

CLASS-XII (2021-22)
SUB-BUSINESS STUDIES

CH-1 NATURE AND SIGNIFICANCE OF MANAGEMENT

OBJECTIVE TYPE QUESTIONS

A. MULTIPLE CHOICE QUESTION

1. Efficiency is concerned with

- (a) Doing the right thing
- (b) Doing things right
- (c) Achieving end results
- (d) None of the above

2. Effectiveness relates to

- (a) Doing the right task
- (b) Completing activities
- (c) Achieving goals
- (d) All of the above

3. Rohan works as a production manager in Global Enterprises Limited. He has been given the task of getting 1000 units of hand woven table mats manufactured at the cost of ₹150 per unit within 10 days. In order to be acknowledged as an effective manager, he must ensure that

- (a) The cost of production does not exceed ₹150 per unit
- (b) The work is completed within 10 days even at higher cost per unit
- (c) The cost of production is less than ₹150 per unit
- (d) All of the above

4. Jay is working as a marketing manager in a company. Has been given the task of selling 100000 units of a product at the cost of ₹100 per unit within 20 days. He is able to sell all the units within the stipulated time, but had to sell last 1000 units at 20% discount in order to complete the target. In such a situation, he will be considered to be

- (a) An efficient manager
- (b) An effective manager
- (c) Both effective and efficient manager
- (d) None of the above

5. Management is said to be poor if it is

- (a) Efficient but ineffective
- (b) Effective but inefficient
- (c) Both inefficient and ineffective
- (d) All of the above

6. Tarang Enterprises Limited is planning to increase its sales by 30% in the next quarter. Identify the feature of management being highlighted in the given statement.

- (a) Management is all pervasive
- (b) Management is a goal oriented process
- (c) Management is a continuous process
- (d) All of the above

7. Management is equally important to run a political organisation as it is to run an economic organisation. Which feature of management is being reflected in the given statement?

- (a) Management is goal oriented
- (b) Management is multidimensional
- (c) Management is all pervasive
- (d) Management is a group activity

8. Management translates the works to be carried out in terms of goals to be achieved and assigns the means to achieve it. This statement relates to

- (a) Management of work
- (b) Management of people
- (c) Management of operations
- (d) All of the above

9. Which of the following statements highlights that management is a group activity?

- (a) Organisation is a collection of diverse individuals with different needs.
- (b) Achievement of common goal requires teamwork and co-ordination of efforts in a common direction.
- (c) Each member of the organisation may have different individual goals but they must travel together towards common goals.
- (d) All of the above

10. Keeping in view the changes in the consumer demands and preferences 'Tasitemaker Bakery' has reduced the sugar and fat content in its products. This approach of business shows that management is

- (a) An intangible force
- (b) A group activity
- (c) A dynamic function
- (d) A multidimensional activity

11. Management is considered to be an art because

- (a) The principles of management have universal validity
- (b) The principles of management have universal application
- (c) Different principles of management are brought into effect differently by different managers
- (d) It is not important for the practising managers to be a member of a professional association.

12. Which of the following statements is not relevant to the concept of "Management as an inexact science"?

- (a) The principles of management lack universal validity
- (b) The principles of management lack universal applicability
- (c) The principles of management have to be modified according to the given situation
- (d) Management involves dealing with human behaviour and outcomes cannot be predicted with utmost accuracy

13. The authority-responsibility relationships that exist within the organisation give rise to

- (a) Different functions within the organisation
- (b) Different levels in the organisation
- (c) Management as a multidimensional activity
- (d) Management as a group activity

14. Which of the following is not a designation related to top level management?
- (a) President
 - (b) Vice-President
 - (c) Chairman
 - (d) Production Manager
15. Which of the following is not a designation related to middle level management?
- (a) Operations Head
 - (b) Sales Manager
 - (c) Chief Operating Officer
 - (d) Divisional Manager
16. Which of the following is not a designation related to lower level management?
- (a) Plant Superintendent
 - (b) Supervisors
 - (c) Section officers
 - (d) Marketing Manager
17. Which of the following is a function of top level management?
- (a) Ensuring quality of output
 - (b) Assigning necessary duties and responsibilities to their departments
 - (c) Taking responsibility for all the activities of the business and its impact on the society
 - (d) Ensuring that the safety standards are maintained within the organisation.
18. Which of the following statements does not pertain to middle level management?
- (a) They are responsible for all the activities of the operational managers.
 - (b) They are responsible for the welfare and survival of the organisation.
 - (c) They interpret the policies made by top level managers
 - (d) Co-operate with other departments for the smooth running of the organisation.
19. Which of the following statements is not true for lower level management?
- (a) Analyse the business environment and its implications for the survival of the business.
 - (b) Ensure the quality of the output
 - (c) They strive to reduce the wastage of resources
 - (d) They ensure that the safety standards are maintained within the organisation.
20. Identify the level of management which does not interact with the work force directly.
- (a) Supervisory management
 - (b) Operational management
 - (c) First line managers
 - (d) Middle level management
21. The main task of this level of management is to determine the overall organisational objectives and strategies for their realisation.
- (a) Operational management
 - (b) Middle level management
 - (c) First line managers
 - (d) Top level management
22. This level of management serves as a link between top level managers and first line managers.
- (a) Supervisory level management

- (b) Operational management
- (c) Middle level management
- (d) None of the above

23. Organising as a function of management involves deciding

- (a) What activities and resources are required
- (b) Who will do a particular task
- (c) Where will it be done
- (d) All of the above

24. The function of management related to grouping of activities to be carried out into departments and creating management hierarchy is

- (a) Planning
- (b) Organising
- (c) Controlling
- (d) Directing

25. This function of management relating to laying down the foundation for carrying out the other functions of management successfully is

- (a) Organising
- (b) Staffing
- (c) Planning
- (d) Controlling

26. Supervision, communication, motivation and leadership are the key elements of this • function of management.

- (a) Directing
- (b) Controlling
- (c) Planning
- (d) Organising

27. This function of Management related to placing the right person at the right job is

- (a) Organising
- (b) Staffing
- (c) Planning
- (d) Controlling

28. It is a force that binds all the functions of management.

- (a) Cooperation
- (b) Co-ordination
- (c) Planning
- (d) Management hierarchy

29. Co-ordination is considered to be the essence of management because

- (a) It is a common thread that runs through all the activities within the organisation
- (b) It is implicit and inherent in all functions of the organisation
- (c) It is a force that binds all the functions of management
- (d) All of the above

30. Identify the process that provides the requisite amount, quality, timing and sequence of efforts, which ensures that planned objectives are achieved with a minimum of conflict.

- (a) Management

- (b) Planning
- (c) Co-ordination
- (d) Controlling

B. FILL IN THE BLANKS

1. _____ is the first function of management.
2. Management is a complex activity with _____ dimensions.
3. _____ level determines the objectives of the organisation.
4. _____ level managers issue detailed orders and instructions to _____ level managers.
5. Management is _____ function as it has to adapt itself to the changing environment.
6. Star Ltd. Is using environmental friendly methods of production. The company is trying to achieve _____ objective of management.
7. _____ aims to achieve unity of actions in the realisation of a common purpose.
8. Lower level is also known as _____ or _____ management.
9. Quality of output and safety standards are being maintained by _____ levels of management.
10. _____ means doing the task correctly and with minimum cost.

C. TRUE AND FALSE

1. Management is needed in all types of organisation.
2. Coordination is out of the five functions of management.
3. A manager is always indifferent towards his social responsibilities.
4. Coordination is the essence of management.
5. There are three levels of management in the hierarchy of an organisation.
6. Art is personalised concept as everyone applies the theoretical knowledge in his own way.
7. Directing is basically concerned with monitoring organisational performance towards the attainment of organisational goals.
8. Management is a soft science.

D. MATCH THE FOLLOWING

1. From the set of statements given in Column I and Column II, choose the correct pair of statements.

Column I	Column II
a. Effectiveness	i. It refers to doing the task correctly and with minimum cost.
b. Middle level management	ii. It consists of divisional or departmental heads.
c. Coordination	iii. It is one of the main functions of management.
d. Efficiency	iv. It refers to achieving the goals on time.

2. From the set of statements given in Column I and Column II, choose the correct pair of statements.

Column I	Column II
a. Management is Multi-dimensional	i. All the management functions are simultaneously performed by managers on continuous basis.

b. Management is goal oriented	ii. Management helps people to realise their individual as well as organisational goals.
c. Management is a Dynamic function	iii. Activities involved in managing an enterprise are common to all organisation.
d. Management is continuous process	iv. Management involves management of work, people and operations.
e. Management is all pervasive	v. Goals are the basic reason for existence of an organisation.
f. Management is a group activity	vi. Management has to adapt itself to the changing environment.

3. From the set of statements given in Column I and Column II, choose the correct pair of statements.

Column I	Column II
a. Organising	i. Determining in advance what is to be done, influencing and motivating
b. Directing	ii. Aims to ensure that right people with right qualifications are available at the right places.
c. Planning	iii. Monitoring organisational goals performance for achieving organisational goals.
d. Controlling	iv. Involves leading, influencing and motivating employees.
e. Staffing	v. Grouping of the required tasks into manageable departments.

E. COMPREHENSION BASED QUESTION

1. Read the source given below and answer the following questions.

A business organisation attains top position only because of the quality of management. Successful organisations do not achieve their goal by chance but by the following deliberate process called management. On the other hand, lack of proper management results in wastage of time, money and efforts. Most of businesses fail due to poor management. Management is a life giving element in every-business. Without it, the resources of production will remain resources and shall never become production.

Answer the following MCQs by choosing the most appropriate option.

- i. A successful organisation achieves its goal not by chance but the following a process called:
 - a. Coordination
 - b. Planning
 - c. Management
 - d. Controlling
- ii. Management is called a process because
 - a. It involves coordination

- b. It involves series of functions.
 - c. It involves achieving multiple objectives
 - d. None of the above.
- iii. Good manager not only focuses on priority of management but he also focuses on prosperity of management but he also focuses on prosperity of employees. This is related to which importance of management?
- a. Management helps in achieving organisational's goal.
 - b. Management creates dynamic organisation.
 - c. Management improves efficiency.
 - d. Management helps in achieving personal goals.
- iv. In absence of management, resources:
- a. Never become production
 - b. Can not be used effectively
 - c. Can not be used efficiently
 - d. All of the above

SUBJECTIVE TYPE QUESTIONS

Q1. Josh Enterprises decides to have a meeting of all the key employees of different departments in the organisation. The main motive is to tell the employees to keep the target of 20% increase in sales as the main objective when they work throughout the year. The meeting is full of ideas regarding the employees and processes involved. Various plans are made to harness the potential of the employees and streamline the processes. However with the passage of a few days the external business environment checks the capability of the organisation to adapt to the situations. The company successfully comes out at the end of the year with flying colours.

What are the various characteristics of management you can find highlighted here? Also identify the lines in which these characteristics have been highlighted.

Q2. XYZ Ltd. is a management oriented company. Time and again all the employees learn from their seniors various ways of dealing with diverse situations. They are provided training whenever required. They are also given incentives both financial as well as non financial. The result is employees see their development in the organisation. The organisation tries to behave as a responsible constituent of society and always creates good quality products. It has a very good image in the market. The training modules are superb and the employees always try to find unique ways of providing solutions in the context of rapidly changing business environment. This has helped the organisation to adjust frequently in a very good manner.

Which importance of management is highlighted here? Also identify the lines.

Q3. Gold Land Pvt. Ltd. is a wheat producing company. Daily 5000 bags of wheat weighing 10 kg each are produced here. In comparison to the previous year this ere has been less number of bags produced on a per day basis. The number is around 4500 which is less than the target of 5000 set by the company. The company however has been able to reduce the costs involved in comparison to last year's spending on the production and packaging of each bag. The quality of bags has also been up to the mark.

Identify the concept of management ignored here.

Q4. A floor manager of a mall is a very good manager as he utilizes all the functions of management to minimize cost of maintenance of his area. He directs all the staff members under him to follow the targets and advises them to put their efforts in the direction of achievement of these targets. Under his guidance the employees admit that they learn a lot and are able to meet their targets. This has led to the increase in their salaries. Identify the importance of management highlighted above.

Q5. ABCD Inc. is a company which deals with providing car service at home and on road. There are different departments in this company like Human Resources, Marketing, Finance, Research & Development and Operations. The top management of the company tries its level best to synchronize the activities of different departments in the best possible manner. The result is the increased efficiency and attainment of goals. However with the passing of time the size of the company has grown and now there are many branches of this company. The synchronization has turned more important with the increase in the size of the company and the number of employees. The Departmental Heads of the company are specialists in their respective areas and the top management tries to work with them not with authority but by respecting their views on the subject. Their ego clashes are avoided to ensure smooth functioning of the organisation.

Identify the concept of management highlighted above. Write two benefits highlighted in the above paragraph of this concept.

Q6. Alpha Beta Inc. decided to go for perfect coordination in the various aspects of the company. They focus on synchronization of all the activities of the organisation. For this they know coordination will be the key. At the stage of thinking of what is to be done throughout the year they decide to take into consideration the harmony between the goals of the organisation and those of the individual departments. When they hire employees they pay them only after evaluating their worth in terms of how efficient they are. Finally when the last month of production comes they, time and again check the deviation between the set targets and the actual production done.

CH-2 PRINCIPLES OF MANAGEMENT

OBJECTIVE TYPE QUESTIONS

A. MULTIPLE CHOICE QUESTIONS:

1. Which of the following statements is true with reference to principles of management?
 - (a) The principles of management have evolved.
 - (b) The principles of management are yet to be evolved.
 - (c) The principles of management are in the continuous process of evolution.
 - (d) None of the above.

2. By profession, F .W Taylor was a
 - (a) Mechanical engineer
 - (b) Mining engineer
 - (c) Psychologist
 - (d) Human resource officer

3. The principles of pure science is considered to be _____ in nature.
 - (a) Flexible
 - (b) Rigid
 - (c) Creative
 - (d) None of the above

4. Which of the following statements best defines the techniques of management?
 - (a) It is a set of guidelines to take decisions and actions.
 - (b) It is a procedure which involves a series of steps to be taken.
 - (c) They are general rules for behaviour of individuals.
 - (d) None of the above.

5. The principles of management have been developed on the basis of
 - (a) Observation
 - (b) Experimentation

- (c) Personal experiences of the manager
- (d) All of the above

6. Which of the following statements is/are true with reference to principles of management?

- (a) The principles are guidelines to action.
- (b) The principles denote a cause and effect relationship.
- (c) Principles help the manager to take decisions while performing various management functions.
- (d) All of the above.

7. The principles of management are intended to be applied to all types and sizes of organisations. This statement reflects that the principles of management are

- (a) General guidelines
- (b) Flexible
- (c) Universally applicable
- (d) Mainly behavioural

8. The principles of management do not provide readymade straight jacket solutions to all management problems because

- (a) The real business situations are complex.
- (b) The real business situations are dynamic.
- (c) The principles act as general guidelines.
- (d) All of the above.

9. Principles of management can be modified by the manager when the situation demands. This statement implies that the principles of management are

- (a) Rigid
- (b) Contingent
- (c) Flexible
- (d) Universally applicable

10. The principles of management enhance the understanding of relationship between human and material resources for the achievement of organisational goals. Identify the feature of the principles of management being described in the given statement.

- (a) Cause and effect relationships
- (b) Optimum utilisation of resources and effective administration
- (c) Formed by practice and experimentation
- (d) Mainly behavioural

11. The application of the principles of management has to be changed as per the requirements of the prevailing situation at a particular point of time. Which feature of the principles of management is being described in the given statement?

- (a) Contingent
- (b) Mainly behavioural
- (c) Cause and effect relationship
- (d) General guidelines

12. Principles of management emphasize on logical and rational decision making rather than on the basis of bias and prejudice. The given statement highlights that the knowledge of principles of management leads to

- (a) Providing managers with useful insight into reality

- (b) Scientific decisions
- (c) Meeting changing environmental requirements
- (d) All of the above

13. 'Rule of thumb' refers to

- (a) Use of personal judgement in handling management issues
- (b) Adopting a hit-and-trial approach to resolve management problems
- (c) Both of the above
- (d) None of the above

14. According to Taylor, "even a small production activity like loading figures of iron into boxes can be scientifically planned and managed. This can result in tremendous savings of human energy as well as wastage of time and materials." Identify the related principle of scientific management.

- (a) Harmony, not discord
- (b) Science, not rule of thumb
- (c) Development of each and every person to get his/her greatest efficiency and prosperity
- (d) None of the above

15. According to this principle of scientific management, "Scientific management has for its foundation the firm conviction that true interest of the management and workers are one and the same; the prosperity for the employer cannot exist for a long time unless it is accompanied by prosperity for the employees and vice versa."

- (a) Science, not rule of thumb
- (b) Co-operation, not individualism
- (c) Harmony, not discord
- (d) All of the above

16. According to this principle of scientific management, the employees should be rewarded for their suggestions which results in substantial reduction in the cost.

- (a) Science, not rule of thumb
- (b) Co-operation, not individualism
- (c) Harmony, not discord
- (d) All of the above

17. According to Taylor, "each specialist is to be assigned work according to his/her qualities, the employees who possess technical mastery should be involved in planning work whereas those with energy and good health may be assigned execution work." Name the related principle of scientific management.

