d) Assertion (A) is false but Reason (R) is True</p>
11	<p>‘Government decided to give subsidy to jute industry to promote this business’Identify the dimension of business in quoted lines:</p> <p>a.Political b.Social c.Legal d.Economic</p>
12	<p>Assertion (A): Demand for sarees may be fairly high in India whereas it may be almost non-existent in France. Reason (R): Business Environment consists of numerous interrelated and dynamic conditions of forces that arise from different sources. Alternatives:</p> <p>a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A). b) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A). c) Assertion (A) is true but Reason (R) is False d) Assertion (A) is false but Reason (R) is True</p>

13	<p>Statement I: 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.</p> <p>Statement II: Business Environment helps the firm in tapping useful resources</p> <p>Chose the correct option:</p> <p>a. Both statements are correct. b. Statement I is correct but Statement II is incorrect c. Statement II is correct but Statement I is incorrect d. Both Statements are incorrect.</p>
	<p style="text-align: center;">CASE BASED QUESTION</p> <p>On 8 November 2016, the Government of India announced the demonetisation of all ₹500 and ₹1,000 banknotes of the Mahatma Gandhi Series. It also announced the issuance of new ₹500 and ₹2,000 banknotes in exchange for the demonetised banknotes. Prime Minister Narendra Modi said that this decision would curtail the shadow economy, increase cashless transactions and reduce the use of illicit and counterfeit cash to fund illegal activity and terrorism</p> <p>Demonetisation drive has impacted the Indian businesses directly or indirectly in terms of impact on demand but the impact of demonetisation is majorly seen on small businesses as these are highly driven by cash transactions.</p> <p>The labour-intensive sectors mainly agriculture and construction sector have been impacted since a major portion of transactions involve cash for the purchase of raw materials and payment to daily wage labourers.</p> <p>MSMEs sector has been impacted significantly as the sector is majorly driven by the contractual and daily wage work force and most of the mobile work force don't have their bank accounts at the place of their working.</p>
14	<p>Which of the following statements is correct?</p> <p>a. Demonetisation results in increased private wealth. b. Demonetisation increased the real estate prices. c. Demonetisation reduced the Bank deposits. d. Demonetisation reduced the cash transactions in economy.</p>
15	<p>Which business dimensions are specified in above case ?</p> <p>a. Political and Social b. Economic and Political c. Political and legal d. Political and Technological</p>
16	<p>Which feature of business environment is reflected in above case?</p> <p>a. Uncertainty b. Dynamic c. Complexity d. Inter-relatedness</p>

17	<p>Rate of savings and investment:Economic:: Expectations from work force:?</p> <p>a.Legal b.Political c.Social d.Technological</p>
18	<p>Which of the following statements is correct?</p> <p>a.During Demonetisation tax collection declined due to decrease in private wealth. b.Business Environment consist of specific forces only c.Consumption habits is a part of Social Environment. d.Literacy rate is a part of economic environment.</p>
19	<p>Proper understanding of business environment is not a prerequisite for</p> <p>(a) tapping of useful resources. (b) identification of opportunities and threats. (c) formulation of strategies. (d) better coordination of employee efforts.</p>
20	<p>Which one of the following is not a feature of business environment?</p> <p>(a) Uncertainty (b) Inter-relatedness (c) Complexity (d) Stability</p>

CHAPTER: 4

PLANNING

Case 1:

Case Study

XYZ Ltd. is a manufacturing company producing gadgets. The company wants to expand its market share by launching a new product. The management has set a goal to increase sales by 20% in the next year. They have laid down specific activities, allocated resources, and communicated these plans to employees.

Questions:

1. Which step of the planning process is reflected when XYZ Ltd. sets a goal to increase sales by 20%?
 - (a) Setting Objectives
 - (b) Developing Premises
 - (c) Identifying Alternative Courses of Action
 - (d) Follow-Up Action

Answer: (a) Setting Objectives

Explanation: Setting objectives is the first step in planning, where goals are defined.

2. Identifying potential methods for achieving the 20% sales increase falls under which step of planning?
 - (a) Evaluating Alternative Courses
 - (b) Developing Premises
 - (c) Identifying Alternative Courses of Action
 - (d) Follow-Up Action

Answer: (c) Identifying Alternative Courses of Action

Explanation: This step involves exploring different strategies or plans to achieve the objective.

3. What type of plan is being developed by XYZ Ltd. to achieve the sales increase?
 - (a) Operational Plan
 - (b) Strategic Plan
 - (c) Tactical Plan
 - (d) Contingency Plan

Answer: (b) Strategic Plan

Explanation: A strategic plan is made to achieve long-term goals like expanding market share.

Case 2:

Case Study

ABC Enterprises manufactures electronic items. The management decided to produce eco-friendly gadgets, anticipating stricter government regulations on pollution control in the future.

Questions:

4. The anticipation of stricter regulations represents which feature of planning?
 - (a) Planning is Futuristic
 - (b) Planning is Continuous
 - (c) Planning Involves Decision-Making
 - (d) Planning is Goal-Oriented

Answer: (a) Planning is Futuristic

Explanation: Planning focuses on predicting future events and aligning decisions accordingly.

5. What is the limitation of planning highlighted when government regulations change unexpectedly?
- (a) Time-Consuming Process
 - (b) Planning Reduces Creativity
 - (c) Planning Leads to Rigidity
 - (d) Planning May Not Work in a Dynamic Environment

Answer: (d) Planning May Not Work in a Dynamic Environment

Explanation: Planning may fail if external circumstances change rapidly.

Case 3:

Case Study

To streamline its operations, LMN Pvt. Ltd. decided to set up a standard operating procedure for inventory management.

Questions:

6. The standard operating procedure for inventory management is an example of which type of plan?
- (a) Policy
 - (b) Rule
 - (c) Method
 - (d) Strategy

Answer: (c) Method

Explanation: A method is a standard way of performing a task to ensure uniformity and efficiency.

7. Which characteristic of planning ensures that inventory operations are aligned with the organization's objectives?
- (a) Planning is Goal-Oriented
 - (b) Planning is Continuous
 - (c) Planning is a Mental Exercise
 - (d) Planning Reduces Uncertainty

Answer: (a) Planning is Goal-Oriented

Explanation: Planning ensures activities are aligned with organizational goals.

Case 4:

Case Study

DEF Ltd. prepared a contingency plan to deal with potential disruptions in the supply chain caused by natural calamities.

Questions:

8. Contingency plans address which limitation of planning?
- (a) Planning Reduces Creativity
 - (b) Planning is a Costly Affair
 - (c) Planning May Not Work in a Dynamic Environment
 - (d) Planning Leads to Rigidity

Answer: (c) Planning May Not Work in a Dynamic Environment

Explanation: Contingency planning prepares for unexpected changes in the environment.

9. Which type of plan focuses on preparing for emergencies?

- (a) Policy
- (b) Contingency Plan
- (c) Strategy
- (d) Rule

Answer: (b) Contingency Plan

Explanation: Contingency plans are backup plans for unforeseen situations.

Case 5:

Case Study

GHI Ltd. aims to improve its customer satisfaction score by 15% by providing faster delivery and enhanced after-sales services.

Questions:

10. What type of plan focuses on customer satisfaction and after-sales services?

- (a) Strategic Plan
- (b) Operational Plan
- (c) Tactical Plan
- (d) Policy

Answer: (b) Operational Plan

Explanation: Operational plans detail day-to-day activities to achieve specific short-term goals.

11. Evaluating if faster delivery is feasible for GHI Ltd. reflects which step of the planning process?

- (a) Developing Premises
- (b) Evaluating Alternative Courses
- (c) Identifying Alternative Courses of Action
- (d) Follow-Up Action

Answer: (b) Evaluating Alternative Courses

Explanation: This step involves assessing the viability of different options.

General Questions:

12. Which of the following is NOT a feature of planning?

- (a) Planning is Pervasive
- (b) Planning Involves Guesswork
- (c) Planning is Goal-Oriented
- (d) Planning is Continuous

Answer: (b) Planning Involves Guesswork

Explanation: Planning is based on rational decision-making, not guesswork.

13. What is the first step in the planning process?

- (a) Setting Objectives
- (b) Developing Premises
- (c) Identifying Alternative Courses of Action
- (d) Follow-Up Action

Answer: (a) Setting Objectives

Explanation: Planning starts with defining clear goals.

14. Which type of plan is rigid and must be followed strictly?

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

- (d) Objective

Answer: (a) Rule

Explanation: Rules are strict guidelines with no flexibility.

15. Why is planning called a mental exercise?

- (a) It requires physical effort.
- (b) It involves cognitive processes like decision-making and problem-solving.
- (c) It is an emotional activity.
- (d) It does not require thinking.

Answer: (b) It involves cognitive processes like decision-making and problem-solving.

Explanation: Planning requires foresight, logical thinking, and analysis.

Case 6:

Case Study

RST Ltd. set a target to increase its production by 50% within the next two years. The management identified two methods to achieve this: purchasing new machinery or outsourcing some production. They also evaluated the financial feasibility of each option before deciding to purchase new machinery.

Questions:

16. Evaluating the financial feasibility of options falls under which step of the planning process?

- (a) Setting Objectives
- (b) Evaluating Alternative Courses
- (c) Developing Premises
- (d) Follow-Up Action

Answer: (b) Evaluating Alternative Courses

Explanation: This step involves assessing the advantages and disadvantages of each option before making a decision.

17. The decision to purchase new machinery represents which step of the planning process?

- (a) Follow-Up Action
- (b) Selecting the Best Alternative
- (c) Developing Premises
- (d) Setting Objectives

Answer: (b) Selecting the Best Alternative

Explanation: This step involves choosing the most suitable course of action from the alternatives.

