

**Second Year Higher Secondary Model Examination, March 2021**

**Subject-BUSINESS STUDIES -ME 48 -Unofficial**

Q.No	Answer key/Value Points	Score	Total
1.	(a) Growth	1	9
2.	(c) Unity of Command	1	
3.	(a) Delegation	1	
4.	(a) Positive	1	
5.	(d) Status	1	
6.	(a) Sender	1	
7.	(b) Management by exception	1	
8.	(d) Controlling	1	
9.	(c) Supreme Court	1	
10.	<b>Principle of Discipline:</b> Discipline means obedience, respect of authority and observance of established rules. According to Fayol discipline is necessary for the efficient working of an organization. To ensure discipline supervisors should be appointed at all levels, make clear and fair agreements and careful application of penalties.	2	16
11.	<b>Environmental Scanning:</b> It includes economical, social, political, technological and legal factors that are directly or indirectly affects the performance of the business. The complete awareness and understanding of business environment is known as environment scanning.	2	
12.	<b>Elements of Delegation (Any Two)</b> 1. Authority 2. Responsibility 3. Accountability	2	
13.	<b>Merits of Training to employees (Any Two)</b> 1.Training provides better career opportunities for the employees 2.Improvement in performance helps the employees to earn more 3.It increases the job satisfaction and morale of employees 4.It reduces the chances of accidents in the work place	2	
14.	<b>Reason for organizational barriers: (Any Two)</b> <b>(i) Organisational policy</b> If the organisational policy is not supportive to free flow of communication, it may hamper effectiveness of communications. <b>(ii) Rules and regulations</b> Rigid rules and huge procedures may be a hurdle to communication. <b>(iii) Status</b> Status of superior may create psychological distance between him and his subordinates.	2	

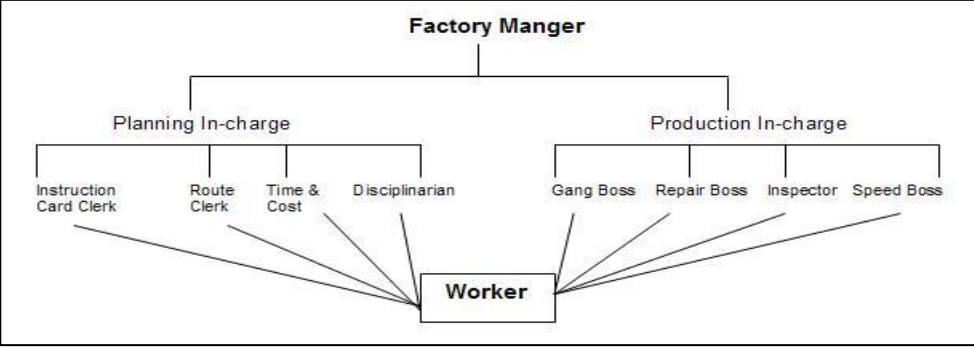
	<p><b>(iv) Complexity in organisation structure</b></p> <p>In an organisation where there are number of managerial levels, communication gets delayed and distorted as number of filtering points are more.</p>		
15.	<p><b>Modern techniques of controlling are: (Explain any one)</b></p> <p>(a) Return on investment  (b) Ratio analysis  (c) Responsibility accounting  (d) Management audit  (e) PERT and CPM  (f) Management information system</p> <p><b>A. Return on Investment</b></p> <p>Return on Investment (RoI) is a useful technique which provides the basic yardstick for measuring whether or not invested capital has been used effectively for generating reasonable amount of return. RoI can be used to measure overall performance of an organisation or of its individual departments or divisions. It can be calculated as under.</p> $ROI = \frac{\text{Net Income}}{\text{Sales}} \times \frac{\text{Sales}}{\text{Total Investment}}$ <p>Net Income before or after tax may be used for making comparisons. Total investment includes both working as well as fixed capital invested in business.</p>	2	
16.	<p><b>Fixed Capital:</b></p> <p>The amount invested in long term assets or fixed assets like plant and machinery, land and building etc. is known as <b>fixed capital</b>. These decisions involve huge amount of investment, affect the earning capacity and are irreversible except at a high cost.</p>	2	
17	<p><b><u>Money Market Instruments (Any Two)</u></b></p> <p>A. Call Money  B. Treasury Bills (T- Bills)  C. Commercial Paper  D. Certificate of Deposit (CD)  E. Commercial bill/Trade bill/Bill of Exchange</p>	2	
18	<p><b>Co-ordination:</b></p> <p>Coordination is the base or primary function of every manager because various departments of an organization are working independently and there is need to coordinate their activities. It is rightly said that coordination is the orderly arrangement of group efforts to provide unity of action in the pursuit of common purpose. Coordination is needed at all levels of management and for all functions of management. Coordination is considered as the <b>essence of management</b>.</p>	3	18