- (a) Functional foremanship
- (b) Science, not rule of thumb
- (c) Development of each and every person to his or her greatest efficiency and prosperity
- (d) None of the above

18. Considering the fact that it is difficult to find one single person with all the needed qualities, Taylor suggested appointment of a specialist through this technique of scientific management. Identify the technique.

- (a) Standardisation and simplification of work
- (b) Method study
- (c) Functional foremanship
- (d) Motion study

19. The concept of Work Study techniques includes

- (a) Time study
- (b) Motion study
- (c) Fatigue study
- (d) All of the above

20. The objective of this technique of scientific management is to reduce a given line or a product to fixed type sizes and characteristics. Name the technique.

- (a) Method study
- (b) Differential piece wage system
- (c) Standardisation and simplification of work
- (d) Functional foremanship

21. This technique of scientific management helps in development of the concept of assembly line which is widely used in automobile companies these days as well. Identify the technique.

- (a) Motion study
- (b) Standardisation and simplification of work
- (c) Method study
- (d) lime study

22. Which of the following is an objective of time study?

- (a) To determine the number of workers to be employed
- (b) To formulate suitable incentive schemes
- (c) To calculate the labour costs
- (d) All of the above

23. This technique of scientific management aims to determine the amount and frequency of rest intervals that should be provided to the employees during working hours.

- (a) Time study
- (b) Method study
- (c) Motion study
- (d) None of the above

24. The technique of differential piece rate system was developed by Taylor in order to

- (a) Discriminate between efficient and inefficient workers
- (b) Reward the efficient worker
- (c) Motivate the inefficient workers to perform better
- (d) All of the above

25. The application of this principle of management leads to higher production and better work for the same effort. Identify the related principle of general management.

- (a) Discipline
- (b) Equity
- (c) Division of work
- (d) Order

26. According to this principle of general management, “an organisation should safeguard against abuse of managerial power, but at the same time a manager should have the necessary authority to carry out his responsibility.” Name the principle of management being described in the given statement.

- (a) Discipline

- (b) Authority and responsibility
- (c) Unity of command
- (d) Unity of direction

27. Name the principle of management suggested by Henri Fayol, which advocates that, “there should be good superiors at all levels, clear and fair agreement and judicious application of penalties.”

- (a) Authority and responsibility
- (b) Esprit De Corps
- (c) Order
- (d) None of the above

28. According to Henri Fayol, if this principle of general management is violated, “authority is undermined, discipline is in jeopardy, order disturbed and stability threatened.” Identify the principle.

- (a) Authority and responsibility
- (b) Discipline
- (c) Unity of command
- (d) Equity

29. Through this principle of management, Henri Fayol guides the managers to exhibit exemplary behaviour and advises that they should not fall into temptation of misusing their powers for personal benefit at the cost of general interest of the organisation. Which principle of management is being described in the above statement?

- (a) Remuneration of employees
- (b) Centralisation and decentralisation
- (c) Subordination of individual interest to general interest
- (d) Equity

30. Which principle of general management advocates that, “Employee turnover should be minimised to maintain organisational efficiency.”?

- (a) Stability of personnel
- (b) Remuneration of employees
- (c) Equity
- (d) Esprit De Corps

B. FILL IN THE BLANKS:

1. The principle of division of work given by Fayol states that should be divided into small tasks.

2. Under differential piece rate plan, efficient and inefficient workers are paid at rates.

3. Formal lines of authority from highest to lowest ranks are known as

4. Functional foremanship is extension of principle of Fayol.

5. Fatigue study determines the amount and of rest intervals to be given to the workers.

C. TRUE AND FALSE:

1. Fayol is known as father of scientific management.
2. Espirit de corps means all the employees should be treated in same manner.
3. Management principles are flexible to adapt to dynamic business environment.
4. Remuneration principle states that overall pay and compensation to both males and females should be same.
5. Fayol had the view that one group should have one head and one plan.

D. MATCH THE FOLLOWING:

1. Match the technique of scientific management given under B with the suitable statements under A.

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

2. Match the work performed by specialist foreman under functional foremanship given under A with the job assigned to them under B.

A	B
1. Draft instructions to workers	Disciplinarian
2. Check quality of work	Repair boss
3. Ensures proper working condition of tools and machines	Instruction card clerk
4. Ensures discipline	Inspector

3. Match the statements given under A with the correct options given under B.

A	B
1. Right to give orders to subordinates	Responsibility

2.Retention of decision making authority at top level	Authority.
3.Obligation to perform tasks	Decentralisation
4.Distribution of authority at all levels	Centralisation

4. Match the following on the basis of meaning of technique of scientific principles of management.

1.Each specialist to be assigned work according to his/her qualities	Standardisation
2. Workers can be classified as efficient or inefficient on the basis of studies.	Functional foremanship
3. Benchmarking of every business activity	Differential piece wage rate system
4.Work study	Science not rule of thumb

E. COMPREHENSION BASED QUESTIONS:

Read the source given below and answer the following questions.

Alpha Ltd. was engaged in business of garment manufacturing and selling products under a popular brand. The demand for their product was increasing. In order to keep the market share in short run, the company directed its existing workforce to work overtime but this resulted in many problems. Due to increasing pressure of work the efficiency of workers declined. Sometimes workers worked under more than one superior. The department which were producing one product were asked to produce more than one type of products. This resulted in lot of overlapping and wastage. The workers were becoming indisciplined. The spirit of team was also reducing. Workers were feeling cheated and their morale was declining. The quality of garments started declining and market share decreased.

Answer the following MCQ'S by choosing the most appropriate option.

1.” Sometimes workers worked under more than one superior.”. This is violation of which principle of Management?

- (a) Principle of Discipline
- (b) Principle of Unity of command
- (c) Principle of Unity of Direction
- (d) Principle of Equity

2. “The department which were producing one product were asked to produce more than one type of products” This is violation of which principle of Management?

- (a) Principle of Discipline
- (b) Principle of Unity of command
- (c) Principle of Division of work
- (d) None of the above

3. “Workers were feeling cheated and their morale was declining”. This is related to which principle?

- (a) Principle of Discipline
- (b) Principle of Equity
- (c) Principle of Unity of command
- (d) Principle of initiative

4. “The spirit of team was also reducing”. This indicates violation of which principle?

- (a) Principle of Esprit de corps
- (b) Principle of Unity of Direction
- (c) Principle of Unity of command
- (d) Principle of Discipline

SUBJECTIVE TYPE QUESTIONS

Q1. Radhika opens a jewellery showroom in Jaipur after completing a course in jewellery designing. She has employed eleven persons in her showroom. For greater productivity, she divides the work into small tasks and each employee is trained to perform his/her specialized job. The sales persons are allowed to close a deal with a buyer by giving a maximum of 10% discount, whereas the decision to give any further discount rests with Radhika as the final authority. In the earlier days of starting of the business, five of her employees were asked to put in extra hours of work. In return she had promised to give them a special incentive within a year. Therefore, after six months when the business was doing well, she awarded a cash bonus to each of these employees to honour her commitment. However, when it comes to settling the conflicts among her employees, she tends to be more biased towards her female employees.

In context of the above case:

1. Identify and explain the various principles of management that are being applied by Radhika by quoting lines from the paragraph.
2. Identify and explain the principle of management which is being violated by Radhika by quoting lines from the paragraph.
3. State any one effect of the violation of the principle of management by Radhika as identified in part (b) of the question.

Q 2. 'Aapka vidyalaya' believes in holistic development of students and encourages team building through a mix of curricular, co-curricular and sports activities. On its founders day a stage performance had to be put up. A committee of ten prefects was constituted to plan different aspect of the function. They all decided to use recycled paper for decoration. There was a spirit of unit and harmony and all members supported each other. With mutual trust and belongingness the programme was systematically planned and executed. Kartik, one of the prefects realized that unknowingly the group had applied one of the principles of management while planning and executing the programme. He was so inspired by the success of the function that he asked his father to apply to same principle in his business. His father replied that he was already using this principle.

1. Identify the principle of management applied for the success of the programme.
2. State any two features of management highlighted in the above para.

Identify any two values which 'Aapka Vidyalaya' communicated to the society.

Q 3. Gaurika has been appointed as the chief organizer of a weeklong cultural event. Being a staunch follower of scientific management, she decides to execute her work by putting into practice the various techniques of scientific management. On the basis of several observations, she is able to determine that the standard time taken by the security officer at the gat to check the credentials of each visitor is 30 seconds. So she decides to employ two persons on this job for every function along with the other necessary support staff. She considers the fact that every day, the functions will take place in three shifts of four hours each, therefore it is important to give breaks to the support staff even in a single shift to take her/his lunch etc. moreover, on introspection, she determines that the best way to distribute refreshment boxes to the visitors will be to hand it over to them at the exit gate as it would help to save time and eliminate any kind of confusion.

In the context of the above case:

1. Identify and explain the various techniques of work study which have been put into practice by Gaurika.
2. List any two values that Gaurika wants to communicate to the society.

Q 4. Nutan Tiffin Box service was started in Mumbai by Mumbai dabbawalas. The Dabbawalas who are the soul of entire Mumbai aim to provide prompt and efficient services by providing tasty homemade tiffin to all office goers at right time and place. The service is uninterrupted even on the days of bad weather, political unrest and social disturbances. Recently they have started online booking system through their website 'mydabbawals.com'. owing to their tremendous popularity amongst the happy and satisfied customers and members, the dabbawalas were invited as guest lecturers by top business schools. The Dabbawalas operate in a group of 25-30 people along with a group pleader. Each group teams up with other groups in order to deliver the tiffin on time. They are not transferred on frequent basis as they have to remember the addresses of their customers. They follow certain rules while doing trade-No alcohol during working hours; No leave without permission; Wearing of white cap & carrying ID cards during business hours.

Recently on the suggestion of a few self motivated fellow men, the dabbawalas thought out and executed a plan of providing food left in tiffins by customers to slum

children. They have instructed their customers to place red sticker if food is left in the tiffin, to be fed to poor children later.

1. State any one principle of management given by Fayol & one characteristic of management mentioned in the above case.
2. Given any two values which the Dabbawalas want to communicate to the society.

Q 5. 'Study Buddy Pvt.' Is company dealing in stationery items. In order to establish standards of excellence and quality in materials and in the performance of men and machines, the company adheres to benchmarks during production. Moreover, its products are available in limited varieties, sizes and dimensions thereby eliminating superfluous diversity of products.

Identify the technique of scientific management which has been adopted by 'Study Buddy Pvt. Ltd.'

Q 6. In the staff meeting the principal of the school raised objection that teachers start the teacher after 5 to 10 minutes in third floor classes. He warned them as students are complaining about this. The teachers explained the principal that when we climb steps from ground to third floor. We get some tiredness and need 5 to 10 minutes rest before starting the lecture. The principal planned to install a lift in school so that teachers do not waste their energy on wasteful activity of climbing steps.

1. State the techniques of scientific management used by principal.
2. State any other technique of scientific management.

CHAPTER – 3 BUSINESS ENVIRONMENT

OBJECTIVE TYPE QUESTIONS

A. MULTIPLE CHOICE QUESTION

1. Which of the following is not a part of the business environment of business?
 - (a) Customers
 - (b) Suppliers
 - (c) Competitors
 - (d) None of the above
2. Which of the following is not a component of specific forces of business environment?
 - (a) Technological conditions
 - (b) Customers
 - (c) Employees
 - (d) Investors
3. The growing awareness about healthcare has led to an increase in the demand for healthcare products and services in the country. Identify the feature of business environment being described in the above case.
 - (a) Dynamic nature
 - (b) Uncertainty

- (c) Relativity
- (d) Interrelatedness

4. Since more number of people have become more beauty and health conscious, our economy has witnessed an unprecedented surge in the number of health and beauty spas and wellness clinics. Related feature of business environment being described in the above lines is —

- (a) Totality of external forces
- (b) Dynamic nature
- (c) Interrelatedness
- (d) Relativity

5. 'Twinkle Stars' is a well-known resort for organising parties, especially for children. However, in past 6 months its popularity has reduced considerably as a new resort with better ambience and facilities has opened within its vicinity. Name the related feature of business environment which has influenced the business of 'Twinkle Stars' adversely.

- (a) Totality of external forces
- (b) Dynamic nature
- (c) Interrelatedness
- (d) Uncertainty

6. Any kind of external devices, like compact discs (CD's) for computer, have become obsolete. Google, with its Google Drive service, Apple with its iCloud offering, enables the users store documents, photos, music and movies on web-based servers. Identify the feature of business environment being described in the above lines.

- (a) Relativity
- (b) Dynamic nature
- (c) Uncertainty
- (d) Interrelatedness

7. 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. Identify the related dimension of business environment.

- (a) Economic dimension
- (b) Social dimension
- (c) Technological dimension
- (d) Political dimension

8. DigiLocker is the country's first secured cloud-based platform for the storage, issuance and verification of documents with the Driving Licence & Vehicle Registration System of the Road Transport Ministry. The integration of a government department with DigiLocker since its launch last year is one of the biggest of its kind. It will spare 1 people the trouble of carrying licences & vehicle papers, which can be accessed on phones using the DigiLocker app. Identify the related dimension of business environment.

- (a) Economic dimension
- (b) Technological dimension
- (c) Social dimension
- (d) Political dimension

9. The Uttarakhand government has developed surveillance network using latest satellite technology. Under this system, the state's mining department would be in a position to check illegal mining activities across the state. The state government is also considering the use of drones in its proposed campaign against illegal mining. Identify the related dimensions of business environment.

- (a) Economic dimension and Legal dimension

- (b) Social dimension and Economic dimension
- (c) Technological dimension and Political dimension
- (d) Political dimension and Economic dimension

10. In order to boost and double India's export of goods and services to over USD 1,000 billion by 2025, it is important to lower effective corporate tax rate, bring down cost of capital and simplify regulatory and tax framework. Identify the related dimension of business environment.

- (a) Social dimension and Legal dimension
- (b) Technological dimension and Political dimension
- (c) Political dimension and Social dimension
- (d) Economic dimension and Legal dimension

11. The Economic Survey, 2019 suggests that the psychological biases can be used in the realm of tax compliance. It is in favour of using religious norms such "dying in debt is a sin" to improve tax compliance. Identify the related dimensions of business environment.

- (a) Legal dimension and Social dimension
- (b) Social dimension and Economic dimension
- (c) Technological dimension and Political dimension
- (d) Political dimension and Economic dimension

12. Electric vehicles with zero tail pipe emission are emerging as a good alternative to 'problems like climate change, surging pollution leading to ill health, crude import bill and energy security. Identify the related dimensions of business environment.

- (a) Economic dimension, Legal dimension and Social dimension
- (b) Social dimension, Political dimension and Economic dimension
- (c) Economic dimension, Technological dimension and Social dimension
- (d) Social dimension, Political dimension and Legal dimension

13. 'Yo Tummy' began its business by offering the classic combo of hamburgers and fries. But over time, their customers wanted healthier foods, so 'Yo Tummy' responded and began offering healthy alternatives such as salads, fruits, wraps and oatmeal. If 'Yo Tummy' hadn't responded, they may have lost customers that wanted to eat healthier foods. The above case highlights one of the points related to the importance of business environment and its understanding by managers. Identify it.

- (a) It helps in coping with rapid changes.
- (b) It helps in improving performance.
- (c) It helps the firm to identify threats and early warning signals.
- (d) It enables the firm to identify opportunities and getting the first mover advantage.

14. As a result of major government initiatives, more and more people are going 'green'. In order to keep in line with the trend, 'Clapaway' a carpet cleaning company has advertised that they only use natural cleaners that come from renewable resources and that all their service vehicles are hybrid vehicles that use both gas and electricity. Identify one of the points related to the importance of business environment and its understanding by managers which is being highlighted in the above case.

- (a) It helps in assisting in planning and policy formulation.
- (b) It helps in coping with rapid changes.
- (c) It helps in improving performance.
- (d) It enables the firm to identify opportunities and getting the first mover advantage.

15. According to the World Health Organization, 39% of adults are overweight. Over the last 40 years, the prevalence of obesity has tripled around the world. With over half of consumers drinking at least one sugary drink on a given day, regulations towards the beverage sector are likely to become increasingly onerous. In the U.K., for example, a sugar tax was introduced in 2018 on beverages containing more than 5% sugar. Identify the related dimensions of business environment.

- (a) Legal dimension and Social dimension
- (b) Social dimension and Technological dimension

- (c) Technological dimension and Legal dimension
- (d) Political dimension and Technological dimension

16. India's population is expected to grow under 0.5 per cent during 2031-41 due to decline in fertility rate and increase in life expectancy. These changes in India's demography will also have implications such as the proportion of elementary school-going children will witness significant declines, lack of hospital beds and increase in retirement age. The related feature of business environment being described in the above lines is

- (a) Totality of external forces
- (b) Dynamic nature
- (c) Interrelatedness
- (d) Relativity

17. India continues to be a lower-middle-income country along with 46 others, while Sri Lanka has climbed to the upper-middle-income group for the fiscal year (FY) 2020, according to the World Bank's classification of countries by income levels, released on July 1, 2019.

Identify the related dimensions of business environment.