18. What limitation of planning might arise if unforeseen technological developments make the new machinery obsolete?

- (a) Planning Leads to Rigidity
- (b) Planning is a Time-Consuming Process
- (c) Planning May Not Work in a Dynamic Environment
- (d) Planning Reduces Creativity

Answer: (c) Planning May Not Work in a Dynamic Environment

Explanation: Planning can fail if external factors, like technological advancements, change rapidly.

Case 7:

Case Study

A school principal decided to introduce new teaching methods to improve students' academic

performance. She planned a series of training workshops for teachers and allocated funds for the program.

Questions:

19. Allocating funds for the program is an example of which step in the planning process?

- (a) Setting Objectives
- (b) Organizing Resources
- (c) Developing Premises
- (d) Implementation of Plans

Answer: (b) Organizing Resources

Explanation: Allocating funds and resources ensures the availability of means to implement plans.

20. Planning workshops to train teachers reflects which type of plan?

- (a) Strategic Plan
- (b) Policy
- (c) Tactical Plan
- (d) Rule

Answer: (c) Tactical Plan

Explanation: Tactical plans focus on specific areas, such as training, to support overall strategies.

Case 8:

Case Study

PQR Ltd. decided to reduce waste in production by 25%. The company introduced a set of guidelines for employees to follow during manufacturing processes to minimize waste.

Questions:

21. The set of guidelines introduced by PQR Ltd. is an example of which type of plan?

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

Answer: (b) Policy

Explanation: A policy is a general guideline to decision-making, ensuring consistent action.

22. Setting the target to reduce waste by 25% represents which type of plan?

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

Answer: (c) Objective

Explanation: Objectives are specific, measurable targets to be achieved within a timeframe.

Case 9:

Case Study

XYZ Ltd. established a contingency plan to address potential delays in the supply of raw materials caused by a supplier strike.

Questions:

23. Which step of the planning process is demonstrated by preparing for potential delays?

- (a) Setting Objectives

- (b) Developing Premises
- (c) Follow-Up Action
- (d) Identifying Alternative Courses of Action

Answer: (b) Developing Premises

Explanation: Developing premises involves anticipating future scenarios that might impact plans.

24. The contingency plan prepared by XYZ Ltd. is intended to address which type of situation?

- (a) Routine Situation
- (b) Critical Situation
- (c) Emergency Situation
- (d) Predictable Situation

Answer: (c) Emergency Situation

Explanation: Contingency plans are specifically made to tackle unexpected or emergency situations.

CHAPTER: 5

ORGANISING

Case Study 1:

Case: A large manufacturing company has recently decided to divide its activities into departments such as production, marketing, finance, and human resources. Each department has specific responsibilities and goals to achieve.

Questions:

1. **Which principle of organizing is being followed in the case?**

- a) Division of Work
- b) Scalar Chain
- c) Equity
- d) Unity of Command

Answer: a) Division of Work

Explanation: The company is dividing its activities into departments based on specialized tasks, reflecting the principle of division of work.

2. **What type of organizational structure is evident in the case?**

- a) Divisional Structure
- b) Functional Structure
- c) Matrix Structure
- d) Network Structure

Answer: b) Functional Structure

Explanation: The activities are grouped into functions such as production, marketing, etc., indicating a functional structure.

Case Study 2:

Case: A retail chain with stores across India delegates decision-making authority to store managers to handle day-to-day operations and local marketing strategies.

Questions:

3. **What type of organizational structure does this reflect?**

- a) Centralized
- b) Decentralized
- c) Divisional
- d) Functional

Answer: b) Decentralized

Explanation: Decision-making authority is given to store managers, reflecting decentralization.

4. **What is the benefit of decentralization as seen in this case?**

- a) Faster decision-making
- b) Increased workload on top management

- c) Lack of coordination
- d) Uniformity in decisions

Answer: a) Faster decision-making

Explanation: Local managers can address store-specific issues promptly, enhancing efficiency.

Case Study 3:

Case: ABC Ltd. operates in multiple product lines, including electronics, furniture, and clothing. Each product line has its own production, marketing, and sales team.

Questions:

5. **Which organizational structure is being followed?**

- a) Functional Structure
- b) Divisional Structure
- c) Matrix Structure
- d) Network Structure

Answer: b) Divisional Structure

Explanation: The company groups activities based on product lines, indicating a divisional structure.

6. **What is one major advantage of this structure?**

- a) Cost reduction due to specialization
- b) Product accountability
- c) Easy to coordinate across departments
- d) Centralized decision-making

Answer: b) Product accountability

Explanation: Each division focuses on a product, enhancing accountability and performance.

Case Study 4:

Case: A manager at XYZ Ltd. ensures that authority is delegated along with responsibility to ensure task completion.

Questions:

7. **Which principle of delegation is followed here?**

- a) Authority-Responsibility Parity
- b) Unity of Command
- c) Scalar Chain
- d) Division of Work

Answer: a) Authority-Responsibility Parity

Explanation: Authority and responsibility are balanced to avoid misuse or inability to complete tasks.

8. **What is the key benefit of delegation in this scenario?**

- a) Reduced accountability
- b) Employee empowerment

- c) Centralized control
- d) Conflict of authority

Answer: b) Employee empowerment

Explanation: Delegation allows employees to make decisions and feel empowered.

Case Study 5:

Case: A company's organizational chart shows a clear chain of command from the CEO to junior-level employees.

Questions:

9. **Which concept of organizing is being depicted?**

- a) Unity of Direction
- b) Scalar Chain
- c) Centralization
- d) Informal Organization

Answer: b) Scalar Chain

Explanation: A scalar chain represents a clear hierarchy in decision-making.

10. **What is one potential drawback of a strict scalar chain?**

- a) Faster communication
- b) Flexibility in decision-making
- c) Delay in communication
- d) Employee empowerment

Answer: c) Delay in communication

Explanation: Following a strict chain can cause delays in passing messages across levels.

Case Study 6:

Case: An IT firm forms a team of experts from different departments to work on a new product development project.

Questions:

11. **Which type of organizational structure is evident here?**

- a) Functional Structure
- b) Divisional Structure
- c) Matrix Structure
- d) Centralized Structure

Answer: c) Matrix Structure

Explanation: Employees from different departments work together, indicating a matrix structure.

12. **What is one challenge of this structure?**

- a) Reduced collaboration
- b) Dual reporting relationships

- c) Lack of expertise
- d) Centralized decision-making

Answer: b) Dual reporting relationships

Explanation: Employees report to both their functional and project managers, causing confusion.

More General MCQs:

13. Organizing helps in which of the following?

- a) Achieving objectives
- b) Creating conflict
- c) Increasing centralization
- d) Enhancing delays

Answer: a) Achieving objectives

Explanation: Organizing aligns resources to achieve objectives efficiently.

14. Which of the following is not a step in the process of organizing?

- a) Identification of activities
- b) Delegation of authority
- c) Supervision of employees
- d) Departmentalization

Answer: c) Supervision of employees

Explanation: Supervision is not part of organizing; it is a managerial function.

15. Span of control refers to:

- a) The number of levels in the hierarchy
- b) The number of subordinates under a manager
- c) The total workforce in an organization
- d) The degree of centralization

Answer: b) The number of subordinates under a manager

Explanation: Span of control measures how many people a manager directly oversees.

16. An informal organization arises due to:

- a) Official rules and regulations
- b) Personal relationships among employees
- c) Authority given by managers
- d) Division of work

Answer: b) Personal relationships among employees

Explanation: Informal organizations form through social interactions, not official rules.

17. The process of arranging resources to achieve objectives is known as:

- a) Organizing
- b) Planning
- c) Controlling
- d) Staffing

Answer: a) Organizing

Explanation: Organizing focuses on aligning resources with goals.

18. Which principle states that no one should report to more than one boss?

- a) Scalar Chain
- b) Unity of Command
- c) Unity of Direction
- d) Span of Control

Answer: b) Unity of Command

Explanation: Unity of command ensures clear authority and responsibility relationships.

19. Departmentalization can be done on the basis of:

- a) Function, Product, Territory
- b) Span of control, Scalar chain, Equity
- c) Goals, Strategy, Mission
- d) Centralization, Decentralization, Formalization

Answer: a) Function, Product, Territory

Explanation: These are common bases for grouping activities in departments.

20. One major disadvantage of functional structure is:

- a) Specialization
- b) Reduces workload
- c) Overemphasis on departmental goals
- d) Easy accountability

Answer: c) Overemphasis on departmental goals

Explanation: Departments may prioritize their goals over organizational objectives.

Case Study 7:

Case: XYZ Ltd. has multiple regional offices across India. To manage operations effectively, the company has set up specific departments for operations, finance, and marketing in each region. Each regional head is responsible for achieving the region's targets.

Questions:

21. What type of organizational structure is XYZ Ltd. using?

- a) Divisional Structure
- b) Functional Structure
- c) Matrix Structure
- d) Line Organization

Answer: a) Divisional Structure

Explanation: The organization is dividing its operations based on regions and creating departments within each division, a hallmark of the divisional structure.

22. What is one advantage of this organizational structure?

- a) Economies of scale
- b) Focus on specific regions
- c) Duplication of resources
- d) Reduced flexibility

Answer: b) Focus on specific regions

Explanation: Divisional structure ensures that regional needs are met effectively, leading to better focus and accountability.

Case Study 8:

Case: A company producing consumer goods delegates decision-making to department heads for production, marketing, and sales. However, the CEO retains authority for strategic decisions like expansion into new markets.