19	<p><b>Features of management (Any two)</b></p> <ol style="list-style-type: none"> <li><b>Management is a goal-oriented process</b> Management always aims at achieving the organizational objectives.</li> <li><b>Management is pervasive</b> Management is necessary for all the organizations irrespective of its size, nature and functions.</li> <li><b>Management is a group activity</b> Management consists of number of persons who work as a group. The management functions cannot be performed in isolation. Each individual performs his role at his department and their efforts are directed towards a common goal.</li> <li><b>Management is a dynamic function</b> Management has to make change in goal, objectives and other activities according to changes taking place in the environment.</li> <li><b>Management is an intangible force</b> Management cannot be seen but its presence can be felt when targets are achieved according to plans. Efficiency of management of an organization can be felt in the form of high profit, disciplined staff etc.</li> <li><b>Management is a continuous process</b> Management is a continuous or never-ending process.</li> </ol>	3															
20	<p><b>Standing Plan</b></p> <p>A standing plan is a business plan that is intended to be used many times. It is designed to guide managerial decisions and actions that tend to be recurring. It is used over a <b>long period</b>, sometimes indefinitely, and is altered as circumstances change. Standing plans include(examples) <b>objectives, strategy, policy, procedure, method and rules.</b></p>	3															
21.	<table border="1" data-bbox="212 1308 874 1588"> <thead> <tr> <th data-bbox="212 1308 544 1350">Need</th> <th data-bbox="544 1308 874 1350">Type of Need</th> </tr> </thead> <tbody> <tr> <td data-bbox="212 1350 544 1393">(a) Recognition</td> <td data-bbox="544 1350 874 1393">Esteem Needs</td> </tr> <tr> <td data-bbox="212 1393 544 1435">(b) Friendship</td> <td data-bbox="544 1393 874 1435">Belonging Needs</td> </tr> <tr> <td data-bbox="212 1435 544 1478">(c) Job Security</td> <td data-bbox="544 1435 874 1478">Safety Needs</td> </tr> <tr> <td data-bbox="212 1478 544 1520">(d) Hunger</td> <td data-bbox="544 1478 874 1520">Basic Physiological</td> </tr> <tr> <td data-bbox="212 1520 544 1563">(e) Stability of Income</td> <td data-bbox="544 1520 874 1563">Safety Needs</td> </tr> <tr> <td data-bbox="212 1563 544 1592">(f) Self- respect</td> <td data-bbox="544 1563 874 1592">Esteem Needs</td> </tr> </tbody> </table>	Need	Type of Need	(a) Recognition	Esteem Needs	(b) Friendship	Belonging Needs	(c) Job Security	Safety Needs	(d) Hunger	Basic Physiological	(e) Stability of Income	Safety Needs	(f) Self- respect	Esteem Needs	3	
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22.	<p><b>Qualities / Features of a good brand name (Any 3)</b></p> <p>While selecting a brand name attention must be paid to the following:</p> <ol style="list-style-type: none"> <li><b>Brand name should be short and simple:</b> It should be easy to pronounce, spell, recognize and remember. Example Pepsi,Lux,Fanta etc</li> <li><b>Suggest product's benefits:</b> A brand name should suggest the product's benefits and qualities and should be appropriate to its function. Example 'Ujala' suggests brightness.</li> <li><b>The brand name should be unique and distinctive:</b> The brand name should be unique and should not lose its identity. Example Vicks,Jeep,Lux etc</li> </ol>	3															