- (a) Social dimension
- (b) Technological dimension
- (c) Economic dimension
- (d) Political dimension

18. According to a report by the India Staffing Federation (ISF), India has emerged as the fifth largest market worldwide in flexi-staffing in 2018 and the country would have 6.1 million flexi-workforce by 2021. It showed that Haryana, Gujarat, Karnataka, Madhya Pradesh and Telangana are the states with high growth potential for flexi-staffing but Andhra Pradesh tops the list of states with favourable business environment. Identify the feature of business environment being discussed above,

- (a) Relativity
- (b) Dynamic nature
- (c) Uncertainty
- (d) Interrelatedness

19. The Union Cabinet has given 'in-principle' nod to divest stakes in Air India — a wholly government owned airline. This means the government is willing to shed a substantial portion of its stake and hand over the management of the ailing airline to the private sector. Identify the concept being described in the above lines.

- (a) Liberalisation
- (b) Privatisation
- (c) Globalisation
- (d) Demonetisation

20. The Government of India launched "Make in India" initiative in September, 2014 to increase foreign direct investment (FDI) in 25 sectors. As of April, 2015, FDI inflow in India increased by 48% since the launch of "Make in India" initiative.

Identify the concept being described in the above lines, with regard to inflow of FDI.

- (a) Demonetisation
- (b) Privatisation
- (c) Liberalisation
- (d) Globalisation

21. In today's world, the flow of goods and services is not only cheap and fast, but reliable and secure. You can order anything you wish from any part of the world. Internet has been connecting people without any limitations or boundaries in the way of doing business. Identify the concept being described in the above lines.

- (a) Liberalisation
- (b) Globalisation

- (c) Demonetisation
- (d) Privatisation

22. On 8th November 2016, with the announcement from Government of India, all the ₹500 and ₹1,000 banknotes of the Mahatma Gandhi series have ceased to be a legal tender. The government also announced the issuance of new ₹500 and ₹2,000 banknotes in exchange for the demonetised banknotes. Identify the concept being described in the above lines.

- (a) Globalisation
- (b) Liberalisation
- (c) Demonetisation
- (d) Privatisation

23. Which of the following is a feature of demonetisation?

- (a) Tax administration measure
- (b) Channelising savings into the formal financial system
- (c) Development of less-cash economy
- (d) All of the above

24. A business has to offer wider choice in purchasing enhanced quality of goods and services in order to maintain an edge over its competitors. The implementation of the new economic policy with liberalisation, privatisation and globalisation has posed various challenges for the corporate sector. One of the important challenges is explained in the above lines. Identify it.

- (a) Increasing competition
- (b) More demanding customers
- (c) Necessity for change
- (d) Market orientation

25. Giving freedom to Indian business and Industries from all necessary government controls and restrictions is an example of :

- (a) Privatisation
- (b) Globalisation
- (c) Liberalisation
- (d) Demonetisation

B. FILL IN THE BLANKS

1. LED Monitors in place of Analog monitors is an example of _____ environment.
2. Understanding of _____ environment is important to determine products, services and standards of conduct that are acceptable to society.
3. A company more conscious about changes of _____ can take better advantage of opportunities instead of losing them to competitors.
4. _____ environment refers to all those forces that have economic impact on the business activities.
5. Different elements of business environment are closely _____.
6. Tobacco package must carry the statutory warning 'chewing tobacco is injurious to health' is an example of _____ environment.
7. _____ means the totality of all individuals, institutions and other forces that are outside the control of a business enterprise, but that may affect its performance.
8. Business environment includes both _____ and _____ forces.
9. 'Online booking of Rail and Air tickets instead of going to Reservation Office' is an example of _____ environment.
10. _____ refer to the positive external trends or changes that will help a firm to improve its performance.
11. Celebration of Diwali is the example of _____ environment.
12. Increased awareness towards health has increased the demand for products like organic food, mineral water, gyms etc.
13. The aim of _____ was to curb corruption, counterfeiting the use of high demonetisation notes for illegal activities and accumulation of black money.

14. After New Economic Policy, there is a shift from Production Oriented Approach to _____ approach.

15. 'Equal pay to male and female workers for equal work is an example of _____ environment.

C. TRUE AND FALSE

1. A terrorist attack in a shopping centre is likely to affect many businesses.
2. The computer making industry is significantly affected by technological changes.
3. A retailer of gold jewellery is not affected by changes in the price of gold.
4. Allowing Indian rupees to become convertible is a step towards globalisation.
5. Management that responds to environmental changes is likely to be more successful.
6. Liberalisation means reduced government controls and restrictions.
7. Disinvestment means making investment in different sectors.
8. After introduction of New Economic Policy, companies became production oriented.
9. Liberalisation means giving greater role to the private sector in the nation building process and a reduced role to the public sector.
10. Early identification of opportunities enables an enterprise to take better advantage of opportunities instead of losing them to competitors.

D. MATCHING TYPE QUESTIONS

1. From the set of statements given in Column I and Column II, choose the correct pair of statements:

COLUMN I	COLUMN II
a. Liberalisation	i. Greater role to the private sector in the nation building process.
b. Legal Environment	ii. Extent and nature of government intervention in business.
c. Privatisation	iii. Removal of unnecessary controls and restrictions on business.
d. Social Environment	iv. Represent customs and traditions, values, social trends etc.

2. From the set of statements given in Column I and Column II, choose the correct pair of statements:

COLUMN I	COLUMN II
a. Legal Environment	1. Includes the economic factors that can affect management practices in a business enterprises.
b. Technological Environment	2. Reflects specific attitude that elected government representatives hold towards business
c. Social Environment	3. Refer to various legislations within which business transaction are to take place.
d. Economic Environment	4. Includes forces relating to scientific improvements and innovations
e. Political Environment	5. Includes the social forces like customs and traditions, values, social trends etc.

E. CASE BASED/ PASSAGE BASED QUESTIONS.

1. Unique Ltd. Is an electronic goods manufacturing company situated in Uttar Pradesh. It is earning low revenue in comparison to another electronic company 'Pace Ltd.' Situated in Delhi. Both the enterprise are affected by the investors, customers, competitors and suppliers in their respective locations. At the same time both are also affected by economic condition, change in technology etc.

Answer the following MCQs by choosing the most appropriate option.

1. Customers and suppliers represent:
 - (a) General forces
 - (b) Specific forces
 - (c) Both a and b
 - (d) None of these
2. Economic conditions, changes in technology are related to
 - (a) General forces
 - (b) Specific forces
 - (c) Both a and b
 - (d) None of the above
3. There is variation in the revenue of company operating in Uttar Pradesh and operating in Delhi. This is related to which feature of Business environment?
 - (a) Uncertainty
 - (b) Relativity
 - (c) General forces and Specific forces
 - (d) None of the above
4. Business Environment includes:
 - (a) All internal forces
 - (b) All external forces
 - (c) Both internal
 - (d) None of the above

2. The name and taste Coca-Cola is known to almost each and every individual in India as well as throughout the world. This carbonated soft drink holds the most market share in the soft drink market and got itself a special seat in each and every gathering. The Coca-Cola Company has on occasion introduced other cola drinks under the Coke name. The most common of these are Diet Coke, along with others including Caffeine free Coca Cola, Diet Coke Caffeine free, Coca Cola zero sugar, Coca Cola cherry. Coca Cola Vanilla and the list goes on. It has capitalised on each and every opportunity to market itself effectively and place itself in the middle of every gathering. The main reason for such an outstanding placement of product goes to the way they have established the connection between every occasion and the need for Coke to be present there, product design and creative advertising.

Answer the following MCQs by choosing the most appropriate option.

1. In the context of the above given case, identify one valid importance of Business Environment.
 - (a) Enables a firm to identify opportunities and getting first mover advantage.
 - (b) Uncertainty
 - (c) Delay in action
 - (d) Pervasive function
2. Identify the feature of Business Environment which the Coca-Cola Company has managed to get in their favour.
 - (a) Complex
 - (b) Specific and General forces
 - (c) Futuristic
 - (d) Mental Exercise
3. Which business environment did Coca-Cola majorly tap into?
 - (a) Technological Environment
 - (b) Social Environment
 - (c) Political Environment
 - (d) Economical Environment
4. Which of the following is not a product of Coca-Cola?
 - (a) Diet Coke Caffeine free
 - (b) Coca Cola Zero sugar
 - (c) Coca Cola Avocado
 - (d) Coca Cola Cherry

SUBJECTIVE TYPE QUESTIONS

Q1. The first masters' is a leading advertising company in its industry. Recently they had a meeting in which all the reasons which were outside the control of the organisation were discussed. The organisation wanted to maintain its supremacy in the market. They decided to break the meeting

into two parts. In the first part customers, competitors, suppliers, etc. were discussed whereas in the second part the political, economic, social conditions in the country were discussed. It was concluded that the company was doing extremely well in the domestic market and the client base was expanding. However when the company's performance in foreign markets was evaluated it was found that conditions were different in different countries so the strategies adopted would have to be different. After the meeting the company was looking forward to making new gains.

Which features of Business Environment have been highlighted in the above case? Also identify the lines.

Q2. Bright Services is a taxi service provider. The company is targeting a revenue of 50 crore rupees this year. However with the passage of time it has found entrance of new service providers in the market which was not expected at one stage of time. It has a good team of technicians, drivers, software providers, etc. The company has decided to make it adaptable to such continuously changing circumstances. It knows that if it has to expand in new countries it will have to learn the basic differentiating factors like traffic rules, technological aspects, etc. Thus it understands that conditions are different in different countries.

Which features of Business Environment are discussed in the above case? Which force is discussed above?

Q3. The sale of sarees increases in the months of the year when a large number of marriages take place in India. The saree manufacturing companies make special plans of sale for these months. Which dimension of business environment comes into picture here?

Q4. Long Drive Manufacturers is a leading vehicle manufacturing company. It claims that it can create a fuel in its laboratory which can run the newly designed car. The company is ready to provide this fuel to its customers for free for one year provided they buy the car.

Which dimension of business environment is affected here by the company's innovative solution?

Q5. A recent rate cut in the interest on loans announced by the Banks encouraged Amit, a science student of Progressive School to take a loan from State Bank of India to experiment and develop cars to be powered by fuel produced from garbage. He developed such a car and exhibited it in the Science Fair organized by Directorate of Education. He was awarded first prize for his invention. Identify and explain the dimensions of business environment discussed in the above case.

Q6. With change in the consumption habits of people, Neelesh, who was running a sweets shop shifted to chocolate business. On the eve of Diwali he offered chocolates in attractive packages at reasonable prices. He anticipated huge demand and created a website chocolove.com for taking orders online. He got lot of orders online and earned huge profit by selling chocolates.

Identify and explain the dimensions of business environment discussed in the above case.

Q7. Metlapp Networks and Technologies Ltd. is a leader in technology innovation in the United States, creating products and solutions for connecting the world. It has a large research and development team which invented the first smart watch, named as W-7. The watch besides showing the time, also monitors few health parameters like heart beat, blood pressure etc.

While in search of markets abroad, the company found that in India, the reform process was underway with the aim of accelerating the pace of economic growth. The company decided to take advantage of simplified export procedure and removal of quantitative as well as tariff restrictions in India.

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

CHAPTER-4 PLANNING

OBJECTIVE TYPE QUESTIONS

A.MULTIPLE CHOICE QUESTIONS

1. Name the function of management which involves setting objectives and developing appropriate courses of action to achieve these objectives.

- (a) Directing
- (b) Organising
- (c) Planning
- (d) Staffing

2. Which of the following is not a benefit of planning?

- (a) Planning reduces overlapping and wasteful activities.
- (b) Planning is a mental exercise.
- (c) Planning provides directions.
- (d) Planning reduces the risks of uncertainty.

3. Which of the following is a benefit of planning?

- (a) Helps in avoiding confusion and misunderstanding.
- (b) Ensures clarity in thought and action.
- (c) Useless and redundant activities are minimised or eliminated.
- (d) All of the above.

4. Which of the following statements is not true with reference to planning?

- (a) Planning is a pre-requisite for controlling.
- (b) Planning does not lead to rigidity.
- (c) Planning enables a manager to look ahead and anticipate changes.
- (d) Planning facilitates co-ordination among departments and individuals in the organisation.

5. What is known as the primary function of management?

- (a) Controlling

- (b) Organising
- (c) Planning
- (d) Staffing

6. Which of the following is not a feature of planning?

- (a) Planning is futuristic.
- (b) Planning is pervasive.
- (c) Planning establishes standards for controlling.
- (d) Planning focuses on achieving objectives.

7. All other managerial functions are performed within the framework of the plans drawn. Identify the related feature of planning.

- (a) Planning focuses on achieving objectives.
- (b) Planning is pervasive.
- (c) Planning is futuristic.
- (d) Planning is primary function of management.

8. Planning requires logical and systematic thinking rather than guess work or wishful thinking. Identify the related feature of planning.

- (a) Planning is futuristic.
- (b) Planning is a mental exercise.
- (c) Planning establishes standards for controlling.
- (d) Planning focuses on achieving objectives.

9. Planning cannot foresee everything, and thus, there may be obstacles to effective planning. Identify the related limitation of planning.

- (a) Planning leads to rigidity.
- (b) Planning may not work in a dynamic environment.
- (c) Planning does not guarantee success.
- (d) Planning reduces creativity.

10. It is not always true that just because a plan has worked before it will work again. Identify the related limitation of planning.

- (a) Planning leads to rigidity.
- (b) Planning reduces creativity.
- (c) Planning may not work in a dynamic environment.
- (d) Planning does not guarantee success.

11. Identify the correct sequence of steps involved in the planning process.

- (a) Evaluating alternative courses, Identifying alternative course of actions, Setting objectives, Developing premises
- (b) Setting objectives, Identifying alternative course of actions, Evaluating alternative courses, Developing premises
- (c) Setting objectives, Developing premises, Identifying alternative course of actions, Evaluating alternative courses
- (d) Setting objectives, Developing premises, Identifying alternative course of actions, Evaluating alternative courses

12. They represent the end point of planning.

- (a) Rules
- (b) Methods

- (c) Objectives
- (d) Policies

13. A strategy is derived from

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

14. A strategy is a comprehensive plan which will not include this dimension

- (a) Determining long term objectives
- (b) Adopting a particular course of action
- (c) The ends which the management seeks to achieve by its operations
- (d) Allocating resources necessary to achieve the objective

15. They provide a basis for interpreting strategy, which is usually stated in general terms.

- (a) Policies
- (b) Procedures
- (c) Objectives
- (d) Programmes

16. They detail the exact manner in which any work is to be performed.

- (a) Rules
- (b) Methods
- (c) Procedures
- (d) Programmes

17. It helps to save time, money and effort, and increases efficiency.

- (a) Procedure
- (b) Programme
- (c) Rule
- (d) Method

18. It is a plan which quantifies future facts and figures.

- (a) Procedure
- (b) Programme
- (c) Rule
- (d) Budget

19. Which of the following is not a standing plan?

- (a) Policy
- (b) Procedure
- (c) Programme
- (d) Rule

20. Which of the following is not a single use plan?

- (a) Budget
- (b) Programme
- (c) Method
- (d) All of the above

21. Micromax was India's largest seller of mobile handsets. It launched low-cost Chinese manufacturing with some smart packaging and features like long-lasting batteries and dual-sim functionality to garner 20% market share in India's value-conscious mobile handset market. Identify the two types of plans being described in the above lines.

- (a) Strategy and objective
- (b) Rule and Programme
- (c) Programme and objective
- (d) Method and objective

22. According to a survey, these days the young children have more power in purchasing decisions than ever before. The parents seek their kids' opinions about all kinds of once-adult decisions, including where to go for dinner, what kind of car to buy, even what to wear. Therefore, the retailers are adapting to this by enhancing their kids' sections. If the children want to shop in the store for their clothes, then there's a greater chance the parent will also see something they want to buy as well. Identify the type of plan being described in the above lines.

- (a) Programme
- (b) Method
- (c) Strategy
- (d) Rule

23. According to a survey of 250 consumer packaged goods (CPG) companies by a reputed firm, 75% of brand owners say they're going to spend significantly more on packaging as it is critical to their brand's success.

Identify the type of plan being described in the above lines.

- (a) Rule
- (b) Programme
- (c) Strategy
- (d) Method

24. According to the World Health Organization, 39% of adults are overweight. Consequently in the U.K., a sugar tax was introduced in 2018 on beverages containing more than 5% sugar to curb sugar intake. Identify the type of plan being described in the above lines.

- (a) Programme
- (b) Method
- (c) Strategy
- (d) Rule

25. According to the Economic Survey, insights from behavioural economics can be strategically utilised to create an aspirational agenda for social change – from BBBP (Beti Bachao Beti Padhao) to BADLAVL (Beti Aapki Dhan Lakshmi Aur Vijay Lakshmi); from Swachh Bharat to Sundar Bharat; from 'Give It Up' for the LPG subsidy to 'Think about the Subsidy' and from tax evasion to tax compliance. Identify the type of plan being described in the above lines.

- (a) Programme
- (b) Method
- (c) Strategy
- (d) Rule

26. Shubham wants to increase the sale of his business by 15% in the next quarter. Identify the type of plan being described in the above lines.

- (a) Method

- (b) Objective
- (c) Strategy
- (d) Programme

27. Packaging is said to have the unique capacity to make products stand out in a crowded marketplace. Therefore, convenience of the consumer is at the top of mind of the marketers as they are focussing on developing packaging that's easier to open, to protect against breakage, maintain freshness during delivery and keep a consistent look and feel across multiple channels. Identify the type of plan being described in the above lines.