Questions:

23. Which aspect of organizing is highlighted in this case?

- a) Decentralization
- b) Formalization
- c) Centralization
- d) Informal Organization

Answer: a) Decentralization

Explanation: Department heads are given authority to make operational decisions, indicating decentralization.

24. Which level of management is responsible for operational decisions in this case?

- a) Top Management
- b) Middle Management
- c) Supervisory Management
- d) None of the above

Answer: b) Middle Management

Explanation: Middle management (department heads) handles operational decisions, while top management focuses on strategy.

Case Study 9:

Case: A pharmaceutical company has a production department responsible for manufacturing medicines. However, for new product development, a cross-functional team with members from R&D, marketing, and production is formed.

Questions:

25. What organizational structure is evident for new product development?

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

Answer: c) Matrix Structure

Explanation: A cross-functional team is formed, which is a characteristic of the matrix structure.

26. What is one drawback of this structure?

- a) Lack of specialization

- b) Conflicts due to dual authority
- c) Lack of accountability
- d) Rigidity in processes

Answer: b) Conflicts due to dual authority

Explanation: Employees in a matrix structure often report to both functional and project managers, leading to potential conflicts.

Case Study 10:

Case: ABC Ltd. is a construction company with multiple projects in different locations. Each project manager has full authority to manage their team and resources but must report to the head office for financial approvals.

Questions:

27. Which principle of organizing is violated if the project manager has to report to multiple superiors?

- a) Division of Work
- b) Unity of Direction
- c) Unity of Command
- d) Authority-Responsibility Parity

Answer: c) Unity of Command

Explanation: Unity of command states that an employee should report to only one boss to avoid confusion.

28. What type of authority is retained by the head office?

- a) Delegated Authority
- b) Centralized Authority
- c) Decentralized Authority
- d) Functional Authority

Answer: b) Centralized Authority

Explanation: Financial approvals are retained by the head office, indicating centralization.

Case Study 11:

Case: DEF Ltd. groups its activities into departments like production, sales, and HR. Each department head is responsible for achieving departmental goals. The sales department is further divided into domestic and international sales teams.

Questions:

29. Which type of departmentalization is followed by DEF Ltd.?

- a) Functional and Divisional
- b) Product and Territory
- c) Functional and Geographic
- d) Matrix and Divisional

Answer: c) Functional and Geographic

Explanation: The company is grouping by function (production, sales, HR) and geography (domestic and international sales).

30. What is one benefit of functional departmentalization in this case?

- a) Duplication of resources
- b) Specialization in tasks
- c) Difficulty in coordination
- d) Reduced accountability

Answer: b) Specialization in tasks

Explanation: Functional departmentalization leads to expertise and specialization within departments.

Case Study 12:

Case: A startup company relies heavily on informal networks among employees to complete tasks. Employees often take the initiative to help others without official instructions.

Questions:

31. What type of organization is evident here?

- a) Formal Organization
- b) Informal Organization
- c) Centralized Organization
- d) Matrix Organization

Answer: b) Informal Organization

Explanation: Tasks are completed through informal networks and mutual cooperation, characteristic of an informal organization.

32. What is a benefit of informal organization?

- a) Delayed decision-making
- b) Strict adherence to hierarchy
- c) Improved communication and relationships
- d) Lack of accountability

Answer: c) Improved communication and relationships

Explanation: Informal organizations foster better relationships and quick communication.

Case Study 13:

Case: GHI Ltd. emphasizes on training department heads to delegate effectively. Department heads are also trained to avoid micromanaging their subordinates after delegation.

Questions:

33. What is the main focus of GHI Ltd. in this case?

- a) Scalar Chain
- b) Delegation of Authority

- c) Unity of Direction
- d) Informal Organization

Answer: b) Delegation of Authority

Explanation: The company focuses on ensuring department heads delegate and avoid micromanagement.

34. What is one benefit of proper delegation in this scenario?

- a) Centralized control
- b) Employee empowerment
- c) Reduced workload for subordinates
- d) Decreased flexibility

Answer: b) Employee empowerment

Explanation: Delegation empowers employees to make decisions and take ownership of tasks.

Case Study 14:

Case: PQR Ltd. has created a formal chart showing the hierarchy of authority and relationships among employees. It ensures every employee knows their superior and subordinates.

Questions:

35. What type of organization is being described?

- a) Formal Organization
- b) Informal Organization
- c) Decentralized Organization
- d) Centralized Organization

Answer: a) Formal Organization

Explanation: The hierarchical chart and defined relationships indicate a formal organization.

36. What is one limitation of a formal organization?

- a) Clearly defined roles
- b) Lack of creativity and flexibility
- c) Improved accountability
- d) Streamlined processes

Answer: b) Lack of creativity and flexibility

Explanation: Formal structures can be rigid, limiting creativity and adaptability.

CHAPTER: 6

STAFFING

Case 1: Recruitment Process

Case:

ABC Ltd. is expanding its business operations. To handle the increased workload, the company plans to hire additional employees. The HR department is evaluating various sources of recruitment.

1. **Which of the following is an internal source of recruitment?**
 - a. Campus recruitment
 - b. Promotions
 - c. Advertisements
 - d. Employment exchanges

Answer: b. Promotions

Explanation: Internal sources of recruitment include promotions and transfers within the organization.

2. **What is the main benefit of internal recruitment?**
 - a. It increases organizational costs.
 - b. It motivates existing employees.
 - c. It limits the talent pool.
 - d. It increases time-to-hire.

Answer: b. It motivates existing employees.

Explanation: Internal recruitment boosts employee morale and motivation as it provides opportunities for growth.

Case 2: Training and Development

Case:

XYZ Ltd. conducted a training program for new recruits in its IT department to improve their technical skills. The company also focuses on leadership development for its managers.

3. **Which of the following is an example of on-the-job training?**
 - a. Classroom lectures
 - b. Job rotation
 - c. Case study discussions
 - d. Simulation

Answer: b. Job rotation

Explanation: On-the-job training involves employees learning through hands-on experience, such as job rotation or apprenticeships.

4. **What type of training focuses on preparing employees for higher responsibilities?**
 - a. Induction training
 - b. Vestibule training
 - c. Developmental training
 - d. Orientation training

Answer: c. Developmental training

Explanation: Developmental training prepares employees for leadership roles and higher responsibilities.

Case 3: Selection Process

Case:

A leading consultancy firm follows a multi-stage selection process, starting with preliminary interviews, followed by tests, and finally, an interview with top management.

5. **Which step in the selection process helps verify a candidate's educational and professional background?**
- a. Screening
 - b. Reference check
 - c. Medical examination
 - d. Final interview

Answer: b. Reference check

Explanation: A reference check involves verifying the authenticity of a candidate's credentials.

6. **Which of the following is NOT part of the selection process?**
- a. Recruitment
 - b. Interview
 - c. Medical examination
 - d. Screening

Answer: a. Recruitment

Explanation: Recruitment is the process of attracting candidates, while selection involves choosing the right candidate.

Case 4: Human Resource Planning

Case:

PQR Ltd. forecasts the demand for employees for the next five years based on projected sales and expansion plans.

7. **What is the main objective of human resource planning?**
- a. To increase market share
 - b. To ensure the right number of employees
 - c. To reduce training expenses
 - d. To expand product lines

Answer: b. To ensure the right number of employees

Explanation: HR planning ensures that the organization has the right number and type of employees to meet its goals.

8. **Which of the following is a step in human resource planning?**
- a. Estimating workforce demand
 - b. Advertising vacancies

- c. Negotiating salaries
- d. Conducting performance appraisals

Answer: a. Estimating workforce demand

Explanation: HR planning involves estimating future workforce requirements based on organizational objectives.

Case 5: Motivation in Staffing

Case:

The management of UVW Ltd. uses both monetary and non-monetary incentives to retain talented employees.

9. **Which of the following is a monetary incentive?**
- a. Job enrichment
 - b. Recognition
 - c. Bonus
 - d. Flexible working hours

Answer: c. Bonus

Explanation: Monetary incentives include financial rewards such as bonuses, commissions, and pay hikes.

10. **Which of the following is a non-monetary incentive?**
- a. Commission
 - b. Salary increment
 - c. Promotion opportunities
 - d. Profit-sharing

Answer: c. Promotion opportunities

Explanation: Non-monetary incentives include growth opportunities, job security, and recognition.

Case 6: Employment Tests

Case:

XYZ Bank conducts written tests to assess the aptitude and reasoning abilities of candidates applying for clerical positions.

11. **Which type of test evaluates a candidate's ability to perform specific tasks?**
- a. Aptitude test
 - b. Skill test
 - c. Personality test
 - d. Interest test

Answer: b. Skill test

Explanation: Skill tests measure a candidate's proficiency in performing specific job-related tasks.

12. **Which test is used to assess a candidate's emotional stability?**
- a. Psychological test
 - b. Physical test

- c. Personality test
- d. Proficiency test

Answer: c. Personality test

Explanation: Personality tests evaluate traits such as emotional stability, adaptability, and attitude.

Case 7: External Recruitment

Case:

LMN Ltd. hires a recruitment agency to fill senior-level vacancies in its organization.

13. Which external source of recruitment involves hiring through placement agencies?

- a. Employment exchanges
- b. Direct recruitment
- c. Private placement agencies
- d. Casual callers

Answer: c. Private placement agencies

Explanation: Placement agencies help organizations hire candidates for specific roles.