	<p>4. <b>Meaningful:</b> The brand name should be meaningful from the view points of other languages and culture.</p> <p>5. <b>Legal protection:</b> The brand name should be capable of being registered and protected legally.</p>		
23.	<p><b>Rights of consumers under CPA (Explain any 2)</b></p> <p>The Consumer Protection Act (CPA) provides for six rights of consumers: -</p> <ol style="list-style-type: none"> <li>1. Right to safety</li> <li>2. Right to be informed</li> <li>3. Right to choose</li> <li>4. Right to be heard</li> <li>5. Right to seek Redressal</li> <li>6. Right to Consumer Education</li> </ol>	3	
24.	<p><b>Features of management as an art:</b></p> <p>1. <b>Systematic body of knowledge</b> In management also there is systematic and organized body of knowledge available to acquire theoretical knowledge about managerial principles.</p> <p>2. <b>Practice and creativity</b> Like an art, experience helps the managers to improve their managerial skill and efficiency.</p>	4	32
25.	<p>(a) <b>Globalisation:</b> Globalisation refers to integration of various economies of world. It means the mixing of the domestic economy with the rest of the world with regard to foreign investment, trade, production and financial matters. Globalization leads to free movement of people, goods, and services across boundaries. Globalization paves the way to many MNC to Indian market. Example-Pepsi, Honda etc.</p> <p>(b) <b>Privatisation:</b> Privatisation means transfer of ownership and or management of enterprise from public sector to private sector. Privatization refers to giving greater role to private sector and reducing the role of public sector. Through planned disinvestment, government transfer of business ownership and control from public to private by selling Government's share in it.</p>	4	
26.	<p><b>Features of planning (Any 2)</b></p> <p>1. <b>Planning focus on achieving objectives</b> Planning involves setting up of objectives and developing appropriate courses of action to achieve these objectives.</p> <p>2. <b>Planning is a primary function of management</b> Planning provides the basis of all other managerial functions.</p> <p>3. <b>Planning is pervasive</b> Planning is required at all levels of management. It is not an exclusive function of top management or of any particular department.</p> <p>4. <b>Planning is continuous</b> Planning is a never ending or continuous process.</p> <p>5. <b>Planning is futuristic (Forward-looking)</b> Planning essentially involves looking ahead and preparing for the future. Planning is thinking in advance what is to be done, when it is to be done, where it is to be done, and who is to be done. In other words, planning relates to future.</p>	4	

	<p><b>6. Planning is a mental exercise</b> Planning is a mental exercise involving creative thinking and imagination.</p> <p><b>7. Planning involves decision making</b> Planning essentially involves choice from among various alternatives. The need for planning arises only when alternatives are available.</p>														
27.	<p align="center"><b>Difference between Functional and Divisional Structure (Any 4)</b></p> <table border="1"> <thead> <tr> <th align="center">Functional Structure</th> <th align="center">Divisional Structure</th> </tr> </thead> <tbody> <tr> <td>Formed on the basis of function</td> <td>Formed on the basis of products</td> </tr> <tr> <td>Difficult to make accountable as departments are interdependent</td> <td>Easy to fix accountability, as departments work independently</td> </tr> <tr> <td>This type of structure brings functional specialisation</td> <td>This type of structure brings product specialisation</td> </tr> <tr> <td>Difficult for a multi-product company</td> <td>Easy, because all functions related to a particular product are integrated in one division.</td> </tr> <tr> <td>Less autonomy</td> <td>More autonomy</td> </tr> </tbody> </table>	Functional Structure	Divisional Structure	Formed on the basis of function	Formed on the basis of products	Difficult to make accountable as departments are interdependent	Easy to fix accountability, as departments work independently	This type of structure brings functional specialisation	This type of structure brings product specialisation	Difficult for a multi-product company	Easy, because all functions related to a particular product are integrated in one division.	Less autonomy	More autonomy	4	
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28.	<p><b>On the job training (Any 2)</b> In this method a worker learns by doing the work under the guidance of a supervisor. 'Learning while doing' is the principle followed by this system. Different methods of on-the-job training are:</p> <ol style="list-style-type: none"> <li><b>Apprenticeship programmes</b>-Here trainees are placed under the guidance of a senior worker in the organisation. This type of training is designed to acquire higher level of skill.</li> <li><b>Coaching</b>-In this method, the senior manager guides and instructs the trainee as a coach. The coach sets mutually agreed goals and suggests how to achieve these goals. The coach periodically reviews the progress made by the trainees and suggests changes required, if any. Here, teaching about the job is emphasized rather than doing the job.</li> <li><b>Internship training</b>-Internship is an agreement between the professional institutions and the corporate sector where professional institutions send their students to various companies so that they can practice the theoretical knowledge acquired by them through professional institutions. E.g,CA students gain practical knowledge from a Chartered Accountant, Medical students gain practical knowledge from medical college.</li> <li><b>Job Rotation</b>: -This kind of training involves shifting the trainee from one department to another or from one job to another. This enables the trainee to gain a broader understanding of all jobs of the business.</li> </ol>	4													