- (a) Programme
- (b) Method
- (c) Strategy
- (d) Rule

28. Based on National Common Mobility Card standards, India's first indigenously developed inter-operable transport card was launched in March 2019 to make travel across various modes convenient. Identify the type of plan being described in the above lines.

- (a) Strategy
- (b) Programme
- (c) Method
- (d) Rule

29. India is world's third largest domestic aviation market. The government plans to make India a hub for financing aircraft purchases and leasing of planes. In order to promote this, the government has announced tax incentives, like tax deductions, for companies setting up business in IFSC for fifteen years. Identify the type of plan being described in the above lines.

- (a) Method
- (b) Strategy
- (c) Programme
- (d) Rule

30. The government has been doubling down on its efforts to switch to 100% electric vehicles by 2030. Many companies such as Tata Motors, Kinetic Motors, Maruti Suzuki and Hyundai Motors are all readying their EV models for a 2020 launch in order to support the plan. Identify the type of plan being described in the above lines.

- (a) Method
- (b) Strategy
- (c) Programme
- (d) Objective

31. In order to encourage technologies like artificial intelligence (AI), the internet of things (iot) and virtual reality (VR), the government is planning to launch a scheme to invite foreign companies through a transparent bidding process, to set up plants for manufacturing semi-conductors, solar photo voltaic cells, lithium cell batteries, solar electric charging vehicles, computer servers, and laptops in India. Identify the type of plan being described in the above lines.

- (a) Method
- (b) Strategy
- (c) Programme
- (d) Objective

32. Ketan Enterprises adopts different ways to provide training to employees, like Job . Rotation, Coaching, Vestibule Training, Conference, Lecture Method and Role Playing. Identify the type of plan being described in the above lines.

- (a) Method
- (b) Strategy
- (c) Programme
- (d) Procedure

33. Swatch Ltd. plans to earn a 20% return on its investment in a new project. Identify the type of plan being described in the above lines.

- (a) Method
- (b) Strategy
- (c) Programme
- (d) Objective

34. Deepak is striving to earn a profit of 30% in the current financial year. Identify the type of plan being described in the above lines.

- (a) Method
- (b) Objective
- (c) Strategy
- (d) Programme

35. Name the type of budget which is prepared to determine the net cash position.

- (a) Purchase budget
- (b) Sales budget
- (c) Cash budget
- (d) Production budget

36. In 2019 alone, Swiggy has launched operations in 300 towns and cities. Swiggy follows a two-step sequence while expanding to a small town. First, it provides more laborious training to restaurants and delivery partners compared to their counterparts in the city. Second, it focuses on building scale in operations and increase the restaurant's reach to a larger base of consumers, including optimizing kitchens, resource planning among others. Identify the type of plan being described in the above lines.

- (a) Method
- (b) Strategy
- (c) Programme
- (d) Procedure

B. FILL IN THE BLANKS:

- 1.Planning seeks to the gap between where we are and where we want to go.
- 2.Planning involves making a choice from course of action
- 3.Planning means setting and targets and formulating an action plan to achieve.
- 4.Planning is afunction of management.
- 5.Planning requiresand logical thinking rather than guess work.

C. TRUE AND FALSE:

1. The need for planning doesn't arise when alternatives are available.
2. Planning provides the basis of all other functions.
3. The scope for planning is the same at all levels.
4. Planning is a prerequisite for controlling.
5. The manager is required to make certain assumptions about the future, known as Planning Premises.

D. MATCH THE FOLLOWING:

1. On the basis of description identify Features of planning

a. Planning processes other functions.	(a) Futuristic
b. Planning is purposeful.	(b) continuous
c. Planning essentially involves looking ahead.	(c) primary function

2. Match the following with an example:

(a) No smoking	(a) Policy
(b) Admission only for girls	(b) Strategy
(c) Rs. 10,000 on new arrival of car	(c) Rules

3. Match the following with limitation of planning:

(a) Once plans are made, manager may not be in position to change them	(a) It reduces creativity
(b) Manager becomes blind follower of the plan only	(b) It leads to rigidity

E. COMPREHENSION BASED QUESTIONS:

Read the source given below and answer the following questions.

After completing the diploma in bakery, Priya started an outlet in food court of a mall. She decided to sell five types of pizzas and low sugar muffins with proper planning. She was ready to face the uncertainties and also there was no duplication of work. In short period only her business got a name in the market.

Answer the following MCQ'S by choosing the most appropriate option.

- (i) **Identify the function of management indicated in above para.**

(a) Planning	(c) Staffing
(b) Organising	(d) Directing
- (ii) **Is it worth spending money on planning?**

- (a) Yes
- (b) No
- (c) Partially true
- (d) None of the above

(iii) “There was no duplication of work”. This is indicating which importance of planning?

- (a) Planning provides direction.
- (b) Planning promotes innovative idea.
- (c) Planning reduces overlapping and wasteful activities
- (d) Planning facilitates decision making.

(iv) “With proper planning, she was ready to face the uncertainties.” This indicates which importance of planning?

- (a) Planning provides direction
- (b) Planning promotes innovative ideas
- (c) Planning reduces the risk of uncertainties
- (d) Planning facilitates decision making

SUBJECTIVE TYPE QUESTIONS

Q1. Suhasini a home science graduate from a reputed college has recently done a cookery course. She wished to start her own venture with a goal to provide ‘health food’ at reasonable price. She discussed her idea with her teacher (| mentor) who encouraged her. After analyzing various options for starting her business venture, they shortlisted the option to sell ready made and ‘ready to make’ vegetable shakes and satttu milk shakes. Then they both weighed the pros and coris of both the shortlisted optins.

1. Name the function of management being discussed above and give any one of its characteristics.
2. Also briefly discuss any three limitations the function discussed in the case. (5 marks)

Q2. A company is manufacturing garments. The manager wants to increase profits by purchasing new high speed machines or increasing the sale price or using waste material in manufacturing stuffed toys.

He decided that ‘using waste material’ to increase the profit is the best solution for him.

1. Identify the concept of management involved.
2. Mention the steps involved in the above process by quoting the line from the question.

To complete the process of the concept identified in (a), what two next steps does the manager have to take? Explain.

Q3.. In 'Chak De India' movie, Shahrukh Khan becomes the coach of the girls' hockey team. He knows that he has to prepare the girls for the international hockey matches and bring the world cup after winning. For this he prepares a long-term plan and thinks the ways how to beat the competitors. He coaches the girls to play in different ways like defensive, offensive, etc. at the outset of a match he explains who will open the match, and how the ball will be passed by one player to another step by step. Identify four types of plan that are highlighted in the above case, quoting the lines from it.

Q4. Arush joins as a sales manager of a company dealing in naturotherapy produces. Being proficient in his work, he knew that without good planning he will not be able to organise, direct, control or perform any of the other managerial functions efficiently and effectively. Only on the basis of sales forecasting, he would assist in the preparation of the annual plans for its production and sales. Besides, he will have to prepare sales plans regularly on weekly, monthly, quarterly and half yearly basis. While preparing the sales forecasts, he undertakes intellectual thinking involving foresight, visualization and issued judgement rather than wishful thinking or guess work. Most importantly, all these planning activities will be meaningful only if they will coincide with the purpose for which the business is being carried out.

In context of the above case, identify the various features of planning highlighted in the above paragraph by quoting lines from it.

Q5. The management of ABC Ltd. set up the target of selling 10,000 units per week and made all their plans based on this target. But due to change in technology adapted by competitors which reduced their cost, the ABC Ltd. could not achieve their target.

- (i) Identify the limitation of planning discussed in the above para.
- (ii) State any other two limitations.

CH-5 ORGANISING

OBJECTIVE TYPE QUESTIONS

A. MULTIPLE CHOICE QUESTIONS

1 Dividing work into smaller and manageable task is a part of

- (a) Departmentalisation
- (b) Identification and division of work
- (c) Assignment of duties
- (d) All of the above

2 Grouping of activities in accordance to their nature is a part of

- (a) Division of work
- (b) Specialisation
- (c) Departmentalisation
- (d) Generalisation

3 What is the correct order of organising process?

- (a) Assignment of Duties
- (b) Departmentalisation
- (c) Identification and Division of work
- (d) Establishing reporting relationships.

4 Span of management refers to.

- (a) No. of subordinates at lower level
- (b) Total no. of managers.
- (c) no. of subordinates under a superior.
- (d) no. of levels in the organisation.

5 Form of Organisational structure in which it is easy to fix responsibility

- (a) Functional Organisation
- (b) Formal Organisation
- (c) Informal organization
- (d) Divisional structure

6 Name the type of organisation in which structure of jobs are created with clearly defined functions, authority and responsibility

- (a) Formal organisation
- (b) Informal organisation
- (c) Delegation
- (d) Decentralisation

7 Which of the following is not an element of delegation?

- (a) Authority
- (b) Accountability
- (c) Responsibility
- (d) None of these

8 Under accountability a person is answerable for the

- (a) Growth of company
- (b) Final outcome of the assigned task
- (c) Delegation of authority
- (d) None of the above

9 Find the odd one.

- (a) It promotes flexibility and initiative
- (b) It leads to occupational specialisation
- (c) It makes training of employees easier, or the focus is only on a limited range of skills
- (d) It promotes control and coordination within a department

10 Which of the following is not a demerit of divisional structure?

- (a) It promotes product specialisation
- (b) It facilitates expansion and growth
- (c) It ensures greater accountability
- (d) None of the above

11 Which of the following is not an element of delegation?

- a) Authority
- b) Accountability
- c) Responsibility
- d) None of these

12 Which of the following cannot be delegated?

- a) Authority
- b) Accountability
- c) Responsibility
- d) None of these

13 Which is not a feature of formal organisation?

- a) It is personal
- b) It is more stable
- c) It is based on rules and procedures
- d) It is deliberately planned

14 Which organisation structure is compulsory?

- a) Formal
- b) Informal
- c) both(a) and (b)
- d) None of the above

15 What is Decentralisation?

- a) Short form of delegation
- b) Middle form of delegation
- c) Extended form of delegation
- d) None of the above

B. FILL IN THE BLANKS.

I. _____ form of organisation spreads rumours.

II. Downward transfer of authority from a superior to a subordinate is known as _____.

III. Three elements of delegation are _____, _____ and _____.

IV. Dispersal of decision making authority to all levels is known as _____.

V. Concentration of decision making power at top level is known as _____.

C TRUE AND FALSE.

I. Informal organisation exists within formal set up.

II. Span of management should be large at top level.

- III. Centralisation gives more autonomy to subordinates.
- IV. Decentralisation reduces the burden of top management.
- V. Delegation does not mean abdication.

D MATCH THE FOLLOWING

- | | |
|-------------------------------------|---------------------------------------|
| 1) Importance of organization | a) Functional and Divisional |
| 2) First step of organising process | b) Benefits of Specialisation |
| 3) Types of organisation structure | c) Formal and informal |
| 4) Forms of Organisation | d) Identification & division of work. |

Tick the correct Match.

- | | | | |
|--------|---------|---------|---------|
| 1 i) b | 2. i) d | 3. i) c | 4. i) a |
| ii) d | ii) b | ii) d | ii) c |
| iii) a | iii) c | iii) b | iii) b |
| iv) c | iv) a | iv) a | iv) d |

- | | |
|-------------------------------------|--|
| II. 1) Formal Organisation | a) Refers to network of social relationships |
| 2) Functional Structure is Suitable | b) Where organisation is large and producing only one category of product. |
| 3) Informal organization | c) when an organisation grows and decides to add product line. |
| 4) Divisional structure is suitable | d) refers to the organisation which is deliberately designed. |

Tick the correct Match.

- | | | | |
|---------|---------|---------|---------|
| 1. i) b | 2. i) c | 3. i) d | 4. i) d |
| ii) c | ii) d | ii) b | ii) a |
| iii) d | iii) b | iii) a | iii) c |
| iv) a | iv) a | iv) c | iv) b |

E .COMPREHENSION BASED QUESTIONS

- 1) Neha runs a factory wherein she manufactures shoes. The business has been doing well and she intends to expand by diversifying into leather bags as well as western formal wear thereby making her company a complete provider of corporate wear. This will enable her to market her business unit as the one stop for working women.
 - a) Which type of structure would you recommend for her expanded organisation.
 - b) Give one demerit of an above mentioned structure.

- 2) The production manager asked the foreman to achieve a target production of 200 units per day, but he doesn't give him the authority to requisition tools and materials from the stores department.
 - 1) Can the production manager blame the foreman if he is not able to achieve the desired target? Give reasons
 - 2) State the principle related to the above mentioned concept as well.

SUBJECTIVE TYPE QUESTIONS

Q 1 Lalita Food Limited is a famous company making different food materials. Ms.Lalita is the managing director of the company. She is fully attached to the employees of her company. This is

the very reason that before taking every decision she consults all the concerned employees. A suggestion box has also been provided in the company. It is opened once a week. The employee's giving positive suggestions are rewarded. Besides, all the employees of the company also enjoy full freedom to communicate with any senior officer any time, concerning matters of both types related to their jobs or their personal lives.

Identify the form of organisation, described in the paragraph given above and write about two of its advantages.

Q 2 A company is manufacturing washing machines. There is a well-defined system of jobs which is clear and defines authority, responsibility and accountability in the company. But people are not allowed interact beyond their officially defined roles. As a result, the company is not able to adopt the changing business environment. The work force is also not motivated due to lack of social interaction. The company is facing problems of procedural delays and inadequate recognition to creative talents.

I. Suggest how the organisation can overcome the problems faced by it.

II. Give any two benefits it will derive from your suggestion.

III. Also list any two points of suitability of the above mentioned structure.

Q 3 Aman, Avneesh and Amrish have decided to start a business of manufacturing toys. They identified the following main activities which they have to perform:

- (a) Purchase of raw material
- (b) Purchase of machinery
- (c) Arrangement of finance
- (d) Production of toys
- (e) Sale of toys
- (f) Identifying the areas where they can sell their toys
- (g) Selection of employees

In order to facilitate the work they thought that four managers should be appointed to look after (a) Production, (b) Finance, (c) Marketing and (d) Personnel.

a) Identify the function of management involved in above mentioned para.

b) Quote the lines from above para which help you in identifying this function.

c) State the steps followed in the process of this function of management.

Q 4. A company is manufacturing washing machines. There is a well defined system of jobs with a clear and definite authority, responsibility and accountability in the company. But people are not allowed to interact beyond their officially defined roles. As a result the company is not able to adapt to the changing business environment. The workforce is also not motivated due to lack of social interaction. The company is facing problems of procedural delays and inadequate recognition to creative talents.

(i) Suggest how the organisation can overcome the problems faced by it.

(ii) Give any two benefits it will derive from your suggestion.

CHAPTER-6 STAFFING

OBJECTIVE TYPE QUESTIONS

A.MULTIPLE CHOICE QUESTIONS

1. Ramesh is working under the guidance of Harish, a carpenter, for the last three years to learn the different skills of this job. _____ is the method of training which Ramesh is undergoing.
(a) Orientation (b) Apprenticeship Training
(c) Vestibule Training (d) Internship Training
2. This test aims to identify the areas in which candidate has special liking.
(a) Interest test (b) Trade test
(c) Intelligence test (d) Personality test
3. NAUKRI.COM
India's No.1 Job site
Above is an example of _____.
(a) Placement agencies (b) Web Publishing
(c) Advertisement (d) all of these
4. _____ is a managerial decision making process as to predict which job applicants will be successful if hired
(a) Recruitment (b) Orientation
(c) Training (d) Selection
5. _____ refers to the learning opportunities designed to help employees grow.
(a) Development (b) Training
(c) Performance appraisal (d) Induction
6. It is a face to face conversation between employer and applicant
(a) Selection (b) Interview
(c) Recruitment (d) Staffing
7. Vinod is working as plant supervisor in Cargo Ltd. Noida. His place of work was changed to Gurugram without any change in his position in the hierarchy. Identify the concept.
(a) Promotion (b) Lay off
(c) Training (d) Transfer
8. Sehaj is working as human resource manager in Flora Ltd. He is assigned

the work to find out the number and type of personnel available so that he could decide and recruit the required number of persons for each department

Identify the concept involved.

- (a) Recruitment
- (b) all of these
- (c) work force analysis
- (d) work load analysis

9. Staffing function begins with _____.

- (a) Selection
- (b) Training
- (c) Estimating manpower requirements
- (d) Promotion

10. Staffing is very important function these days because of _____.

- (a) Survival and growth
- (b) Optimum utilisation of human resources
- (c) Better performance
- (d) all of these

11 Promotion involves

- a) Financial incentives
- b) Non-financial incentives
- c) Both(a) and (b)
- d) None of the above.

12 Which of the following is selection test?

- a) Trade test
- b) Intelligence test
- c) Aptitude test
- d) Medical fitness test

13 "It refers to the employee occupying the position or post for which the person has been selected." Identify the term.

- a) Training
- b) Recruitment
- c) Promotion
- d) Placement.