14. What is the benefit of using external recruitment sources?

- a. It reduces recruitment costs.
- b. It limits the talent pool.
- c. It brings in new ideas and skills.
- d. It minimizes employee grievances.

Answer: c. It brings in new ideas and skills.

Explanation: External recruitment introduces fresh talent and perspectives to the organization.

Case 8: Staffing Importance

Case:

Staffing ensures that the right individuals are placed in the right jobs, leading to organizational efficiency.

15. Which of the following highlights the importance of staffing?

- a. Optimal use of resources
- b. Increased market competition
- c. Reduction in training needs
- d. Improved product quality

Answer: a. Optimal use of resources

Explanation: Staffing ensures the best use of human resources, leading to efficiency and productivity.

16. What is a direct benefit of effective staffing?

- a. Better inventory management
- b. Enhanced employee satisfaction
- c. Reduced advertising costs
- d. Increased labor turnover

Answer: b. Enhanced employee satisfaction

Explanation: Effective staffing aligns employees' roles with their skills, leading to job satisfaction.

Case 9: Delegation and Staffing

Case:

In ABC Ltd., managers delegate authority to subordinates to focus on strategic decision-making.

17. What is a benefit of delegation in staffing?

- a. Reduces employee accountability
- b. Increases managerial workload
- c. Encourages employee development
- d. Decreases work efficiency

Answer: c. Encourages employee development

Explanation: Delegation empowers employees, enhancing their skills and confidence.

18. Which principle is followed when authority is delegated?

- a. Unity of direction
- b. Scalar chain
- c. Parity of authority and responsibility
- d. Unity of command

Answer: c. Parity of authority and responsibility

Explanation: Authority delegated should match the responsibility assigned.

Case 10: Recruitment Policy

Case:

A company implements a recruitment policy prioritizing internal candidates for job openings. External candidates are considered only when no internal options are available.

19. What is the major drawback of relying solely on internal recruitment?

- a. It increases recruitment costs.
- b. It restricts the pool of talent.
- c. It demotivates current employees.
- d. It disrupts teamwork.

Answer: b. It restricts the pool of talent.

Explanation: Internal recruitment limits opportunities to find fresh talent and new ideas.

20. Which method of internal recruitment is NOT commonly used?

- a. Transfers
- b. Promotions
- c. Employee referrals
- d. Retirement

Answer: d. Retirement

Explanation: Retirement is not a method of internal recruitment; it typically reduces the workforce.

Case 11: Selection and Placement

Case:

DEF Ltd. uses psychometric tests and interviews to assess candidates for managerial roles and places them in appropriate positions based on their skills.

21. What is the purpose of placement in the staffing process?

- a. To eliminate unsuitable candidates
- b. To assign employees to the right job
- c. To train new recruits
- d. To appraise employee performance

Answer: b. To assign employees to the right job

Explanation: Placement ensures that employees are assigned to roles that match their skills and qualifications.

22. Which test is most relevant for assessing candidates' managerial skills?

- a. Physical ability test
- b. Personality test
- c. Trade test
- d. Intelligence test

Answer: d. Intelligence test

Explanation: Intelligence tests measure problem-solving abilities and decision-making skills essential for managerial roles.

CHAPTER- 7
DIRECTING

<p>Q.1.</p>	<p>A process of an element of Directing function has been shown here in this picture? Identify the element.</p> <div style="text-align: center;"> <pre> graph TD A[Unsatisfied Need] --> B[Tension] B --> C[Drives] C --> D[Search Behaviour] D --> E[Satisfied Need] E --> F[Reduction of Tension] </pre> </div> <p>a) Motivation b) Communication c) Supervision d) Leadership</p>
<p>Q.2.</p>	<p>Directing is necessary at the _____ level of management.</p> <p>(a) Top (b) Lower (c) Middle (d) All</p>
<p>Q.3.</p>	<p>_____ is not included in Directing.</p> <p>(a) Planning (b) Leadership (c) Communication (d) Motivation</p>
<p>Q.4.</p>	<p>Which of the following is not an assumption of Maslow's theory?</p> <p>(a) People's behavior is not based on their needs. (b) Satisfaction of such needs influences their behavior. (c) A satisfied need can no longer motivate a person; only next higher level need can motivate him. (d) A person moves to the next higher level of the hierarchy only when the lower need is satisfied.</p>
<p>Q.5.</p>	<p>What is the name of the need which makes an individual to take his ability to the highest level?</p> <p>(a) Esteem Need (b) Self Actualisation Need (c) Security Need (d) All the above</p>
<p>Q.6</p>	<p>What type of financial motivation helps the employees in satisfying one of the following needs?</p> <p>(a) Physiological (b) Security (c) Physiological and Security (d) Esteem</p>

Q.7.	Which of the following needs of the employees are satisfied by the non- financial motivation ? (a) Social (c) Self-Actualisation	(b) Esteem (d) All the above.
Q.8.	person who has the ability to influence others is called _____ . (a) Leader (c) Chief Manager	(b) Manager (d) Supervisor
Q.9.	Which of the following leadership styles has the speciality of centralized authority ? (a) Autocratic leadership style (b) Democratic leadership style (c) Free-rein leadership style (d) None of the above	
Q.10.	From which of the following leadership styles yields the advantage of high-level motivation ? (a) Autocratic leadership style (b) Democratic leadership style (c) Free-rein leadership style (d) None of the above	
Q.11	Which of the following is not a feature of leadership? (a) It shows ability of an individual to influence others. (b) It leads to achievement of organizational goals. (c) Leadership is one-time process. (d) It leads to desired change in the organization.	
Q.12	Loss of letter during the process of communication is the example of _____ . (a) Decoding (c) Encoding	(b) Message (d) Noise
Q.13	‘Wrong interpretation of message’ - what type of communication barrier is it? (a) Semantic (c) Organisational	(b) Emotional (d) Personal
Q.14	The presence of more managerial levels - what type of communication barrier is it ? (a) Semantic (c) Organisational	(b) Emotional (d) Personal
Q.15	Which of the following is the personal communication barrier? (a) Fear of challenge to authority (c) Unclarified Assumptions	(b) Organisational Policies (d) Premature Evaluation
Q.16	Consider the image: On the occasion of the Founders Day of the firm, Atharv was felicitated with the certificate of best performer as a Business Development Manager. Identify the type of incentive being described in the above pictures.	



- (a) Career advancement opportunities
- (b) Employee recognition program
- (c) Organisational climate
- (d) Job security

Q.17	<p>There are two statements marked as Assertion (A) and Reason (R). Read the statements and choose the appropriate option from the options given below;</p> <p>Assertion (A) Directing involves motivation and encourages the employees to perform the tasks assigned to them.</p> <p>Reason (R) Controlling involves comparison of current performance of the employees with the established standards.</p> <p>Choose one of the correct alternatives given below:</p> <ul style="list-style-type: none"> (a) Both Assertion (A) and Reason(R) are true and Reason (R) is correct explanation of Assertion (A) (b) Both Assertion (A) and Reason(R) are true but Reason (R) is not the correct explanation of Assertion (A) (c) Assertion (A) is true but Reason(R) is false (d) Assertion (A) is false but Reason(R) is true 				
Q.18	<p>As the general manager of an e-commerce company, Gagan maintains good interpersonal relations with followers and also motivates them to contribute for ‘ achieving organizational goals’. Identify the concept being described in the above lines.</p> <ul style="list-style-type: none"> (a) Supervision (b) Communication (c) Determination (d) Leadership 				
Q.19	<table style="width: 100%; border: none;"> <thead> <tr> <th style="text-align: center; width: 50%; border: none;">A</th> <th style="text-align: center; width: 50%; border: none;">B</th> </tr> </thead> <tbody> <tr> <td style="border: none; vertical-align: top;"> I. Employee Recognition Programmed ii. Organizational Climate of the issues iii. Bonus performance iv. Employee Participation salary </td> <td style="border: none; vertical-align: top;"> a. Individual autonomy, reward orientation and consideration to employees are some of its examples b. Involving employees in decision making related to them c. Congratulating the employees for good d. It is an incentive offered over and above the </td> </tr> </tbody> </table> <ul style="list-style-type: none"> (a) i-b ii-d, iii-a, iv-c (b) i -c, ii -a , iii -d ,iv -b (c) i-a, ii-c, iii-b, iv-d (d) i-d, ii-b, iii-c, iv-a 	A	B	I. Employee Recognition Programmed ii. Organizational Climate of the issues iii. Bonus performance iv. Employee Participation salary	a. Individual autonomy, reward orientation and consideration to employees are some of its examples b. Involving employees in decision making related to them c. Congratulating the employees for good d. It is an incentive offered over and above the
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1.OrganisaTon barrier 2. psychological barrier relationship	a. Personal factors of both the sender and receiver may exert influence on effective communication b. factors related to organization structure, authority Etc. act as a barrier to effective communication				

	<p>3. personal barrier decoding</p> <p>4. Semantic barrier (a) i-b ii-d, iii-a, iv-c (b) i -c , ii -a , iii -d ,iv –b (c) i-a, ii-c, iii-b, iv-d (d) i-d, ii-b, iii-c, iv-a</p>	<p>c. Refers to obstructions in the process of encoding and of messages into words</p> <p>d Emotional factors act as a barrier to communicator</p>
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ANSWERS OF MCQS (01 MARKS)