29	<p><b>Match the following</b></p> <table border="1" data-bbox="215 208 1260 409"> <thead> <tr> <th data-bbox="215 208 837 246">A</th> <th data-bbox="837 208 1260 246">B</th> </tr> </thead> <tbody> <tr> <td data-bbox="215 246 837 286">(a) Exchange value of product or service</td> <td data-bbox="837 246 1260 286">Price</td> </tr> <tr> <td data-bbox="215 286 837 327">(b) A bundle of utilities</td> <td data-bbox="837 286 1260 327">Product</td> </tr> <tr> <td data-bbox="215 327 837 367">(c) Tools to enhance Sale</td> <td data-bbox="837 327 1260 367">Promotion</td> </tr> <tr> <td data-bbox="215 367 837 409">(d) Making products available to consumers</td> <td data-bbox="837 367 1260 409">Place / Physical distribution</td> </tr> </tbody> </table>	A	B	(a) Exchange value of product or service	Price	(b) A bundle of utilities	Product	(c) Tools to enhance Sale	Promotion	(d) Making products available to consumers	Place / Physical distribution	4	
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30	<p><b>Factors affecting the Requirement of working capital (Any 4)</b></p> <p><b>1. Nature of business</b> The basic nature of a business influences the amount of working capital required.</p> <p><b>2. Scale of operations</b> There is direct link between the working capital and scale of operations.</p> <p><b>3. Business cycle</b> Different phases of business cycle influence the requirement of working capital. In boom period, sales as well as production shoot up which call for larger amount of working capital. But during depression lesser amount of working capital is needed.</p> <p><b>4. Operating Cycle/Production Cycle</b> The amount of working capital directly depends upon the length of operating cycle.</p> <p><b>5. Credit availed</b> A business may get credit facility from suppliers of goods. More the credit facility, lesser would be the requirement of working capital.</p> <p><b>6. Availability of raw materials</b> If raw materials required for the business are available freely and regularly, a firm needs to maintain only lesser amount of working capital.</p> <p><b>7. Reorder period</b> Time gap between placement of order and receipt of raw materials is relevant. Longer the reorder period, larger shall be the amount of working capital requirements.</p> <p><b>8. Level of competition</b> High level of competition increases the need for more working capital. In order to face competition, more stock is required for quick delivery. Credit sales also required at this situation.</p> <p><b>9. Inflation</b> Inflation leads to rise in price. In such a situation more capital is required than before in order to maintain the previous scale of production and sales</p>	4											
31.	<p><b><u>Protective Function of SEBI (Any 4)</u></b> These functions are performed by SEBI to protect the interest of investor and provide safety to investment</p> <p><b>a) It checks price rigging</b> Price rigging refers to manipulating prices of securities with the main objective of inflating or depressing the market price of securities. SEBI prohibits this practice because this can cheat the investors.</p>	4											