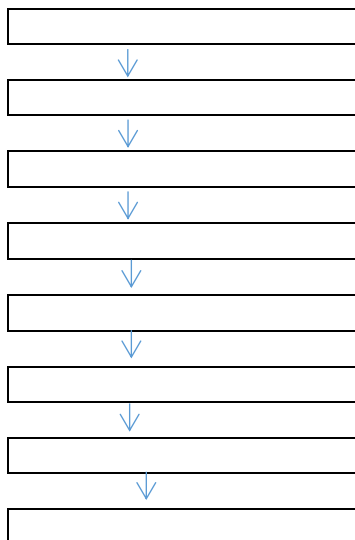
14 Which of the following test measure the existing skills of the individual?

- a) Trade test
- b) Intelligence test
- c) Aptitude test
- d) Personality test.

15 How a business firm came to know that organisation is under-staffed or over-staffed?

- a) Production analysis
- b) Salary analysis
- c) Sales analysis
- d) Workforce analysis.

II. Fill in the Blanks.



Selection Process

2. a) _____
 c) _____
 e) _____

SELECTION
TESTS/TOOLS

- b) _____
 d) _____

3. _____ is a joint programme of training between educational Institutions and business firms.

4. _____ help the organisation to recruit technical, professional and managerial personnel.

5. Recruitment is a _____ process, whereas, selection is a _____ process.

III. Match the Following.

1. 1) Promotion

a) Assigning post to the selected employee

2) Orientation

b) Higher position, Higher responsibilities

3) Performance appraisal

c) Evaluation of employee's performance

4) Placement

d) Familiarising selected employee to the organisation

- (a) (b) (c) (d)
 i) b i) a i) d i) c
 ii) d ii) b ii) a ii) b
 iii) c ii) d ii) c ii) a
 iv) a ii) c ii) b ii) d

2. 1) On the Job training

a) Create a pool of applicants for job

2) Recruitment

b) Learning by doing

3) Off the Job Training

c) Negative Process

4) Selection

d) Learning before doing

- (a) (b) (c) (d)
 i) d i) c i) c i) c
 ii) c ii) d ii) b ii) d
 iii) b iii) b iii) d iii) a
 iv) a iv) a iv) a iv) b

4. State giving reasons, whether the following statements are True/False.

- a) Internal sources of recruitment prevent induction of fresh talent.
 b) 'Selection tests' is the second step in the process of selection.
 c) Recruitment is a complex process as candidate are required to cross several hurdles.
 d) Training shapes the attitude while development increases job skills.
 e) Vestibule Training is an off the job training method.

5 COMPREHENSION BASED QUESTIONS

I. Biru Nandan, Chairman of Lalit group of companies founded 'Biru University' for undergraduate and postgraduate courses in diverse disciplines. The Information Technology department of the Lalit Power Ltd., had few vacancies related to Cyber security. The Human Resource Department of the Company decided to recruit fresh engineering graduates from 'Biru University' for the same. Identify the type of source of recruitment.

II. 'Newrange' is a chain of departmental stores in India with 56 outlets. It sells the best products at the lowest price. The Human Resource department takes care to select, train, motivate and retain the employees. Currently, it has 170 full time employees and 30 part time employees. For top-level management, employees are recruited through private consultants. These professional recruiters can entice the needed top executives from other companies by making the right offers. Employees appointed at the entry level are recruited

through walk-in. For that, a notice is placed on the notice board specifying the details of the jobs available. 'Newrange' also encourages present employees or their friends and relatives to refer candidates. They also visit some of the reputed educational institutions to hire some of the most talented and promising students as its employees.

'Newrange' shifts workforce from surplus departments to those where there is shortage of staff instead of laying them off.

Identify the two internal and external sources of recruitment used by 'Newrange' to recruit its employees.

III. Manu, a Chief Manager in a company using highly sophisticated machines and equipment's, wants that every employee should be fully trained before using the machines and equipment's. Suggest and describe the best method of training that Manu can use for training of employees.

IV. A Company is manufacturing paper plates and bowls. It produces 1,00,000 plates and bowls each day. Due to local festival, it got an urgent order of extra 25,000 plates and bowls. Advise how the company will fulfill its order and which method of recruitment would you suggest?

SUBJECTIVE TYPE QUESTIONS

1) Based on "Performance Appraisal Report (2016).", the HR manager of 'Gamma Ltd' adopted the following ways of training for improving the quality of output and providing more job satisfaction to the employees:

a) Mr. Ganesh- was in the company so that he could practice the theoretical knowledge acquired by him from his college.

b) Mr. Rahul- was provided a dummy model of machinery to do practice on it.

c) Mr. Shekhar- was asked to work with an expert for specific period of time so that he learns by observation.

Identify the technique of training discussed in above cases (a, b, c).

2) 'Pure Energy Ltd' imported a new hi-tech machine from Japan for manufacturing high quality and low cost solar panels in India. After a month, the report of Production Manager reflected a decline in quantity and quality of production. On investigation, it was found that there was lack of technical knowledge and skills amongst the employees for using these hi-tech machines. This resulted in high-overhead charges as well as frequent visits of engineers were required from Japan.

(i) Suggest what should be done to increase the quality and quantity of Production.

(ii) Also state, how the employees will be benefited from your suggestion.

(iii) Identify the functions of management discussed above.

3) Teja Ltd. received 22,495 applications for the post of fifty supervisors. Preliminary, screening was done and 3,545 applications were filtered. Various steps of selection process were taken and finally fifty candidates as supervisor were selected. They were directly posted to their respective posts. After one-month performance appraisal of these candidates was conducted. It was found that out of 50, eight were not able to perform as per standards as they were facing practical problems while handling machines.

(a) In your opinion, what should be done to improve the performance of these eight supervisors.

(b) How an organisation can be benefited by improving the skill level of employees.

4) Orient Ltd. expanding its business operations. All the departmental heads were asked to fill up "Manpower Requisition form and estimate the annual requirement of – skilled and unskilled workers "All the departmental heads submitted the requisition forms to HR Manager.

HR Manager, compiled all such requisition forms as

Requirement of skilled workers – 89

Requirement of unskilled workers – 265

After this, Recruitment and further selection procedure was followed.

Name and explain the methods of recruitment (three each) for each category which would be most appropriate in the above case.

CHAPTER-7

DIRECTING

OBJECTIVE TYPE QUESTIONS:

A. MULTIPLE CHOICE QUESTIONS:

Q1. Yamini received a special gold coin from her school management for exceptionally good board result of her students in her subject. Identify the need of Yamini being fulfilled as per Maslow's Need Hierarchy Theory.

- (a) Esteem Needs
- (b) Belonging Needs
- (c) Self Actualisation Needs
- (d) Basic Physiological Needs

Q2. Which of the following is not an advantage of directing?

- a) Initiates action
- b) Integrates employee efforts
- c) Provides leadership
- d) Restricts changes

Q3. Which of the following statements is not true?

- a) Directing initiates action in the organization
- b) Directing helps a manager to integrate individual efforts
- c) Directing does not help in developing commitment on part of subordinates
- d) None of the above

Q4. Identify the need in which an employee desires self respect, recognition and status.

- a) Security needs
- b) social needs
- c) Esteem needs
- d) Self actualization needs

Q5. In an organizational context, example of security/safety need is

- a) Job security
- b) Stability of income
- c) Pension plans
- d) All of these

Q6. To satisfy esteem needs, which type of incentives is needed?

- a) Financial incentives
- b) Non-financial incentives
- c) Additional incentives
- d) None of these

Q7. XYZ company offers its director certain benefits such as car, housing, medical facilities, etc, apart from basic salary. Name the incentive provided here by the company to its directors.

- a) Stock option
- b) Perquisites
- c) Bonus
- d) Job enrichment

Q8. Dheeraj Madan works as a Human Resource Manager in Busybee Limited. He gives due care in designing jobs, so that it offers a meaningful work experience by assuming a diversity of work content requiring higher level of knowledge. Identify the type of incentive being adopted by the company.

- (a) Employee recognition programme
- (b) Organisational climate
- (c) Career advancement opportunities
- (d) Job enrichment

Q9. Leadership is a key factor in making an organization successful, because

- a) It influences the behavior of people
- b) It introduces changes
- c) It handles conflicts
- d) All of the above

Q10. Which of the following leadership styles is also regarded as boss-centered leadership?

- a) Autocratic leadership style
- b) Democratic leadership style
- c) Free-rein leadership style
- d) All of the above

Q11. Democratic style of leadership helps in

- a) Improving morale of subordinates
- b) Developing positive attitude among subordinates
- c) Developing self-confidence in subordinates
- d) All of the above

Q12. During the year 2018, Halla Walla Limited made surplus profits due to In order to give due recognition to its employees and motivate them to continue with the good work, the company decided to give a certain percentage of profits to them. Identify the type of financial incentive being adopted by the company.

- (a) Perquisites
- (b) Productivity linked wage incentives

- (c) Co-partnership
- (d) Profit sharing

Q13. Which one of the following is an element of directing?

- (a) Delegating authority
- (b) Designing organisation structure
- (c) Communication
- (d) Designing control system

Q14. Which of the following is an example of retirement benefits?

- a) Provident fund
- b) Pension
- c) Gratuity
- d) All of these

Q15. The need for affection, sense of belongingness, acceptance and friendship is related with

- a) Safety/security needs
- b) Social needs
- c) Esteem needs
- d) Self actualization needs

B. FILL IN THE BLANKS:

- 1) _____ is the process of stimulating people to engage in goal-directed behaviour.
 - (a) Communication
 - (b) Motivation
 - (c) Directing
 - (d) None of these
- 2) The channel of communication which is transmitted through informal channels is called _____.
 - (a) Horizontal communication
 - (b) Formal communication
 - (c) Grapevine
 - (d) Gang plank
- 3) _____ aims at instructing, guiding, motivating people to achieve the desired results.
 - (a) Communication
 - (b) Directing
 - (c) Motivating
 - (d) Organising
- 4) _____ is the process of converting a message into symbols.
 - (a) Encoding
 - (b) Decoding
 - (c) Coding
 - (d) Both (b) and (c)
- 5) Directing takes place at _____ levels of management.
 - (a) Top
 - (b) Middle
 - (c) Lower
 - (d) All

C. TRUE OR FALSE:

- 1) Formal and Informal communication flow through officially prescribed channels of communication.
- 2) Democratic leadership style involves giving orders by a superior to his subordinates and expecting that his orders will be obeyed by them.
- 3) Encoding refers to converting symbols received by the receiver into meaning.
- 4) Directing takes place at the top, middle and bottom level of management.
- 5) Leadership and motivation are the two elements of directing.

D. MATCH THE FOLLOWING:

1)

A	B
a) Informal communication	i) Grapevine communication
b) Wheel pattern	ii) Quality of a leader
2)	
a) Physiological needs	i) Self fulfilment
b) Security needs/ Safety needs	ii) Dignity, self respect
c) Social needs/ Love needs	iii) Love and affection, friendship
d) Esteem needs	iv) Security in old age, state of illness Protection against fire and accidents
e) Self actualisation needs	v) Better clothing and shelter

E. COMPREHENSION BASED QUESTION:

‘E.Com Ltd’ recently ventured into cosmetics business. They took help of professional recruiters for filling their managerial position, who charged fees for it. The company appointed the necessary personnel and started the work. All the workers/officials used official channels of communication, which are as follow:

- Mr. Arun, the marketing manager co-ordinates all his activities with production manager.
- Mr. Amit (finance manager) has prepared cash budget and communicated it to his two accountants.
- Mr. Rakesh (store manager) has requested/ suggested the purchase manager - Mr. Ankush that special temperature controlled warehouse is required to keep chemicals and cosmetics.
- The marketing manager Mr. Arun has given feedback to production supervisor, Mr. Ved regarding complaints in recently launched bleach cream.

1. Which specific source of recruitment is used by the company?
 - a) Casual caller
 - b) Direct recruitment
 - c) Management consultants
 - d) Labour contractor
2. Identify the form of communication referred in the given lines:

“Mr. Arun, the marketing manager co-ordinates all his activities with production manager”.

- a) Horizontal communication
 - b) Vertical (downward)
 - c) Vertical (upward)
 - d) Diagonal communication
3. Identify the form of communication referred in the given lines:
“Mr. Amit (finance manager) has prepared cash budget and communicated it to his two accountants”
- a) Horizontal communication
 - b) Vertical (downward)
 - c) Vertical (upward)
 - d) Diagonal communication
4. Identify the form of communication referred in the given lines:
“Mr. Rakesh (store manager) has requested/ suggested the purchase manager - Mr. Ankush that special temperature controlled warehouse is required to keep chemicals and cosmetics”
- a) Horizontal communication
 - b) Vertical (downward)
 - c) Vertical (upward)
 - d) Diagonal communication
5. Identify the form of communication referred in the given lines:
“The marketing manager Mr. Arun has given feedback to production supervisor, Mr. Ved regarding complaints in recently launched bleach cream”.
- a) Horizontal communication
 - b) Vertical (downward)
 - c) Vertical (upward)
 - d) Diagonal communication

SUBJECTIVE TYPE QUESTIONS:

Q 1 .Rahim was working in an enterprise on daily wages basis. It was difficult for him to fulfill the basic needs of his family. His daughter fell ill. He had no money for his daughter’s treatment .To meet the expenses of her treatment; he participated in a cycle race and won the prize money. The cycle company offered him a permanent pensionable job which he happily accepted.

- i) By quoting the lines from the above para identify the needs of Rahim that are satisfied by the offer of Cycle Company.
- ii) Also, explain two other needs of Rahim followed by above that are still to be satisfied.

Q 2. Huma is working in a company on a permanent basis .As per the job agreement she had to work for 8 hours a day and was free to work overtime. Huma worked overtime, due to which she fell ill and had to take leave from her work. No one showed concern and enquired about her health. She realised that she was fulfilling only some of her needs while some other needs still remained to Be satisfied.

- i) By quoting the lines from the above para. Identify the needs of Huma which she is able to fulfill.
- ii) Also explain two other needs of Huma followed by the above needs, which still remained to be satisfied.

Q3. Pramod was a supervisor at Annapurna Aata factory. The factory was producing 200 quintals of aata every day. His job is to make sure that the work goes on smoothly and there was no interruption in production. He was a good leader who would give orders only after consulting his subordinates and work out the policies with the acceptance of the group. Identify and describe the leadership style being adopted by Pramod.

Q4. Smita had been working as an assistant manager with Johnson Enterprises' for the last ten years. She was very popular amongst her colleagues because of her commitment and dedication towards the work. When the manager senior to her retired, all her colleagues thought that now Smita would be promoted. But to everyone's surprise the vacant post was filled by an outsider, Mrs Rita. Smita felt demoralised and her performance started declining. She would abstain herself often and could not meet her targets. Mrs Rita was a good leader, who would not only instruct her subordinates but would also guide and inspire them. She noticed Smita's behavior and felt that her performance could be improved. She started involving Smita in decision making – issues related to the organisation and made her a part of high level joint management committee. Smita was now punctual in office and her performance started improving.

- i. Identify the function of management being performed by Rita.
- ii. Name the element of the above function of management which helped Rita to improve Smita's behavior.
- iii. State any three features of the element identified in (ii) above.

Q5. Mrs. Rajlaxmi is working as the Human Resource Consultant in a firm manufacturing cosmetic, which is facing a problem of high employee turnover. The CEO of the company has invited suggestions from her for retaining the talented employees & reducing the employee turnover. Mrs. Rajlaxmi recommends that the good employees be rewarded in a way that it creates a feeling of ownership among the employees and at the same time makes them contribute towards the growth of the organization.

- i. Identify the incentive and explain its type, which has been suggested by Mrs. Rajlaxmi to the CEO of the company.
- ii. Also explain any two other incentives of the same type.

CHAPTER-8
CONTROLLING

OBJECTIVE TYPE QUESTIONS

MULTIPLE CHOICE QUESTIONS:

Q1. Which of the following describes the nature of controlling?

- a) Goal oriented process
- b) Pervasive function
- c) Continuous process
- d) All of the above

Q2. In a marketing firm, the Financial Manager pays more attention towards an increase of 3% in the marketing cost as compared to a 15% increase in the courier expenses. Identify the concept being used by the manager.

- (a) Management by exception
- (b) Critical point control
- (c) Corrective action
- (d) None of the above

Q3. Which of the following factors are beyond the control of an organisation

- a) Change in government policies
- b) Change in technology
- c) Competition level
- d) All of the above

Q4. Controlling is pervasive function because it is performed

- a) In all organisations whether profit making or non-profit making
- b) At all levels of management to ensure that the work at every stage is performed as planned
- c) Goal oriented process
- d) Both (a) and (b)

Q5. In controlling process, the next stage after setting performance standards is

- a) Measurement of actual performance
- b) Comparing actual performance with standards
- c) Analysing deviations
- d) Taking corrective actions

Q6. The need for the controlling function is felt in

- (a) Business organisations
- (b) Political organisations
- (c) Social organisations
- (d) All of the above

Q7. Reducing the workers, absenteeism in a factory by 20% is an example of

- (a) Quantitative standard
- (b) Qualitative standard
- (c) Deviation
- (d) None of the above

Q8. In controlling process, while setting performance standards, standards can be set

- a) In quantitative terms only
- b) In qualitative terms only
- c) Both (a) and (b)
- d) In subjective terms

Q9. Which standards are used in production?

- a) Quality standards
- b) Quantity standards
- c) Cost standards
- d) All of the above

Q10. which of the following is the technique of measurement of performance?