Ans.1	a) Motivation
Ans.2	(d) All
Ans.3.	(a) Planning
Ans.4.	(a) People’s behavior is not based on their needs.
Ans.5.	(b) Self Actualisation Need
Ans.6	(c) Physiological and Security
Ans.7	(d) All the above.
Ans.8.	(a) Leader
Ans.9.	(a) Autocratic leadership style
Ans.10.	(c) Free-rein leadership style
Ans.11	(c) Leadership is one-time process.
Ans.12	(d) Noise
Ans.13	(a) Semantic
Ans.14	(c) Organisational
Ans.15	(a) Fear of challenge to authority
Ans.16	(b) Employee recognition program
Ans.17	(c) Assertion (A) is true but Reason(R) is false
Ans.18	(d) Leadership
Ans.19	(b) i -c, ii -a, iii -d, iv –b
Ans.20	(a) i-b ii-d, iii-a, iv-c

CHAPTER- 9

FINANCIAL MANAGEMENT

Q. NO	QUESTIONS
1	<p>Assertion: higher the lead time, the lower is amount of working capital requirement. Reasoning: if the raw material is available freely and continuously, then less working capital is needed as less inventory has to be maintained.</p> <p>(a) Both assertion and reason are true and reason is the correct explanation of assertion. (b) Both assertion and reason are true and reason is not the correct explanation of assertion. (c) Assertion is true but reason is false. (d) Assertion is false but reason is true</p>
2	<p>If a firm has growth opportunities, it should prefer giving</p> <p>(a) Low dividend (b) High dividend (c) Does not affect dividend decision (d) None of the above</p>
3	<p>If ICR is high, firm prefers</p> <p>(a) Debt (b) Equity (c) Both a and b (d) None of the above</p>
4	<p>Positive leverage effect brings</p> <p>(a) Gain for equity shareholders (b) Loss for equity shareholders (c) Both a and b (d) None of the above</p>
5	<p>A decision to acquire a new and modern plant to upgrade an old-one is a</p> <p>(a) Financing decision (b) Investment decision (c) Working capital decision (d) Dividend decision</p>
6	<p>Assertion (A): Capital budgeting decisions are very crucial and must be taken with utmost care. Reasoning (R): Investment decisions affect the earning capacity of the firm over the long run and are irreversible except at a huge cost.</p> <p>(a) Both assertion and reasoning are true and reason is the correct explanation of assertion. (b) Both assertion and reason are true and reason is not the correct explanation of assertion. (c) Assertion is true but reason is false. (d) Assertion is false but reason is true.</p>
7	<p>Higher working capital usually results in</p>

	<ul style="list-style-type: none"> (a) Higher current ratio, higher risk and higher profits (b) Lower current ratio, higher risk and profits (c) Higher equitably, lower risk and lower profits (d) Lower equitably, lower risk and higher profits
8	<p>Megha is planning to enter in the business of Herbal Shampoo. In the beginning she was thinking there are very few companies making Herbal Shampoo, but when she started selling her product, she realized that many companies are already in the business of selling herbal shampoo. Identify the factor affecting working capital in the above para</p> <ul style="list-style-type: none"> (a) Growth prospects (b) Nature of business (c) Level of competition (d) Business cycle fluctuation
9	<p>Financial planning arrives at</p> <ul style="list-style-type: none"> (a) Minimizing the external borrowing by resorting to equity issues. (b) Entering that the firm always have significantly more fund than required so that there is no paucity of funds. (c) Ensuring that the firm faces neither a shortage nor a glut of unusable funds. (d) Doing only what is possible with the funds that the firm has its disposal
10	<p>Higher dividends per share is associated with</p> <ul style="list-style-type: none"> (a) High earning, high cash flows, unstable earnings and higher growth opportunities (b) High earning, high cash flows, stable earnings and high growth opportunities (c) High earning, high cash flows, stable earnings and lower growth opportunities (d) High earning, low cash flows, stable earnings and lower growth opportunities
11	<p>Explain three factors affecting capital budgeting decision of a company.</p>
12	<p>Steelone enterprise is manufacturing high quality steel utensils. The demand for steel is rising as people are getting aware that plastic is not good for health. This has led to increase in the production of steel utensils. To encourage sales, Steelone Enterprises declared a liberal credit policy, which allows three months credit to its wholesale buyers.</p> <p>In the light of the above, identify the two factors affecting capital requirements of steelone enterprise. State with reason, whether the factors as identified above, will result in high or low working capital requirement.</p>
13	<p>Explain any three factors which affect the choice of capital structure of a company.</p>
14	<p>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 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.</p>

	Identify the financial concept discussed in the above paragraph. Also, state any two points of importance of the financial concept, so identified.												
15	<p>A company's earnings before interest and tax is 10 lac. It pays 10% interest on its debt. Total investment of company is 50 lac.</p> <ol style="list-style-type: none"> Advise company whether it should include debt or equity to raise its capital. Name the concept related to this and explain. Will the company's decision to raise funds from debt or equity will change if company's EBIT becomes 4 lac. 												
16	<p>Computer tech Ltd., is one of the leading information technology outsourcing services providers in India. The company provides business consultancy and outsourcing services to its clients. Over the past five years the company has been paying dividends at high rate to its shareholders. However, this year, although the earnings of the company are high, its liquidity position is not so good. Moreover, the company plans to undertake new ventures in order to expand its business.</p> <p>In context of the above case:</p> <ol style="list-style-type: none"> Give any three reasons because of which you think computer tech Ltd. has been paying dividends at high rate to its shareholders over the past five years. Comment upon the dividend policy of the company this year by stating any two reasons in support of your answer. 												
17	<p>"Smart stationery Ltd." wants to raise funds of Rs. 40, 00,000 for its new project. The management is considering the following mix of debt and equity to raise this amount:</p> <table border="1"> <thead> <tr> <th>Capital structure</th> <th>Alternative 1</th> <th>Alternative 2</th> <th>Alternative 3</th> </tr> </thead> <tbody> <tr> <td>equity</td> <td>40, 00,000</td> <td>30, 00,000</td> <td>10, 00,000</td> </tr> <tr> <td>debt</td> <td>0</td> <td>10, 00,000</td> <td>30, 00,000</td> </tr> </tbody> </table> <p>Other details are as follows: Interest rate on debt = 9% Face value of equity shares = Rs. 100 each Tax rate = 30% Earnings before interest and tax (EBIT) = Rs. 8,00,000</p> <ol style="list-style-type: none"> Under which of the three alternatives will the company be able to take advantage of trading on equity? Does earning per share always rise with increase in debt? 	Capital structure	Alternative 1	Alternative 2	Alternative 3	equity	40, 00,000	30, 00,000	10, 00,000	debt	0	10, 00,000	30, 00,000
Capital structure	Alternative 1	Alternative 2	Alternative 3										
equity	40, 00,000	30, 00,000	10, 00,000										
debt	0	10, 00,000	30, 00,000										
18	<p>Krishna Ltd. is manufacturing steel at its plant at Noida. Due to economic growth, the demand for steel is also growing. The company is planning to set up a new steel plant at Gurgaon. It needs Rs. 800 crore to start the new plant. It decides to raise Rs. 300 crore through debentures, Rs. 200 crore through long- term loan from banks and Rs. 200 crore by issue of equity share to the public. It decided to finance the remaining amount by utilizing its reserves and surplus.</p> <ol style="list-style-type: none"> State the importance of financial planning for this company. What is the capital structure of this company? Explain. Identify the financial decision involved when the company decides to raise Rs. 800 crore from different sources of funds. How will the dividend decision of Krishna Ltd. be affected? Explain. 												

19	Explain any six factors affecting the decision that determines the amount of profit earned to be distributed and to be retained in the business.
20	<p>“Viyo Ltd. is a company manufacturing textiles. It has a share capital of rupees 60 lakhs. The earning per share in the previous year was rupees 0.50. for diversification, the company requires additional capital of rupees 40 lakhs. The company raised funds by issuing 10% debentures for the same. During the current year the company earned profit of rupees 8 lakh on capital employed. It paid tax @40%.</p> <ol style="list-style-type: none"><li data-bbox="236 414 1481 504">a. State whether the shareholders gained or lost, in respect of earning per share on diversification. Show your calculation clearly.<li data-bbox="236 510 1481 600">b. Also, state any three factors that favor the issue of debentures by the company as part of its capital structure.

Q. NO	ANSWER
1	Assertion is false but reason is true
2	Low dividend
3	debt
4	Gain for equity shareholders
5	Investment decision
6	Both assertion and reasoning are true and reason is the correct explanation of assertion.
7	Higher current ratio, higher risk and higher profits
8	Level of competition
9	Ensuring that the firm faces neither a shortage nor a glut of unusable funds.
10	High earning, high cash flows, stable earnings and lower growth opportunities.
11	(a) Cash flow of the project (b) Return on investment (b) Investment criteria
12	(a) Nature of business (b) Credit allowed (c) Scale of operations
13	(a) Cash flow position (b) Interest coverage ratio (c) Debt service coverage ratio
14	Importance of Financial planning: a. It helps the company to prepare for the future by forecasting what may happen in the future under different business situations. b. b. It provides a link between investment and financing decisions.
15	a. Company should prefer debt to raise fund as debt is gainful for equity shareholders till $ROI > \text{rate of interest}$ $ROI = (EBIT / \text{total income}) \times 100 = (10/50) \times 100 = 20\%$, interest = 10% $20\% > 10\%$ b. Financial leverage or trading on equity c. Yes company's decision will change if EBIT becomes 4Lakhs, because with 3 lakhs ROI will become less than interest. $ROI = (EBIT / \text{total income}) \times 100 = (4/50) \times 100 = 8\%$ Interest = 10%, $8\% < 10\%$ So, now company must prefer equity to raise capital.
16	a. Computer Tech Ltd. has been paying dividends at high rate to its shareholders over the past five years because of the following reasons: Earnings Cash flow position Access to capital market b. This year company is likely to follow a conservative dividend policy because of the following reasons: i. Cash flow position of the company is not good, and dividends are paid in cash ii. Company may like to retain profits to finance its projects.
17	a. Alternative 3 b. No, earning per share does not always rise with increase in debt.