- a) Personal observation
- b) Sample checking
- c) Performance reports
- d) All of the above

Q11. Yash runs a logistic company. The Tour Incharges of each trip in the company are expected to submit a report to the Event Manager on the completion of every trip. Identify the step in the controlling process being described in the above lines.

- (a) Setting of standards
- (b) Measurement of actual performance
- (c) Taking corrective action
- (d) Analysing the deviations

Q12. An efficient control system helps to

- a) Accomplishes organisational objectives
- b) Boosts employee morale
- c) Judges accuracy of standards
- d) All of the above

Q13. controlling function of an organisation is

- a) Forward looking
- b) Backward looking
- c) Forward as well as backward looking
- d) None of the above

Q14. "Managerial control implies the measurement of a accomplishment against the standard and the correction of deviations to assure attainment of objectives according to plans." This definition has been given by

- a) Koontz and O'Donnell
- b) Peter Drucker

- c) Henry Fayol
- d) Chester Barnard

Q15. Budgetary control requires the preparation of

- a) Training schedule
- b) Budgets
- c) Network diagram
- d) Responsibility centres

FILL IN THE BLANKS:

- 1) _____ is often referred to as control by exception.(Management by exception/ Critical point)
- 2) In controlling corrective actions are taken for future . Thus it is regarded as_____.(Forward looking function/ Backward looking function)
- 3) Taking corrective action is _____ step in process of controlling(Third/ Last)
- 4) Controlling provides direction to all activities and each department and employee is governed by predetermined standards, which helps in establishing_____ among them.(Co-ordination/ Directing)
- 5) _____ is the process of ensuring that actual results are in accordance with planned results.(Controlling/ directing)

TRUE OR FALSE:

- 1) Controlling helps in achieving organisational objectives. (T/F)
- 2) Control by action involves reporting of exceptional deviation between actual performance and standard performance to top management. (T/F)
- 3) Management by exception is controlling performance in key result areas.(T/F)
- 4) External factors can also be controlled.(T/F)
- 5) Employees always like controlling.(T/F)

MATCH THE FOLLOWING:

1)

COLUMN I	COLUMN II
a) Critical Point Control	i. Manager should give attention to significant deviatons, which go beyond the permissible limit.
b) Controlling	ii. Controlling is both backward looking as well as forward looking function.
c) Management by Exception	iii. Control System should focus on Key Result Areas.

2)

COLUMN I	COLUMN II
----------	-----------

a) Taking corrective action	i. Unrealistic standards and defective process may be the reason for occurrence of deviation.
b) Analysing Deviation	ii. Standards can be set in both quantitative as well as qualitative terms.
c) Setting performance standards	iii. If deviation cannot be corrected through managerial action, the standards may have to be revised

COMPREHENSION BASED QUESTION:

Mr. Vishal is trying to apply discipline in his organization. He calls for a meeting and asks his subordinates to pen down their performance in terms of unit produced. He found that his team could not produce the desired number of units, i.e. 20,000 units by the month end. He finally decided that the performance targets will be increased from next month onwards to ensure overall achievement of organizational objectives.

Q1. Which function of management is being highlighted by Vishal's performing such exercise on monthly basis?

- a) Staffing
- b) Organising
- c) Directing
- d) Controlling

Q2. What is the difference between actual performance and planned performance referred to as?

- a) Obstruction
- b) Deviation
- c) Barrier
- d) Conflict

Q3. Identify the importance of performing such function in the given lines by Mr. Vishal.
" Mr. Vishal is trying to apply discipline in his organization"

- a) Making efficient use of resources
- b) Judging accuracy of standards
- c) Ensuring order and discipline
- d) Improving employee motivation

SUBJECTIVE TYPE QUESTIONS:

Q1 Jindal Ltd. could not achieve the target production of 15,000 cars p.a. It could produce only 14,125 cars-while analysing the deviations, it was found that workers were not efficient. Training programmes were organised and next year, company was able to produce 15,000 units. Production manager is of the opinion that with this, management ends at controlling.

Do you agree? Give reasons to support your answer.

Q2. Kanu is appointed as a Factory Manager in a gel- pen manufacturing company. He was given a target of producing one lac gel pens per month. He knew that the essence of

management is to achieve desired results' but he know how to ensure that the work goes on according to plans.”

Guide him by explaining the process so that he is able to achieve the desired results.

Q3. Airtech Ltd. Is manufacturing mobile phones both for domestic Indian market as well as for export. It had enjoyed a substantial market share and also had a loyal customer following. But lately it has been experiencing problems because its target have not been met with regard to sales and customer satisfaction . Also, mobile market in India has grown tremendously and new players have come with better technology and pricing. This is causing problems for the company. It is planning to revamp its controlling system and take other steps necessary to rectify the problems it is facing. It also decides to offer its basic models of mobile phones at 50% discount to the poor people.

- a) State any two benefits the company will derive from a good control system.
- b) How can the company relate its planning with control in this line of business to ensure that its plan are actually implemented and targets attained.
- c) Give the steps that the company should follow to remove the problems it is facing.

Q4. You are a manager in a car manufacturing company. It is reported that postal expenses have increased by 10 % and cost of raw material by 2% which of the two deviations is more critical to you? It is related to which concept of controlling? Explain it.

Q5. Polycons Ltd. Is a firm manufacturing paper bags in Odisha. It has employed female workers in the company and manufacture paper bags from recycle paper and sells them to various at economic rates. Since last 1 month, its customers (firms) are reporting of complaints received from the users that these bags are unable to manage heavy weight and get torn easily.

- a) Which function of management has been ignored above?
- b) Discuss the steps to be undertaken in respect of the ignored function to pacify situation.

CH-9 FINANACIAL MANAGEMENT

OBJECTIVE TYPE QUESTIONS

A.MULTIPLE CHOICE QUESTIONS

1. The Cheapest source of finance is:.
 - a. Debenture
 - b. Equity share capital
 - c. Preference share
 - d. Retained earnings

2. A decision to acquire a new and modern plant to upgrade an old one is a
 - a. Financing decision
 - b. Working capital decision
 - c. Investment decision
 - d. None of the above

3. Other things remaining the same, an increase in the tax rate on corporate profit will
 - a. Make the debt relatively cheaper
 - b. Make the debt relatively the dearer
 - c. Have no impact on the cost of debt
 - d. We can't say

4. Companies with a higher growth potential are likely to
 - a. Pay lower dividends
 - b. Pay higher Dividends
 - c. Dividends are not affected
 - d. none of the above

5. Financial leverage is called favourable if:
 - a. Return on investment is lower than the cost of debt.
 - b. ROI is higher than the cost of Debt
 - c. Debt is easily available.
 - d. If the degree of existing financial leverage is low.

6. Higher debt – equity ratio results in:
 - a. lower financial risk
 - b. higher degree of operating risk
 - c. higher degree of financial risk
 - d. higher EPS.

7. Higher Working capital usually results in:
 - a. higher current ratio, higher risk and higher profits
 - b. lower current ratio, higher risk and profits
 - c. higher equity, lower risk and lower profits
 - d. lower equity, lower risk and higher profits.

8. Current assets are those assets which get converted into cash:
 - a. within six months
 - b. within one year
 - c. between one year and three years
 - d. between three and five years.

9. A fixed asset should be financed through:
 - a. a long term liability

- b. a short term liability
- c. a medium term liability
- d. a mix of long and short term liability

10. Current assets of a business firm should be financed through:

- a. current liability only
- b. long term liability only
- c. Fixed liabilities only
- d. Both types (i.e., long and short term liabilities)

11. Financial management helps in

- a. Reducing the cost of funds
- b. Keeping the risks under control
- c. Achieving effective development of funds
- d. All of the above

12. To maximize the wealth of owners means

- a. To minimize the risk of the shareholders
- b. To maximize the shares of shareholders
- c. To maximize the current price of equity shares of the company
- d. To minimize the tax in the hands of shareholders

13. Dividend is that portion of profit, which is distributed to the shareholders and undistributed profit which remains in the business is known as

- a. Earnings
- b. Equity
- c. Retained earnings
- d. Interest

14. Financial planning helps in

- a. Running the business smoothly by forecasting
- b. Avoiding business shocks and surprises
- c. Coordinating various business functions
- d. All of the above

15. Calculate the profit before interest and tax from the following information:

Profit after tax = Rs. 150,000 Interest Rs. 60,000 and Tax rate is 50%

- a. Rs3,60,000
- b. Rs3,00,000
- c. Rs45,000
- d. Rs1,05,000

B.FILL IN THE BLANKS.

1. Current assets get converted into cash within a period of _____.
2. Inflation will result in an increase in _____ capital requirements.
3. Objective of financial management is _____
4. An increase in debt raises _____ risk.
5. As the financial leverage increases, the cost _____ but risk _____

C TRUE AND FALSE.

1. Companies with higher growth potential pay lower dividends.
2. An 'Advertising agency' needs to have large fixed capital.
3. Trading on equity takes place when ROI is less than the rate of interest.
4. Capital budgeting decisions are very crucial for any business.
5. If cash flow position of a company is weak more debt financing is not recommended.

D MATCH THE FOLLOWING

- | | |
|--|---|
| 1. Capital budgeting decision | (a) allocation of funds to different projects/Assets. |
| 2. Financial management | (b) Proportion of debt and equity |
| 3. Investment decision
usage of finance | (c) Optimal procurement and |
| 4. Financing decision | (d) Long term investment decision |
-
- | | | | |
|----------|----------|----------|----------|
| 1. - (c) | 1. - (d) | 1. - (b) | 1. - (d) |
| 2. - (b) | 2. - (c) | 2. - (d) | 2. - (a) |
| 3. - (d) | 3. - (a) | 3. - (a) | 3. - (b) |
| 4. - (a) | 4. - (b) | 4. - (c) | 4. - (c) |
-
- | | |
|----------------------------|---|
| II. 1. Net Working Capital | (a) how much of profits will be distributed |
| 2. Dividend decision | (b) Proportion of debt in total capital |
| 3. Financial leverage | (c) excess of current assets over current Liabilities. |
| 4. Trading on equity | (d) Increase in shareholders wealth due to Debt/loan in capital employed. |
-
- | | | | |
|----------|----------|----------|----------|
| 1. - (c) | 1. - (b) | 1. - (a) | 1. - (d) |
| 2. - (a) | 2. - (c) | 2. - (d) | 2. - (b) |
| 3. - (b) | 3. - (a) | 3. - (b) | 3. - (c) |
| 4. - (d) | 4. - (d) | 4. - (c) | 4. - (a) |

E .COMPREHENSION BASED QUESTIONS

Q. Read the source given below and answer the following questions.

'Sarah Ltd.' is a company manufacturing cotton yarn. It has been consistently earning good profits for many years. This year too, it has been able to generate enough profits. There is availability of enough cash in the company and good prospects for growth in future. It is a well-managed organisation and believes in quality, equal employment opportunities and good remuneration practices. It has many shareholders who prefer to receive a regular income from their investments.

It has taken a loan of Rs. 40 lakhs from IDBI and is bound by certain restrictions on the payment of dividend according to the terms of loan agreement.

Answer the following MCQs by choosing the most appropriate option.

(i) The above para is indicating which decision?

- (a) Investment Decision
- (b) Financing Decision
- (c) Dividend Decision

(d) None of the above

(ii) Company is able to generate enough profit, so it should give how much dividend to shareholders?

- (a) More
- (b) Less
- (c) Moderate
- (d) None of the above

(iii) “They have many shareholders, who prefer to receive a regular income from their investment”. This indicates the company should pay:

- (a) Less dividend
- (b) More dividend
- (c) Moderate Dividend
- (d) None of the above

(iv) IDBI restricted the company regarding payment of dividend. This is related to which factor of dividend decision?

- (a) Legal Restrictions
- (b) Stock Market reaction
- (c) Access to capital market
- (d) Contractual constraint

SUBJECTIVE TYPE QUESTIONS

Q 1 ‘Sarah Ltd.’ is a company manufacturing cotton yarn. It has been consistently earning good profits for many years. This year too, it has been able to generate enough profits. There is availability of enough cash in the company and good prospects for growth in future. It is a well-managed organization and believes in quality, equal employment opportunities and good remuneration practices.

It has many shareholders who prefer to receive a regular income from their investments. It has taken a loan of Rs.40 lakhs from IDBI and is bound by certain restrictions on the payment of dividend according to the terms of loan in agreement.

The above discussion about the company leads to various factors which decide how much of the profits should be retained and how much has to be distributed by the company.

Quoting the lines from the above discussion identify and explain any four such factor

Q 2 ‘Smart Stationery Ltd.’ wants to raise funds of < 40, 00,000 for its new project. The management is considering the following mix of debt and equity to raise this amount:

Capital Structure

Alternative

	I	II	III
Equity	40, 00,000	30, 00,000	10, 00,000
Debt	0	10, 00,000	30, 00,000

Other details are as follows:

Interest Rate on Debt 9%

Face Value of Equity Shares < 100 each

Tax Rate 30%

Earning Before Interest and Tax (EBIT) < 8, 00,000

(a) Under which of the three alternatives will the company be able to take advantage of Trading on Equity ?

(b) Does Earning Per Share always rise with increase in debt?

Q 3. 'G. Motors' is the manufacturer of sophisticated cranes. The Production manager of the company, reported to the Chief Executive Officer, Ashish Jain that one of the machines used in manufacturing sophisticated cranes had to be replaced to compete in the market, as other competitors were using automatic machines for manufacturing cranes. After a detailed analysis, it was decided to purchase a new automatic machine having the latest technology. It was also decided to finance this machine through long term sources of finance. Ashish Jain compared various machines and decided to invest in the machine which would yield the maximum returns to its investors.

(a) Identify the financial decision taken by Ashish Jain.

(b) Explain any three factors affecting the decision identified in (a) above.

Q 4 Jai Bharat Company Ltd. is an auto part supplier company in Guru Gram, Haryana. Its business is spread over several cities. The CEO of company wants to open a factory in Gujrat near Tata Motors Ltd. but due to recession for the last two years, its business is facing slow down. Company needs capital. Rakesh Gupta is CA and financial advisor of the company. He opinions that during recession profit falls and investors prefer to invest in debentures to earn fixed income. Therefore, the company should issue debentures. In this paragraph, which factor affecting financing decision has been highlighted?

CHAPTER 10 FINANCIAL MARKET

OBJECTIVE TYPE QUESTIONS

A. MULTIPLE CHOICE QUESTIONS

1. Which of the following statements is not true with regard to money market?

(a) It involves low market risk.

(b) It is situated at specific locations.

(c) Deals in unsecured and short-term debt instruments.

(d) The instruments traded are highly liquid.

2. Which of the following statements is not true with regard to Treasury bills?

(a) Are issued in the form of a promissory note.

(b) They are highly liquid and have assured yield

(c) They carry high risk of default.

(d) They are available for a minimum amount of ₹25,000 and in multiples thereof.

3. Which of the following statements is not true with regard to Commercial paper?

(a) Is a long-term unsecured promissory note with a fixed maturity period.

- (b) It usually has a maturity period of 15 days to one year.
- (c) It is sold at a discount and redeemed at par.
- (d) Companies use this instrument for bridge financing.

4. Which of the following statements is not true with regard to Call money?

- (a) It is short-term finance repayable on demand.
- (b) Its maturity period ranges from one day to fifteen days.
- (c) There is a direct relationship between call rates and other short-term money market instruments.
- (d) It is used for inter-bank transactions.

5. Which of the following statements is not true with regard to primary market?

- (a) Is also known as the old issues market.
- (b) It facilitates the transfer of investible funds from savers to entrepreneurs.
- (c) It deals with new securities being issued for the first time
- (d) It facilitates the transfer of investible funds from savers to entrepreneurs.

6. Which of the following statements is not true with regard to capital market?

- (a) The funds are raised for a short period of time.
- (b) Both debt and equity funds can be raised.
- (c) It is classified into two types.
- (d) All of the above.

7. Which of the following statements is not true with regard to stock exchange?

- (a) It provides a platform for buying and selling of new securities.
- (b) It curbs the marketability of the securities.
- (c) By providing a ready market, it extends liquidity to the securities.
- (d) It provides a platform for buying and selling of old securities.

8. Which of the following is not a protective function of stock exchange?

- (a) Prohibition of fraudulent and unfair trade practices.
- (b) Controlling insider trading.
- (c) Regulation of takeover bids by companies.
- (d) Promotion of fair practices and code of conduct in securities market.

9. Raj Enterprises wishes to invest ₹1,10,000 in treasury bills. What is the maximum number of treasury bills it can buy with this fund?

- (a) 6
- (b) 7
- (c) 4
- (d) 2

10. Which of the following statements is true with regard to financial markets?

- (a) They link the households which save funds and business firms which invest these funds.
- (b) They work as an intermediary between the savers and the investors by mobilising funds between them.
- (c) They allocate funds available for investment into their most productive investment opportunity.
- (d) All of the above

11. The allocated function is performed by

- (a) Financial market
- (b) Capital market
- (c) Money market
- (d) All of the above

12. It is a market for short-term funds which deals in monetary assets whose period of maturity is up to one year.

- (a) Primary market
- (b) Secondary market
- (c) Capital market
- (d) Money market

13. It is an instrument of short-term borrowing by the Government of India maturing in less than one year.

- (a) Commercial bill
- (b) Treasury bill
- (c) Call money
- (d) None of the above

14. Who issues a treasury bill?

- (a) Any nationalised bank
- (b) Any private sector bank
- (c) Reserve Bank of India
- (d) All of the above

15. Suppose an investor purchases a 91 days Treasury bill with a face value of ₹2,00,000 for ₹1,92,000. By holding the bill until the maturity date, the investor receives ₹2,00,000. What is the amount of interest received by him?