18	<p>a. Financial planning will help the company in avoiding business shocks and surprises. It will reduce waste and duplication of efforts.</p> <p>b. Capital structure refers to the mix between owners' funds and borrowed funds. It is calculated as debt equity ratio.</p> <p>c. Financing decision</p> <p>d. Since the company have growth opportunities of setting up a new steel plant at Gurgaon, it retains Rs. 100 crore out of profits to finance the required investment. So, it is likely to pay less dividend. However, since the company makes more debt financing than funding through equity. It implies that cash flow position of the company is strong. Therefore it can pay higher dividend.</p>
19	<p>(i) Earnings (ii) Stability of earnings (iii) Cash flow position (iv) Growth opportunities (v) Preference of shareholders (vi) Taxation policy</p>
20	<p>a. Shareholders have gained after the issue of debentures since the earning per share has increased from Rs. 0.50 to Rs. 4.</p> <p>b. Factors that favor issue of debentures by the company:</p> <ul style="list-style-type: none"> i. A good cash flow position makes debt funding more valuable ii. High interest coverage ratio indicates better ability to meet the debt service obligations. iii. Lower the cost of debt, higher is the ability to employ debt.

CHAPTER- 10

FINANCIAL MARKET

1	<p>The full form of IPO is</p> <ul style="list-style-type: none">(a) Initial Public Offer(b) Initial Private Offer(c) Investment Purpose Opportunity(d) Integrated Public offer
2	<p>A _____ makes a direct appeal to investors to raise capital, through an advertisement in newspapers and magazines.</p> <ul style="list-style-type: none">(a) Article of Association(b) Memorandum of Association(c) Legal Letter(d) Prospectus
3	<p>When SEBI established as a statutory body?</p> <ul style="list-style-type: none">(a) 1978(b) 1995(c) 1988(d) 1992
4	<p>When was NSE recognised as Stock Exchange System?</p> <ul style="list-style-type: none">(e) Apr 1993(f) Sep1990(g) Mar1995(h) Sep 1992
5	<p>Ascertain (A): Financial market reduce the cost of transaction. Reason(R): It helps in saving time efforts and money.</p> <ul style="list-style-type: none">(a) (A)is correct and (R) is wrong(b) Both (A) and (R) are incorrect(c) (A) and (R) both are correct and (R) is the correct explanation of (A)(d) (A) is False but (R) is true
6	<p>Which is not a function of SEBI?</p> <ul style="list-style-type: none">(a) Regulatory function(b) Development function(c) Protective function(d) Administrative function
7	<p>What is share market?</p> <ul style="list-style-type: none">(a) An institution which provides a platform for buying and selling of existing securities.(b) An institution which provides only buying of existing securities.(c) An institution which provides only selling of existing securities.(d) None of the above.
8	<p>Ascertain (A): Financial Market providing liquidity to financial assets. Reason(R): Financial Markets are classified on the basis of Maturity of financial instruments.</p> <ul style="list-style-type: none">(a) (A) is correct and (R) is wrong(b) both (A) and (R) are incorrect

	<p>(c) both (A) and (R) are correct and (R) is the correct explanation of (A) (d) Both (A) and (R) are correct but (R) is not the correct explanation of (A)</p>
9	<p>What is call money? (a) Short term finance repayable on demand with a maturity period. (b) Long term finance with a maturity period (c) Long term money market (d) None of the above</p>
10	<p>Funds raised through commercial paper are used to meet the Floatation Costs. This is _____ (a) Capital Market (b) Bridge Financing (c) Money market (d) All of the above</p>
11	<p>_____ is the benchmark index of BSE. (a) Nifty (b) SENSEX (c) MCX (d) INX</p>
12	<p>The full form of NSDL is----- (a) National Stock Depository Ltd. (b) National Securities Depository Ltd. (c) National Services Development Ltd. (d) National safety Development Ltd.</p>
13	<p>Two major classifications of financial markets are (a) Money market and capital market (b) Primary market and secondary market (c) Debt market and Equity market (d) Whole sales market and retail market</p>
14	<p>Demat account is opened with (a) Depository participant (b) SEBI (c) RBI (d) NABARD</p>
15	<p>Madhusmita's father who was unwell, called her and gave her a gift packet. Madhusmita opened the packet and saw many crumpled share certificates inside. Her father told that they had been left behind by her Late Grandfather. As no trading is now done in physical form, Madhusmita wants to know the process by adopting which she is in a position to deal with these certificates. (ii) Identify and state the process. (iii) Also give two problems to Madhusmita about physical form of share certificates. (iv) Can shares be transferred in physical form.</p>
16	<p>Write down 4 objectives of SEBI?</p>
17	<p>A company require Rs .5crore for inventory, payment of wages, salaries, maintaining bank balance etc. Suggest which financial market company may approach and why?</p>

18	Explain the meaning and functions of a Stock Exchange?
19	<p>Arpita is a professor in a reputed business institute while explaining the procedure of Stock Exchange trading, she shared with her student that many years back she had bought 100 shares of a leading automobile company As per the settlement procedure she paid for the shares and received the share certificates in physical form .when she had sent those certificates to the company to get them endorsed in her name ,she was informed by the company that those certificates were duplicate. Therefore, in order to protect the investors from such malpractices, now only screen-based trading is done and Dematerialisation is compulsory.</p> <p>(i) What is screen Based trading</p> <p>(ii) Give the meaning of Dematerialisation. State any 2 advantages.</p>
20	What are the methods of Flootation in primary market?

ANSWER SCHEME

1	a) Initial Public offer
2	d) Prospectus
3	d)1992
4	a) Apr1993
5	c) (A)and (R) both are correct and (R) is the correct explanation of (A)
6	d) administrative function
7	a) An institution which provides a platform for buying and selling of existing securities.
8	d)Both (A) and (R) are correct but (R) is not the correct explanation of (A)
9	a) Short term finance repayable on demand with a maturity period
10	b) Bridge financing
11	b) SENSEX
12	b) National Securities Depository Limited
13	b) Primary market and secondary market
14	a) Depository participant
15	<p>(i)Dematerialisation -It is a process where securities hold by investors in physical form are cancelled and the investor giver an electronic entry or number so that she/he can hold it as an electronic balance in an account.</p> <p>(ii) problems with dealing in physical form</p> <ul style="list-style-type: none"> -Theft -Transfer delay <p>(iii)The shareholders who continue to hold shares and other types of securities of listed companies in physical form even after this date will not be able to lodge the shares for future transfer. They will need to convert them to demat form compulsorily if they wish to effect any transfer.</p>
16	<p>The overall objective of SEBI is to protect the interest of investors and to promote the development and regulate the securities markets. These are elaborated as follows:</p> <p>(i)To regulate stock exchanges and the securities industry to promote their orderly functioning.</p> <p>(ii)To protect the rights and interest of investors to guide and educate them. (iii)To prevent trading malpractices and achieve a balance between self-regulation and statutory regulation.</p> <p>(iv)To regulate and develop a code of conduct and fair practices by intermediaries.</p>
17	Money market is the market from where it can raise money to fulfil its requirement. The reason is company require money working capital i.e. maximum for one year and market for short term is money market.
18	<p>Meaning-</p> <p>According to securities contracts Regulation Act 1956 stock exchange means anybody of individuals whether incorporated or not, regulating or controlling the business of buying and selling in securities.</p> <p>Functions-</p> <p>1-Providing liquidity and marketability to existing securities -</p> <p>It is the creation of a continuous market where securities are bought and sold. This provides both liquidity and easy marketability to already existing securities in the market. 2-Pricing of securities</p> <p>-</p>

	<p>A stock exchange is mechanism of constant valuation through which the prices of securities are determined. Such a valuation provides instant information to both buyers and sellers in the market.</p> <p>3-Safety of transaction - The membership of a stock exchange is well regulated and it's dealings are well defined according to the existing legal framework.</p> <p>4-contribution to economic growth - A stock exchange is a market in which existing securities are resold and traded. This leads to capital formation and economic growth.</p> <p>5.Spreading of equity cult- The stock exchange can play a vital role in ensuring wider share ownership by regulating new issues, trading practices and taking effective steps about investments.</p> <p>6-Providing scope for speculation - The stock exchange provides sufficient scope within the provisions of law for speculative activity in a restricted and controlled manner. A certain degree of healthy speculation is necessary to ensure liquidity and price continuity.</p>
19	<p>a) Screen based trading - Form of trading that uses modern telecommunication and computer technology to combine information, transmission with trading in financial markets.</p> <p>b) Dematerialisation - It offers flexibility along with security. Holding share certificates in physical format carried risks like certificate forgery and loss of important share certificates. Two advantages- The risks pertaining to physical certificates like loss, theft, forgery and damage are eliminated completely with a DEMAT account. The lack of paper work enables quicker transactions and higher efficiency in trading. A DEMAT account holder can buy or sell any number of shares.</p>
20	<p>Following are the various methods through which floating of new issues can be done.</p> <p>(i) offer through prospectus - A prospectus is published as advertisements in newspaper, magazines etc. It provides such information as the purpose for which the fund is being raised, company's background and future prospect etc. such information helps the public and the investors to know about the company as well as the potential risk and the earnings involved.</p> <p>(ii) Offer through sale- Under this method the company doesn't issue securities directly to the public rather there issued through intermediaries as the face value to investing public.</p> <p>(iii) private placement - The securities are sold only to some selected individuals and big institutional investors rather than to the public. This method saves the company from various mandatory or non-mandatory expenses such as cost of manager fees, commission, underwriter fees etc. (iv)Rights issue- This is a privilege given to the existing shareholders to subscribe a new issue of shares according to the terms and condition of the company. The shareholders are offered the "RIGHT" to buy new shares.</p> <p>(v) e-IPOs-</p> <p>c) It is a system of issuing securities through online system. This is called Initial Public Offer (IPO). Company appoints brokers for accepting applications and placing orders .Company can apply to get listed in any stock market except from which it has already offered securities.</p>