- (a) ₹8,000
- (b) ₹80,000
- (c) ₹3,92,000
- (d) ₹2,00,000

16. It is used as an alternative to bank borrowing for large and creditworthy companies,

- (a) Commercial bill
- (b) Commercial papers
- (c) Call money
- (d) None of the above

17. It is a method by which banks borrow from each other to be able to maintain the cash reserve ratio.

- (a) Commercial bill
- (b) Commercial papers
- (c) Call money
- (d) None of the above

18. A rise in call money rates makes other sources of finance such as commercial paper and certificates of deposit

- (a) Expensive in comparison with banks who raise funds from these sources.
- (b) Cheaper in comparison with banks who raise funds from these sources.

- (c) Creates no effect on other sources.
- (d) None of the above

19. It is a short-term, negotiable, self-liquidating instrument which is used to finance the credit sales of firms.

- (a) Commercial bill
- (b) Commercial papers
- (c) Call money
- (d) None of the above

20. The capital market consists of

- (a) Development banks
- (b) Commercial banks
- (c) Stock exchanges
- (d) All of the above

21. A company can raise capital through the primary market in the form of

- (a) Equity shares
- (b) Preference shares
- (c) Debentures
- (d) All of the above

22. They can be issued to individuals, corporations and companies during periods of tight liquidity when the deposit growth of banks is slow but the demand for credit is high.

- (a) Commercial papers
- (b) Call money
- (c) Commercial bill
- (d) Certificate of deposit

23. Which of the following participants represent capital market?

- (a) Development banks
- (b) Commercial banks
- (c) Stock exchanges
- (d) All of the above

24. Under this method of floatation in primary market, a subscription is invited from general public to invest in the securities of a company through the issue of advertisement.

- (a) Private placement
- (b) Offer through prospectus
- (c) Offer for sale
- (d) All of the above

25. PK Enterprises Limited has sold an entire lot of 5,00,000 equity shares @ ₹9 each to Prosperous Bank Private Limited. The bank intum will offer the shares to general public for subscription @ ₹11 per share. Identify the method of floatation being described in the given lines.

- (a) Private placement
- (b) Offer through prospectus
- (c) Offer for sale
- (d) Rights issue

26. Jaykant is holding hundred shares of a company. He has been given a privilege offer to subscribe to a new issue of shares of the same company in proportion of 2:1 to the number

of shares already possessed by him. Identify the method of floatation being described in the above case.

- (a) Offer through prospectus
- (b) Offer for sale
- (c) Rights issue
- (d) Private placement

27. Stock Exchange works as a mechanism for valuation of securities through the forces of demand and supply. Identify the related function of performed by the stock exchanges.

- (a) Providing liquidity and marketability to existing securities.
- (b) Safety of transaction.
- (c) Pricing of security.
- (d) Spreading of equity cult.

28. Stock exchanges provide an opportunity to the investors to disinvest and invest. Identify the related function of the stock exchange.

- (a) Providing scope for speculation.
- (b) Providing liquidity and marketability to existing securities.
- (c) Pricing of security.
- (d) Spreading of equity cult.

29. The process of holding shares in electronic form is known as

- (a) Demutualisation
- (b) Dematerialisation
- (c) Speculation
- (d) None of the above

30. One of the common irregularities noted by the Securities and Exchange Board of India during the inspection of a stock exchange was that it was dealing with unregistered sub-brokers. Identify the related function of Securities and Exchange Board of India

- (a) Regulatory function
- (b) Protective function
- (c) Developmental function
- (d) None of the above

31. It acts like a bank and keeps securities in electronic form on behalf of the investor,

- (a) Depository Participant
- (b) Depository
- (c) Stock exchange
- (d) None of the above

32. It serves as an intermediary between the investor and the depository who is authorised to maintain the accounts of dematerialised shares.

- (a) Depository Participant
- (b) Depository
- (c) Stock exchange
- (d) None of the above

33. It is a number assigned to each transaction by the stock exchange and is printed on the contract note.

- (a) PAN number
- (b) Unique Order Code

- (c) Contract Note
- (d) None of the above

34. Identify the correct sequence of steps to be followed in the trading procedure at Stock Exchange

- (a) Opening a trading account and Demat account, Placing an order, Settlement of order, Execution of order
- (b) Settlement of order, Opening a trading account and Demat account, Placing an order, Execution of order
- (c) Opening a trading account and Demat account, Placing an order, Execution of order, Settlement of order
- (d) Placing an order, Opening a trading account and Demat account, Execution of order, Settlement of order

35. The mandatory detail that an investor has to provide to the broker at the time of opening a demat account is

- (a) Date of birth and address
- (b) PAN number
- (c) Residential status (Indian/NRI)
- (d) Bank account details.

36. It is a legally enforceable document which is issued by a stock broker within 24 hours of the execution of a trade order.

- (a) PAN number
- (b) Unique Order Code
- (c) Contract Note
- (d) None of the above

37. On this day, the exchange will deliver the share or make payment to the other broker,

- (a) Pay-in day
- (b) Pay-out day
- (c) Transaction day
- (d) None of the above

38. When is a trade confirmation slip issued to the investor?

- (a) On placing an order
- (b) On execution of the order
- (c) On settlement of the order
- (d) None of the above

B. FILL IN THE BLANKS

1. _____ are also known as Zero Coupon Bonds.
2. Instruments of money market enjoys a higher degree of liquidity due to presence of _____.
3. Under _____, company issues capital to public through online system of stock exchange.
4. Money Market deals in securities with maximum tenure of _____.
5. Financial market acts as link between _____ and _____.
6. Two major alternatives mechanism through which funds can be allocated are _____ and financial markets.
7. _____ is used for Bridge Financing.
8. Treasury Bills are available for a minimum amount Rs _____ and in multiple thereof.

9. Registration of collective instrument investment schemes is the _____ functions of SEBI.
10. Under Secondary Market, prices of securities are determined by forces of _____ and _____.
11. _____ serves as an intermediary between the Investor and the Depository.
12. The interest rate paid on call money is known as _____
13. _____ is an important document as it is legally enforceable and helps to settle disputes or claims between the investor and the broker.
14. _____ is used by banks to maintain Cash Reserve Ratio.
15. The two main depository participants in India are _____ and CDSL.

C. TRUE AND FALSE

1. Commercial paper is secured instrument and any company can issue it.
2. Primary market directly promotes capital formation, whereas secondary market indirectly promotes capital formation.
3. SEBI aims to protect the interests of investors.
4. Organised capital market builds sound financial health of the economy.
5. SEBI is empowered to regulate the working of financial intermediaries.
6. Capital Market instruments are more liquid as compared to money market instruments.
7. Prices in the primary market are determined by forces of demand and supply.
8. Commercial Bill is a common instrument, which is used in credit purchase and sales.
9. Secondary Market directly promotes capital formation.
10. Only buying of securities take place in the primary market.
11. Stock Exchange provides a ready market for sale and purchase of second hand securities.
12. There exist a direct relationship between call rate and other short term money market instruments.
13. The instruments sold in the capital market are Treasury bill. Certificate of deposits, Call money etc.
14. The process of holding securities in an electronic form is called Dematerialisation.
15. Primary market refers to the market wherein securities are sold for the first time.

D. MATCH THE FOLLOWING

1. From the set of statements given in Column I and Column II, choose the correct pair of statements.

COLUMN I	COLUMN II
1. Money Market	a. It deals with instruments with a maturity of more than one year.
2. Primary Market	b. It deals with sales and purchase of existing securities.
3. Capital Market	c. It requires huge financial investment
4. Secondary Market	d. Price is determined by demand and supply of the securities.

2. From the set of statements given in Column I and Column II, choose the correct pair of statements.

COLUMN I	COLUMN II
1. Commercial paper	a. Issued by RBI on behalf of Central Government to meet its short term requirement of funds.

2. Certificate of Deposit	b. It is a bill of exchange used to finance the working capital requirements of business firms.
3. Treasury Bill	c. Companies use this instrument for bridge financing.
4. Commercial Bill	d. It is an unsecured, negotiable, short term instruments in bearer form, issued by commercial banks and development financial institutions.

3. From the set of statements given in Column I and Column II, choose the correct pair of statements.

COLUMN I	COLUMN II
1. Offer for sale	a. It involves inviting subscription from the public through issue of prospectus.
2. Right Issue	b. It involves issue of capital to public through online system of stock exchange.
3. e-IPOs	c. It is a privilege is given to existing shareholders to subscribe to a new issue to a new issue of shares.
	d. It involves issue of securities through intermediaries like issuing houses.

E. COMPREHENSION BASED QUESTION.

1. Charu is a Chartered Accountant in Prakash Ltd. During the course of meeting with directors he came to know that as against the previous years, this year company is going to declare handsome dividend offer. It is observed that when such news becomes public then the share-market jumps-up. Considering it, Charu purchased large number of company's shares before this news reached the public.

Answer the following MCQs by choosing the most appropriate option.

- Identify the malpractices used by Charu.
 - Price Rigging
 - Insider Trading
 - Privilege allotment
 - None of the above
- Identify the authority that regulated such behaviour.
 - RBI
 - Controller of capital
 - SEBI
 - State Government
- State the function of SEBI which checks price rigging and preferential allotment.
 - Protective
 - Developmental
 - Regulating
 - None of the above
- SEBI protects the interests of
 - Investors
 - Companies

- (c) Intermediaries
- (d) None of the above

2. Stock Exchange acts as a regulator of the securities market. It creates a continuous market where the securities are bought and sold. It gives investors the chance to disinvest and reinvest. Through this process of disinvestment and reinvestment, savings get channelized into their most productive investment avenues.

To ensure that the investing public gets a safe and fair deal in the market, the membership of the Stock exchange is well regulated and its dealings are well defined according to the existing legal framework. It also ensures wider share ownership by regulating new issues, better trading practices and taking effective steps in educating the public about investments.

Answer the following MCQs by choosing the most appropriate option.

1. "It gives investors the chance to disinvest and reinvest". This line indicates which function of stock exchange?
 - (a) Contributes to economic growth
 - (b) Promotes
 - (c) Economic barometer
 - (d) Pricing of securities
2. "To ensure that the investing public gets a safe and fair deal in the market the membership of the stock exchange is well regulated and its dealings are well defined according to the existing legal framework." This line indicates which function of Stock exchange?
 - (a) Economic barometer
 - (b) Pricing of securities
 - (c) Safety of transacting
 - (d) Spreading equity cult
3. "Taking effective steps in educating the public about investments" indicates which function of stock exchange?
 - (a) Economic barometer
 - (b) Pricing of securities
 - (c) Safety of transactions
 - (d) Spreading equity cult
4. Why is Stock Exchange called a mirror through which we can see the economic condition of every country?
 - (a) AS it acts as an economic barometer
 - (b) It helps in fixing the prices of securities
 - (c) It spreads equity cult
 - (d) It provides safety of transactions.

SUBJECTIVE TYPE QUESTIONS

Q 1. Meca Ltd. a reputed automobile manufacturer needs Rupees ten crores as additional capital to expand its business. Atul Jalan, the CEO of the company wanted to raise funds through equity. On the other hand the Finance Manager, Nimi Sahdev said that the public issue may be expensive on account of various mandatory and non-mandatory expenses. Therefore, it was decided to allot the securities to institutional investors. Name the method through which the company decided to raise additional capital.

Q 2. These days, the development of a country is also judged by its system of transferring finance from the sector where it is in surplus to the sector where it is needed most. To give strength to the economy, SEBI is undertaking measures to develop the capital market. In

addition to this there is another market in which unsecured and short-term debt instruments are actively traded everyday. These markets together help the savers and investors in directing the available funds into their most productive investment opportunity.

1. Name the function being performed by the market in the above case.
2. Also, explain briefly three other functions performed by this market

Q 3. ABC Ltd. issued prospectus for the subscription of its shares for Rs. 500 crores in 2008. The issue was oversubscribed by 20 times. The company issued shares to all the applicants on pro-rata basis. Later SEBI inspected the prospectus and found some misleading statement about the management of the company in it. SEBI imposed a penalty of Rs. 5 crores and banned its three executive directors for dealing in securities market for three years. Identify the function and its type performed by SEBI in the above case.

Q 4. National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) to trade in securities listed at these exchanges. It is also a depository participant with CDSL and NSDL. In the first three years, it developed its business successfully. After that the composition of Board of Directors changed. Some customers complained to the customer care centre of the company that shares purchased by them and for which the payment has been duly made, were not transferred to their D'mat Accounts by "Unicon securities Pvt. Ltd" . The executive of customer care centre promised the aggrieved customers that their shares will be transferred to their respective D'mat Accounts very soon. But the company delayed the matter and didn't transfer the shares of the customers to their D'mat Accounts. This eroded investors confidence and multiplied, their grievances.

1. Identify the step of trading procedure in a stock exchange which has not been followed by "Unicon Securities Pvt. Ltd" .
2. Name the Apex statutory body of capital market to whom customer can complain to redress their grievances.

Q 5. Squib Ltd. is a large creditworthy company operating in the Kashmir Valley. It is an export- oriented unit, dealing in exclusive embroidered shawls. The floods in the Valley have created many problems for the company. Many craftsmen and workers have been dislocated and raw material has been destroyed. The firm is therefore, unable to get an uninterrupted supply of raw materials and the duration of the production cycle has also increased. To add to the problems of the organisation, the suppliers of raw materials who were earlier selling on credit are asking the company for advance payment or cash payment on delivery. The company is facing a liquidity crisis. The CEO of the company feels that taking a bank loan is the only option with the company to meet its short-term shortage of cash.

As a finance manager of the company, name and explain the alternative to bank borrowings that the company can use to resolve the crisis

Q 6. Supriya's grandmother who, was unwell, called her and gave her a gift packet. Supriya opened the packet and saw many crumpled share certificates inside. Her grandmother told her that they had been left behind by her late grandfather.

As no trading is now done in physical form, Supriya wants to know the process by adopting which she is in a position to deal with these certificates. Identify and state the process. Also, give two reasons to Supriya why dealing with shares in physical form has been stopped.

Q 7. Incorporated in 1990, Raju Dairy Ltd., is one of the leading manufacturers and marketers of dairy-based branded foods in India. In the initial years, its operations were restricted only to collection and distribution of milk. But, over the years it has gained a

reasonable market share by offering a diverse range of dairy based products including fresh milk, flavoured yogurt, ice creams, butter milk, cheese, ghee, milk powders etc. In order to raise capital to finance its expansion plans, Raju Dairy Ltd. has decided to approach capital market through a mix of Offer for sale of Rs. 4 crore shares and a public issue of Rs. 2 crore shares.

In context of the above case:

1. Name and explain the segment of capital market being approached by the company.
2. Identify the two methods of floatation used by the company to raise the required capital. Give one difference between them.

CHAPTER-11

MARKETING MANAGEMENT

OBJECTIVE TYPE QUESTIONS

MULTIPLE CHOICE QUESTIONS:

Q1. Which of the following functions of marketing helps in making product more attractive and improving its performance/

- a) Marketing planning
- b) Product designing and development
- c) Branding
- d) Promotion

Q2. With which element is exchange mechanism related?

- a) Publicity
- b) Marketing

- c) Advertising
- d) Branding

Q3. Name the philosophy of marketing which is an extension of marketing concept.

- a) Product concept
- b) Societal marketing concept
- c) Production concept
- d) Selling concept

Q4. Which of the following is the function of marketing?

- a) Gathering and analysing market information
- b) Marketing planning
- c) Standardisation and grading
- d) All of the above

Q5. Marketing plays a very important role in the economy by

- a) Raising living standard of the people
- b) Ensuring smooth flow of goods through efficient distribution system
- c) Accelerating economic activity
- d) All of the above

Q6. Which one of the following is not a marketing mix?

- a) Product
- b) Physical distribution
- c) Product pricing
- d) Production process

Q7. Which of the following refers to that process of assigning a distinctive name or symbol to the product, by which it can be known, remembered and identified?

- a) Trademark
- b) Product mix
- c) Branding
- d) Packaging

Q8. Which of the following refers to the process of designing a small slip or complex graphics that are a part of package, which denotes its nature, content and usage?

- a) Branding
- b) Packing
- c) Labelling
- d) None of these

Q9. If the management of a company wants to exercise highest level of control over the distribution of its products, which of the following channels of distribution would be preferred by it?

- a) Zero level channel
- b) One level channel
- c) Two level channel
- d) Three level channel

Q10. Which of the following statement is not correct?

- a) In zero level channel, goods are directly made available to consumers from manufacturers.
- b) In one level channel, goods are made available from manufacturers to retailers and then to customers.
- c) In two level channel, goods are available from manufacturer to agent and then to retailer.
- d) None of the above.

Q11. When Sarita opened the door on hearing the doorbell, a person was standing who was selling Britannica world's 'encyclopaedia'. Here , Britannica is using which element of promotion mix?