CHAPTER 11

MARKETING MANAGEMENT

S.NO	QUESTIONS	MARKS
1	<p>Daniel and Andrew are two friends engaged in their respective businesses. Daniel concentrates on producing products that meet the needs of producers and sells whatever is produced by any means necessary. Andrew believes in achieving the firm's goals through understanding the needs of consumers and delivering the right products to them and constantly monitoring competitors. Which Marketing Management Philosophies do Daniel and Andrew adhere to in their businesses?</p> <p>(a) Product and Selling (b) Selling and Marketing (c) Marketing and Product (d) Production and Product</p>	1
2	<p>Ms. Arundhati, the CEO of Sunlife Ltd., is delivering a speech to a group of investors. She is emphasising the significance of the company's success and achievement, which relies on the support of customers, shareholders, suppliers, and intermediaries. She also discusses how establishing a positive association with these parties contributes to enhancing the company's public image in the market. What is the primary goal of Ms. Arundhati's speech?</p> <p>(a) to increase sales (b) to generate positive publicity (c) to improve the company's image (d) to build relationships with stakeholders</p>	1
3	<p>Statement I: Channel of distribution is important as goods are produced at one place and customers are scattered all over in the nook and corner of the country, so the producer needs to distribute the goods through middlemen. Statement II: Physical movement of goods is transportation of goods from place of production to place of ultimate consumption. Choose the correct option from the following:</p> <p>(a) Statement I is true and II is false (b) Statement II is true and I is false (c) Both the statements are true (d) Both the statements are false</p>	1
4	<p>Large scale production done to reduce the average cost of production is the essence of _____ concept of Marketing management.</p> <p>a) Product; b) Selling; c) Production; d) Marketing</p>	1
5	<p>Saumya decided to start a business of selling dress material from her house. She did various online surveys to find out about the preferences of prospective customers. Based on this, she prepared a detailed analysis of the business. She then made important decisions including deciding about the features, quality, packaging, labelling and branding of the dress material. Identify the element of Marketing Mix discussed above.</p> <p>(a) Promotion (b) Market (c) Product (d) Place.</p>	1

6	<p>Tomato Ltd., a food delivery service app has recently faced criticism for the tampering of their product, by their delivery boys. Tomato Ltd. decided to put a hologram seal on the food packets in order to protect the contents from spoilage, leakage, pilferage, damage, along with a tag with a safety warning for the consumers to check the seal. Which concept of marketing discussed above is 1 performing the important function of communicating with the potential buyer and promoting the sale.</p> <p>(a) Branding (b) Product designing and development (c) labelling (d) packaging</p>	1
7	<p>Read the following statements Assertion(A) and Reason(R). Choose one of the correct alternatives given below-</p> <p>Assertion(A)- The marketing concept strives to identify and meet the wants and requirements of customers in an efficient manner. Reason(R)- Products are purchased based on their quality and other attributes, according to the marketing theory</p> <p>(a) Both A and R are correct (b) A is correct R is incorrect (c) Both A and R are correct and R is the correct explanation of R (d) Both A and R are correct and R is not the correct explanation of R</p>	1
8	<p>Which of the following can be marketed?</p> <p>(a) Red Cross society persuading to donate blood. (b) Kerala Tourism persuading people to visit Kerala for health tourism. (c) Political parties persuading to vote for a particular candidate. (d) All of the above</p>	1
9	<p>Pragati Limited has chalked out an action plan in order to increase its market share in the international market by 20% in the next one year. The action plan contains the details about how the production levels will be increased, promotional activities will be carried out and so on. Identify the type of marketing function being described in the given lines.</p> <p>(a) Gathering and analysing market information (b) Marketing planning (c) Product designing and development (d) Packaging and labelling</p>	1
10	<p>Pranav has decided to start a business of manufacturing crockery and cutlery items. In order to give a unique identification to his products, he has decided to assign the brand name 'Elegan' as it will enable the firm to secure and control the market for its products. Identify the relative advantage of branding to the marketers being described in the above case.</p> <p>(a) Facilitates differential pricing (b) Ease in the launching of new products (c) Facilitates product differentiation (d) Assists in advertising and display programmes</p>	1
11	<p>Ria refused to buy an insulated lunch box for ₹1200 as she felt that the real worth of the product was much less than its monetary value. Identify the factor related to pricing decision being described in the given case.</p> <p>(a) Cost of the product</p>	1

	(b) The utility and demand (c) Government and legal regulations (d) Pricing objectives							
12	Kannu has decided to sell her range of organic food products through her own retail outlets. Identify the channel of distribution being adopted by the company. (a) Zero level channel (b) One level channel (c) Two level channel (d) Three level channel	1						
13	Mehak Limited has hired 300 salesmen who will be assigned the task of contacting prospective buyers and creating awareness about the new range of organic incenses introduced by the company. Identify the element of promotion been described in the given lines. (a) Advertising (b) Sales promotion (c) Personal selling (d) Public relation	1						
14	Which of the following statements is incorrect? (a) Marketing is a social process (b) Focus of the marketing activities is on customer needs (c) Marketing is merely a post production activity. (d) Marketing mix is a wider term than product mix.	1						
15	_____ is a process of classification of products into different groups on the basis of some important characteristics such as quality, size, etc. (a) Standardization (b) Grading (c) Product Development (d) Selling	1						
16	A person feeling hungry may get food by offering to give money or some other product or service in return to someone who is willing to accept the same for food. The important feature of marketing illustrated above is: (a) Exchange mechanism (b) Customer value (c) Creating a market offering (d) Needs and wants	1						
17	Style and Fit, a footwear manufacturing company has decided to offer 50 % off on all its products due to the fall in demand of its products as more efficient substitutes have been introduced in the market. Identify the pricing objective included by the firm which has made the firm resort to discounting its product. (a) Obtaining market share leadership (b) Surviving in the competitive market (c) Attaining product quality leadership (d) Protect the interest of public	1						
18	Match the following tools of promotion with their explanation and choose the correct option <table border="1" data-bbox="231 1854 1236 2016"> <tr> <td>A. It is undertaken by some identified person /company who makes efforts and bears the cost of it</td> <td>1</td> <td>Personal selling</td> </tr> <tr> <td>B. It plays an important role at the awareness</td> <td>2</td> <td>Sales</td> </tr> </table>	A. It is undertaken by some identified person /company who makes efforts and bears the cost of it	1	Personal selling	B. It plays an important role at the awareness	2	Sales	1
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	<table border="1"> <tr> <td>stage and develops product preferences with the aim of making sale</td> <td></td> <td>Promotion</td> </tr> <tr> <td>C. It helps in managing public opinion and company's relation with the public on regular basis</td> <td>3</td> <td>Advertising</td> </tr> <tr> <td>D. It uses tools specifically designed to promote to customers, middlemen and to salespersons.</td> <td>4</td> <td>Public Relations</td> </tr> </table> <p>a) A (3), B (1), C (4), D (2) b) A (1), B (3), C (4), D (2) c) A (2), B (3), C (4), D(1) d) A (2), B (4), C (1), D (3)</p>	stage and develops product preferences with the aim of making sale		Promotion	C. It helps in managing public opinion and company's relation with the public on regular basis	3	Advertising	D. It uses tools specifically designed to promote to customers, middlemen and to salespersons.	4	Public Relations	
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19	 <p>Identify the related term related to branding illustrated in picture</p> <p>(a) Brand name (b) Trade mark (c) Brand mark and trade mark (d) Brand mark</p>	1									
20	<p>Johar, Joginder, John, and Iqbal are friends. They are operating different businesses. Each one has his/her own concept regarding operating their business. Johar believes in producing products at a large scale, thereby decreasing the average cost of products and selling them at a reasonable price. Joginder focuses on providing best quality products because he believes that a customer always wishes to buy a good quality product. The price of the product is secondary for Joginder. John is of the belief that the most important aspect of business is sales so he undertakes aggressive selling and promotional efforts. Iqbal believes that his firm can achieve its goals only by identifying the needs of the customer and satisfying them better than the competitors.</p> <p>Identify the Marketing concept or philosophies followed by each of them.</p> <p>(a) Johar :The Production Concept :Joginder: The Product Concept John: The Selling Concept Iqbal : The Marketing Concept (b) Johar :The Product Concept : Joginder: The Production Concept John: The Selling Concept Iqbal : The Marketing Concept (c) Johar :The Production Concept :Joginder: The selling Concept John: The Product Concept Iqbal : The Marketing Concept (d) Johar :The Production Concept :Joginder: The Marketing Concept John: The Selling Concept Iqbal : Product Concept</p>	1									
S.NO	SOLUTION										
1	b) Selling and Marketing	1									
2	(d) to build relationships with stakeholders	1									


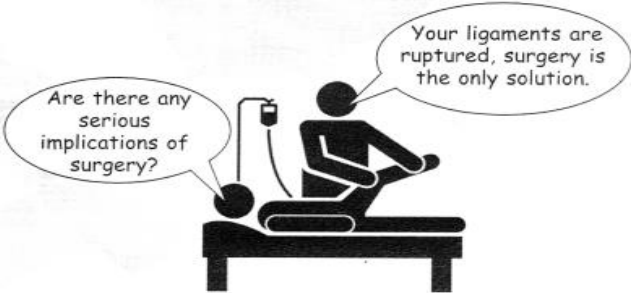
3	(c) Both the statements are true	1
4	(c) Production	1
5	(c) Product	1
6	(c) labelling	1
7	(b) A is correct R is incorrect	1
8	(d) All of the above	1
9	(b) Marketing planning	1
10	(c) Facilitates product differentiation	1
11	(b) The utility and demand	1
12	(a) Zero level channel	1
13	(c) Personal selling	1
14	(c) Marketing is merely a post production activity.	1
15	(b) Grading	1
16	(a) Exchange mechanism	1
17	(b) Surviving in the competitive market	1
18	a) A (3), B (1), C (4), D (2)	1
19	(a) Brand mark and trade mark	1
20	(a) Johar :The Production Concept :Joginder: The Product Concept John: The Selling Concept Iqbal : The Marketing Concept	1

CHAPTER 12
CONSUMER PROTECTION

S.NO	QUESTIONS	MARKS
1	<p>Consumers can ask anything regarding the date of manufacturing, MRP, etc, about the product that he intend to buy. Identify the consumer right highlighted in the above lines.</p> <p>A. Right to be informed B. Right to be assured C. Right to be heard D. Right to safety</p>	1
2	<p>When a consumer looks for FPO mark while purchasing a bottle of jam or hallmark when purchasing jewellery, which consumer responsibility has he kept in mind:</p> <p>A. Assert yourself to ensure that you get a fair deal B. Getting a proper receipt C. Buy only standardised products D. Be honest in your dealings</p>	1
3	<p>State Commission has the jurisdiction to entertain complaints where value of goods and services paid as consideration is _____</p> <p>A. More than ₹1 crore and not more than ₹ 5 crore B. More than ₹10 crore C. Less than ₹1 crore D. More than ₹1 crore and not more than ₹10 crore</p>	1
4	<p>Identify the incorrect statement with respect to Consumer Protection in India.</p> <p>A. It not only includes educating consumers about their rights and responsibilities but also helps in getting their grievances redressed B. It not only requires a judicial machinery for protecting the interest of consumers but also requires the consumers to get together and form themselves into Consumer associations for protection and promotion of their interests. C. It is the moral duty of any business to take care of consumers' interest and avoid any form of exploitation. D. The provisions of Consumer Protection Act came into force from 1981</p>	1
5	<p>If any of the parties are not satisfied by the order of District Commission can appeal against such order to the State Commission on the grounds of facts or law within a period of</p> <p>A. forty five days from the date of order. B. Thirty days from the date of order C. Sixty days from the date of order D. None of the above</p>	1
6	<p>Mrs. Mathur sent a jacket to a laundry shop in January 2018. The jacket was purchased at a price of ₹4,500. She had previously sent the jacket for dry cleaning with Shine Dry Cleaners and the jacket was cleaned well. However, she noticed that her jacket had white discoloration marks when she collected the jacket this time. On informing the dry cleaner, Mrs. Mathur received a letter confirming that discolouration indeed appeared after the jacket was dry cleaned. She contacted the dry cleaner multiple times and requested for compensation for</p>	1

	<p>discoloured jacket but to no avail. Upon Consumer court's intervention, Shine Dry Cleaners agreed to compensate Rs. 2,500 to Mrs. Mathur for the discoloured jacket.</p> <p>Which right was exercised by Mrs. Mathur at the first instance.</p> <p>A. Right to safety B. Right to be assured C. Right to be heard D. Right to seek redressal</p>	
7	<p>FSSAI (Food Safety and Standards Authority of India) has made a proposal for hotels and other food outlets to declare the kind of oil/fat used in cooking each of the food items on their menus. Name the Consumer Right being reinforced by this proposal</p> <p>A. Right to safety B. Right to be informed C. Right to be heard D. None of the above</p>	1
8	<p>Assertion (A): Ramesh is a consumer if he uses Ankit's car with the approval of Ankit</p> <p>Reason (R): Consumer includes any user of such goods (other than the person who buys them) when such use is made with the approval of the buyer.</p> <p>A. Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A). B. Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A). C. Assertion (A) is true but Reason (R) is False D. Assertion (A) is False but Reason (R) is true.</p>	1
9	<p>Sandeep purchased a packet of biscuits from a nearby shop. He observed that the ingredients given on the label were not legible. He complained about it to the customer care of the company. The company sent a written apology besides stating that it will be ensured that the existing packets in the market will be withdrawn with immediate effect and new packets with legible labels will be made available. Which consumer right did Sandeep exercise?</p> <p>(A) Right to be Informed (B) Right to be Heard (C) Both (A) and (B) (D) Neither (A) nor (B)</p>	1
10	<p>_____ mark is used for electrical products</p> <p>A.FPO B.Agmark C.ISO D.ISI</p>	1
11	<p>As per consumer protection act,2019 who is not considered a consumer</p> <p>A. A person who purchases goods for household consumption B. A person purchasing goods for resale C. A person purchasing goods for commercial use D. Both option B and C</p>	1

12	<p>Assertion(A): The Consumer Protection Act 2019 is applicable to all types of businesses whether a manufacturer or a trader and whether supplying goods or providing services including e- commerce.</p> <p>Reason(R) It applies to offline transactions only.</p> <p>A,Both (A) and (R)are true and Reason (R) is the correct explanation of Assertion (A)</p> <p>B.Both (A)and (R) are true and Reason(R) is not the correct explanation of Assertion (A)</p> <p>C.(A) is true and (R) is false</p> <p>D. (A) is false and (R)is true</p>	1
13	<p>Unless a consumer fulfills his....., it may not be possible for him to enforce his right.</p> <p>A Power</p> <p>B. Responsibility</p> <p>C Right</p> <p>D. Code of conduct</p>	1
14	<p>Suppose water supply in a particular city is not up to the mark and people are getting bad quality water- but they are made to pay for that also. Will the organization supplying water (if it is government organization) be penalized for deficiency of service.</p> <p>A. Yes</p> <p>B. No</p> <p>C. Can't say</p> <p>D. Depends upon the facts of the case</p>	1
15	<p>Which of the following functions are carried out by the consumer organisations?</p> <p>A. Publishing periodicals to impart knowledge about consumer issues</p> <p>B. Providing legal assistance to consumers</p> <p>C. Filing complaints in appropriate consumer courts on behalf of the consumers</p> <p>D. All of the above</p>	1
16	<p>Where can the aggrieved party appeal further in case he is not satisfied with the order of the District Forum?</p> <p>(a) National Commission</p> <p>(b) State Commission</p> <p>(c) Supreme Court of India</p> <p>(d) All of the above</p>	1
17	<p>Jagga started a small stationery shop in the nearby market. In pursuit of earning higher profits in a short term, he overpriced all his products by 20%. Gradually, the consumers understood his pricing strategy and stopped coming to his shop for making any purchase. Identify the related point highlighting the importance of consumer protection from businessmen's point of view.</p> <p>A. Long-term interest of business is assured</p> <p>B. Business uses society's resources so they need to safeguard consumer's</p>	1

	<p>interests.</p> <p>C. Social responsibility towards consumers as an important interest group.</p> <p>D. It is the moral obligation of the businessmen to give due consideration to the consumer's interests.</p>	
18	<p>Yash had severe pain in his throat, so he called up the doctor and asked for a telephonic advice. The doctor prescribed him a sachet of Throat Reliever Hot Sip. He asked his servant to get a sachet from a local chemist with a cash memo. After consuming the sachet, he started feeling more ill, so he picked up the empty sachet and started reading the label. To his utter dismay, the sachet had already expired last month. Which of the following remedies is not available to him any longer as a consumer?</p> <p>A. To withdraw the hazardous goods from sale.</p> <p>B. To replace the defective product with a new one.</p> <p>C To refund the price paid for the product.</p> <p>D. To pay a reasonable amount of compensation for any loss suffered by the consumer due to the negligence of the opposite party.</p>	1
19	 <p>Identify the right of consumers being promoted in the picture given above.</p> <p>A. Right to safety</p> <p>B. Right to be heard</p> <p>C. Right to seek redressal</p> <p>D. Right to consumer education</p>	1
20	 <p>Identify the responsibility of consumers being highlighted in the picture given above</p> <p>A. Be honest in your dealing</p> <p>B. Learn about the risks associated with products and service</p> <p>C. Assert yourself to ensure that you get a fair deal</p> <p>D. Respect the environment.</p>	1
S.NO	SOLUTION	

1	A. Right to be informed	1
2	C. Buy only standardised products	1
3	D. More than ₹1 crore and not more than ₹10 crore	1
4	D. The provisions of Consumer Protection Act came into force from 1981	1
5	A,forty five days from the date of order.	1
6	D.Right to seek redressal	1
7	A.Right to be informed	1
8	A. Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).	1
9	(C) Both (A) and (B)	1
10	D.ISI	1
11	D.Both option B and C	1
12	C.(A) is true and (R) is false	1
13	B. Responsibility	1
14	A. Yes	1
15	D. All of the above	1
16	(b) State Commission	1
17	A. Long-term interest of business is assured	1
18	B. To replace the defective product with a new one	1
19	D.Right to consumer education	1
20	A,Learn about the risks associated with products and service	1