- a) Public relation
- b) Sales promotion
- c) Advertising
- d) Personal selling

Q12. Which of the following statement is not correct?

- a) Marketing is same thing as shopping for goods and services.
- b) Marketing is equally relevant to non profit organisation
- c) Marketing management means management of the marketing functions
- d) Selling is only a part of the process of marketing.

Q13. Which one of the following factors is not relevant to price fixation?

- a) Obtaining market leadership
- b) Age of an organization
- c) Value for money
- d) Product differentiation

Q14. Which one of the following promotion tools has mass reach?

- a) Advertising
- b) Personal selling
- c) Sales promotion
- d) Public relations

Q15. As soon as Coca Cola reduced its selling price on 2 ltr to rupees 75, soon Pepsi followed with a price reduction in its selling price priced its 2 ltr per bottle at 74.50 which factor of pricing is being discussed here?

- a) The utility and demand
- b) Extent of competition in the market
- c) Marketing methods used
- d) Pricing objectives

FILL IN THE BLANKS:

1. _____ is the deliberate action of an organisation for promoting goodwill between itself and the society.(Public relations / Advertising)

2. _____ is the process of planning, organising, directing and controlling the activities relating to exchange of goods and services. (Marketing management / Personnel management)
3. The focus of _____ concept is 'attracting consumers' while the focus of _____ concept is 'consumer's satisfaction'. (Marketing, selling / Selling, marketing)
4. Transportation helps in creating _____ and warehousing helps in creating _____. (Time utility, place utility / Place utility, time utility)
5. _____ refers to the important decisions related to the product such as quality, design, branding, product packaging, labelling etc. (Product mix / Promotion mix)

TRUE OR FALSE:

1. There is personal communication in case of advertising. (T/F)
2. Labelling involves putting identification marks on the package. (T/F)
3. The main focus of selling concept is production volume. (T/F)
4. Marketing mix is a blend of multiple financial decisions. (T/F)
5. There is no personal contact in personal selling. (T/F)

MATCH THE FOLLOWING:

1. Make suitable pairs from the following.
 - (a) Production concept – (a) Quality products
 - (b) Product concept – (b) Sales promotion techniques
 - (c) Sales concept – (c) Customer satisfaction
 - (d) Marketing concept – (d) Maximum production

2.

Column A	Column B
a) Grading	i) process of classification of products into different groups on the basis of quality, size etc.
b) Packaging	ii) it involves informing the customers about the firm's product and persuading them to purchase these products

c) Standardisation	iii) it refers to designing and developing the package for the products
d) Promotion	iv) producing goods of predetermined specifications to achieve uniformity in the output

COMPREHENSION BASED QUESTION:

Unilever decided to improve the product for profit maximization and has found a new way to make ice creams by using an ingredient called 'ice structuring protein' which is widely found in nature especially, in fishes which allows them to survive in freezing arctic waters. Combining ISP with stabilizer technology allows to make ice creams that don't melt so easily thereby making it more convenient for small children and consumer in hot countries.

In the context of above case:

1. Identify the component of marketing mix being taken into consideration by the company.
 - a) Product
 - b) Price
 - c) Place
 - d) promotion
2. Explain briefly the function of marketing highlighted here:
 - a) Product designing and development
 - b) Gathering and analysing market information
 - c) Customer support service
 - d) Pricing of product
3. Identify the marketing philosophy used by the company
 - a) Product philosophy
 - b) Production philosophy
 - c) Marketing philosophy
 - d) Selling philosophy

SUBJECTIVE TYPE QUESTIONS

- Q1. 'Beauty products Ltd' is a natural and ethical beauty brand famous for offering organic beauty products for men and women. The company uses plant based materials for its products and is the NO.1 beauty brand in the country. It not only satisfies its customers but also relieves in overall protection of the planet. Identify the marketing management philosophy being followed by 'Beauty products Ltd.'

Q2. A company was marketing 'water purifiers' which were earlier very popular due to their quality and after sales services provide to the customers. The company was a leading company in the market and earning huge profits. Because of huge profits the company ignored the after sales services. As a result its relations with the customers got spoiled and the image of the company was damaged in the public. Top Management became concerned when the profits of the current quarter fell steeply. On analysis it was revealed that ignoring the after sales services was its reason. Therefore the company took all possible steps to protect and promote its favorable image in the eyes of the public .As a result the goodwill of the company improved in the society.

i. Name and state the communication tool used by the marketer in the above case to improve its image.

ii. Also explain the role of the tool as identified in part (a)

Q3. Crackers Ltd. A fire cracker manufacturing company launched some new products on eve of Diwali which attracted many buyers .To meet the increased demand, the company employed children from nearby villages. Although the product was in great demand, appropriate safety warnings for use was not mentioned on the packets that led to many accidents.

i) Identify and explain the important product related decision that was taken into consideration by the company.

ii) Also, identify any two values which were violated by the company.

Q4. Sindhu Ayurveda Ltd. A new and leading manufacturer of herbal and ayurvedic medicines and grocery products has captured a large share of the market in a short span of time .The R& D department of the company spends considerable time and effort in developing eco-friendly ,chemical free and health alternatives for a variety of products of daily use ,like toothpaste ,biscuits ,noodles,soaps,shampoos and detergents etc.Their business orientation differs from competitors who are short sighted and serve only customers' needs .Instead Sindhu Ayurveda Ltd considers larger issues of long term social welfare, paying attention to social, ethical and ecological aspects of marketing .

Identify and explain the marketing management philosophy being followed by 'Identify the marketing management philosophy being followed by Sindhu Ayurveda' Ltd.

Q5. Mediquip Ltd. Is a l company dealing in distribution of medical equipments. The company recently imported 15000 units of sugar testing machines to test the sugar levels without taking blood samples .For deciding themarketing strategy ,the CEO of the company called the meeting of the

marketing heads of different zones.

In the meeting, Sandeep the North Zone Marketing head suggested that since machines were sophisticated they need to visit hospitals personally, to explain its working to the hospital staff who would be using the machines He also suggested that additional trained people may be recruited for the same.

Himanshu , another Zonal head added that since lot of money had been spent on the import of the machines ,the company was short of funds to pay to the additional staff as suggested by the Sandeep.

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

- i) Identify the factors influencing the choice of channels of distribution which were discussed in the meeting'
- ii) Also, explain briefly the other consideration to be taken care in each factor identified in part(a)

CHAPTER 12

CONSUMER PROTECTION

OBJECTIVE TYPE QUESTIONS

A. MULTIPLE CHOICE QUESTIONS

Q1. Name the quality mark used for food products:

- (a) AGMARK
- (b) FPO
- (c) HALLMARK
- (d) ISI

Q2. The quality certification mark used to ensure safety of electrical goods is:

- (a) AGMARK
- (b) FPO

(c) HALLMARK

(d) ISI

Q3.The Act which controls production, supply and distribution of essential commodities:

(a)The Essential Commodities Act,1955

(b)The Consumer protection Act,1986

(c)The Sales of Goods Act,1930

(d)The Bureau of Indian Standards Act,1986

Q4.Right to Seek Redressal allows a customers to:

(a)File a complaint against defective goods or deficient services

(b)Seek for relief against defective goods or deficient services

(c)Seek help from consumer organization

(d)All the Above

Q5. "Many business firms have a set up their own consumer services and grievance cells".

Which right is being highlighted in the given statement?

(a)Right to consumer education

(b)Right to be informed

(c)Right to seek redressal

(d)Right to be heard

Q6.A complaint can be made to the State commission if the claim value is :

(a)More than Rs.20 Lakhs

(b)Less than Rs.20 Lakhs

(c)More than Rs.20 lakhs but less than Rs.1 crore

(d)More than Rs.1 crore

Q7. 'Jago Grahak Jago' highlights the importance of:

(a)Right to be informed

(b)Right to seek redressal

(c)Right to consumer education

(d)Right to be heard

Q8.The final appeal against the District Forum Order can be heard in

(a)State Commission

(b)National Commission

(c)Supreme Court of India

(d)None of the Above

Q9.Name the Act which prevents the use of fraudulent mark on products:

(a)The prevention of Food Adulteration Act,1954

(b)The Trade Mark Act,1999

(c)The Bureau of Indian Standards Act,1986

(d)The Competition Act,2002

Q10.A complaint can be filed against a seller,manufacturer or a dealer of goods whose goods are _____ in any manner.

(a)Perfect

(b)Flawless

(c)Defective

(d)None of the Above

Q11.Who Among the following can be President of the National Consumer Dispute Redressal Commission?

(a)Judge of a High Court

(b)Judge of a Supreme Court

(c)Lawyer of a High Court

(d)Lawyer of a Supreme Court.

Q12.The consumer must be assured whenever possible access to a variety of goods and services at competitive prices.

(a) Right to Consumer Protection Act

(b) Right to choose

(c) Right to safety

(d) Right to be heard

Q13.Consumer Protection Act is applicable:

(a) Immovable goods

(b) Movable goods

(c) Specific goods and services

(d) All goods and services.

Q14.Identify the importance of consumer protection according to consumers point of view.

(a) Consumer ignorance

(b) Government interverntion

(c) Moral justification

(d) Social responsibility

Q15.Which of the following is importance of consumer protection in the view of business:

(a)Unorganized consumers

(b) Consumer ignorance

(c) Moral justification

(d) Unorganized consumers

Q16. A consumer has a right to file a complaint and to be heard in case of dissatisfaction with goods or services according to which right of consumer protection act?

(a) Right to be heard

(b) Right to seek redressal

(c) Right to choose

(d) Right to consumer education

B. FILL IN THE BLANKS:

1. A business engaging in any form of exploitative trade practices would invite _____ interventions.

2. As per the Caveat Venditor "Let the _____ beware".

3. Right to be informed is the reason that the legal framework in India requires the manufacturers to provide such information on the _____ and _____ of the product.

4. It is the _____ of any business to take care of consumer's interest and avoid any form of their exploitation.

5. Ask for a _____ on purchase of goods and services.

C. TRUE AND FALSE:

1) Each state commission must have one woman as its member.

2) BIS Hallmark is standard for agricultural products.

3) NGO's doesn't file complaint in consumer courts on the behalf of consumers.

4) Services provided by a lawyer or doctor are covered under CPA.

5) NGO's provide workshops, training programmes for educating consumer.

D. MATCH THE FOLLOWING:

1. Match the following:

1. District forum	A. Up to Rs. One crore.
2. National commission	B. Exceed Rs. 20 lakhs but does not exceed Rs. One crore
3. State commission	C. Does not exceed RS. 20 lakhs.

2. Match the following:

A. National Commission	1.A president and two other members.
B. District forum	2.A president and not less than two members.
C. State commission	3.A president and four members.

3.Match the following:

A. ISI mark	1. For food products
B. FPO mark	2.For agricultural products.
C. Agmark	3.For electrical goods.

E. COMPREHENSION BASED QUESTIONS:

Read the source given below and answer the following questions.

Neha's elder brother purchased "I Phone 11- Apple" mobile phone for Rs. 65,000 without cash memo from one of his friend - an authorized dealer with a guarantee that the mobile phone will be replaced with a new one if any of its parts become defective within 1 year from the date of purchase. Without 1 month, the mobile stopped working. When Neha's brother approached his friend for replacement of mobile, he refused.

Answer the following MCQ'S by choosing the most appropriate option.

- (v) State the responsibility violated by Neha's elder brother while purchasing I-phone.**
- (c) Consumer must exercise his rights
 - (d) Insist on cash memo.
 - (e) Consumer must be quality conscious
 - (f) Filing complaint for genuine defect
- (vi) State the redressal agency under the consumer protection act where Neha's elder brother can file a complaint.**
- (c) District Forum
 - (d) State Commission
 - (e) National Commission
 - (f) Cannot file complaint
- (vii) State the right violated when his friend refused to file a complaint.**
- (e) Right to safety
 - (f) Right to choice
 - (g) Right to be heard
 - (h) Right to seek redressal
- (viii) Neha's elder brother did not take cash memo, so he:**

- (e) Cannot file a complaint
- (f) Can be carried away by advertisement
- (g) Is a cautious consumer
- (h) None of the above.

SUBJECTIVE TYPE QUESTIONS

Q1. Indian Youth Organisation (IYO) organized a visit of its members to an old age home to inculcate the habit of social work among them. The visit revealed that the living conditions of the inmates of the old age home were not hygienic. So, the IYO members decided to clean the premises. During their cleanliness drive, they realized that the old age home also required pest control. But some of the inmates of old age home were reluctant for it, because they believed that the pest control may create health problems for them. IYO, therefore decided to provide ethical, safe and odorless pest control. They showed to the inmates of old age home a pamphlet of the proposed pest control product which promised easy, inexpensive and long lasting pest control. The inmates happily agreed and the pest control was carried out. It worked for a fortnight but due to their dismay the effect started wearing off. IYO contacted the pest control company which kept on postponing their visit. After waiting for a month, IYO filed a case in the consumer court.

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

1. State any six directions that might have been issued by the court.
2. Also, identify any two values that are being communicated by IYO to the society.

Q2. 'Vastra Ltd.' is engaged in the manufacturing of apparel. Over the years, it has become a popular brand due to its good product quality and exclusive designing. The company plans to open its own retail showrooms in metropolitan cities in India. In order to meet its financial needs it has offered for subscription an IPO of Rs. 4 lakh equity shares in the price band of Rs. 430 – Rs. 445 each. As per the guidelines of SEBI, the company has provided a complete disclosure of the relevant details in its prospectus.

1. Identify and explain the right of the consumer being fulfilled by the directives of SEBI in the above mentioned case.
2. Briefly explain any two points highlighting the importance of consumer protection from the point of view of the businessmen.

Q3. Home Shop 18 is an online and on-air retail and distribution venture of the Network 18 group, India. It is a part of the Network 18 Media and Investments Limited which is owned and operated by Reliance Industries. Currently, Home Shop 18 com comprises of more than 15 categories namely, Mobiles, Health & Beauty, Apparel, Jewellery, Home & Kitchen, Household Appliances etc. to name a few. The company offers a wide variety of goods under each of these categories.

1. Identify and explain the relevant consumer right being promoted by the company.
2. Also mention any two values being reflected through this approach adopted by the company.

Q4. On her sister's wedding, Radha decided to gift her gold earrings. When she shared her plan with her husband, he showed her an article in the daily national newspaper under the heading "Jago Grahak Jago." The campaign included details about the various aspects that people must consider before buying any gold jewellery.

1. Why do you think campaigns like "Jago Grahak Jago" are inserted in the newspaper?
2. Name the right of consumer being fulfilled through this initiative of the government
3. State any three responsibilities that Radha must discharge as an aware consumer while buying her sister's wedding gift.

Q5. Suryansh booked a flat through a private builder in Greater Noida, Uttar Pradesh at the cost of Rs.2 crores. As per the terms of the contract, the builder promised to provide him with all the basic and modern amenities such as continuous electric supply, CCTV Camera, Club facility, good quality of water, good security etc. although he was given the possession of the flat in time, the builder did not provide all the basic and common facilities which also included 3 tier security having CCTV camera coverage for each floor. Suryansh kept complaining to the builder after possession of the flat for non-installation of CCTV camera and other common and basic amenities as promised at the time of agreement, but the builder kept assuring him that he will do the needful and he need not worry. After a month, Suryansh had to travel abroad, so he left his home with his flat duly locked. But on his return, he found that his flat has been robbed and theft of Rs. 10,000 and jewellery worth Rs. 10 Lac had taken from place. He complained to the builder that had CCTV cameras been installed, it would have been a deterrent and the theft would not have been taken place. Also, CCTV would have ensured that no unwanted person would have entered the building. When Suryansh discussed this incident with his friend Sooraj, who runs a consumer association, he advised him to file a case against the builder.

In context of the above case:

1. Name the right of consumer that Sooraj has advised Suryansh to exercise.
2. State any three functions highlighting the role of a consumer association

Q6. Aryan went to purchase a pack of chocolate for his son from a shop in the nearby market. Despite his preference to buy a pack of a particular brand the shopkeeper forced him to buy the pack of chocolate of another brand, by giving some odd justifications. After coming back home, Gaurav was feeling very dissatisfied.

1. Identify and explain the right of the consumer being violated in the above mentioned case.
2. Briefly explain any two points highlighting the importance of consumer protection from the consumer's point of view.

Q7. Surekha is a student of 10+2 commerce class. She listened attentively and understood the lecture on consumer protection act delivered by the teacher. Her teacher remarked that currently consumers enjoy several rights. In case, goods purchased by him/her causes harm to his/her health and property, there is a provision for compensating him/her.

Besides, this Act has some expectations from the consumers. That during the course of his/her purchases he/ she should keep certain things in mind. Briefly, provisions of the Act can protect the consumer only when he/she has complied with certain fundamental things.

The very next day of this lesson, Surekha purchased an ISI marked heater from Bharti Appliances. She made cash payment. But failed to get cash memo. While making use of the heater she observed that it was not working properly. She contacted the shopkeeper immediately and told him her problem. Shopkeeper paid no heed to her complaint. Rather he remarked that the good was not bought from his shop.

1. Identify and explain the right and responsibility of the consumer as referred to in the above paragraph
2. In addition to the right and responsibility of the consumer identified in point (i) write one more right and one responsibility
3. Can Surekha lodge a complaint against the shopkeeper?