	<p><b>b) Prohibits insider trading</b> Controlling insider trading and imposing penalties for such practices.</p> <p><b>c) SEBI prohibits fraudulent and Unfair Trade Practices:</b> SEBI always restricts the companies which make misleading statements which are likely to induce the sale or purchase of securities by any other person.</p> <p><b>d) Educate Investors</b> SEBI educates investors by conducting online and offline seminars that help investors to get insights on the financial market and money management.</p> <p><b>e) Issues Guidelines</b> SEBI issues guidelines to protect the interest of investors. SEBI should enforce the laws for stock exchanges to follow.</p>												
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33.	<p><b>Functional Foremanship</b></p> 	5											
34.	<p><b>Business environment</b> is the surroundings in which business exists. Business environment refers to all those factors that are <b>outside the control of business but are continuously affect its performances</b>. It includes economical, social, political, technological and legal factors that are directly or indirectly affects the performance of the business. Environment of a business consists of everything it (business) depends upon.</p> <p><b>Explain about any two dimensions</b></p> <p><b>1. Economic Environment</b></p> <p>It consists of economic factors that influence the business of a country. It includes factors such as inflation, tax and interest rates, unemployment, competition, fiscal and monetary policies.</p>	5											

Examples for changes of economic environment:

- Introduction of competitors
- Changes in demand and fashion

## **2. Social Environment**

It describes the characteristics of the society in which the business organization exists. Social environment consists of religious aspects, language, customs, traditions, beliefs, tastes, preference, consumption habit etc. Traditions define social practices that have lasted for decades or even centuries

Major elements of social environment:

- Education system and literacy rate
- Consumption habits

## **3. Political Environment**

It is the outcome of a combination of various ideologies advocated by various political parties. It includes political conditions such as general stability and peace in the country and the political attitude of the elected government towards business etc.

Example for political environment changes:

- Political stability

## **4. Technological environment**

It includes forces relating to scientific improvements and innovations, which provide new products, new production method and new style of operation of a business etc.

Example for changes in technological environment:

- New inventions
- New distribution systems like online market

## **5. Legal environment**

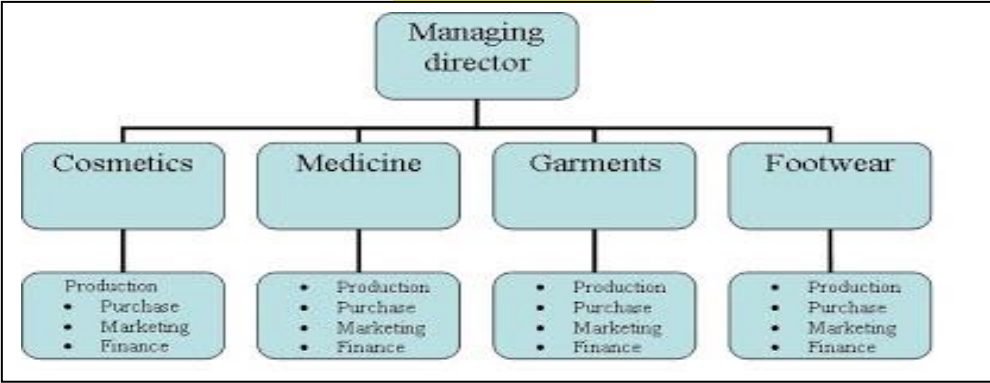
Legal environment consists of the legal frame work within which the business has to function. It consists of legislation passed by the government, administration orders, court judgment etc.

Examples of legal environmental changes: -

Government of India passed various Act Like

- Consumer Protection Act-1986
- Competition Act 2002



35.	<p style="text-align: center;"><b>Divisional Structure</b></p>  <pre> graph TD     MD[Managing director] --&gt; C[Cosmetics]     MD --&gt; M[Medicine]     MD --&gt; G[Garments]     MD --&gt; F[Footwear]     C --&gt; C1[Production]     C --&gt; C2[Purchase]     C --&gt; C3[Marketing]     C --&gt; C4[Finance]     M --&gt; M1[Production]     M --&gt; M2[Purchase]     M --&gt; M3[Marketing]     M --&gt; M4[Finance]     G --&gt; G1[Production]     G --&gt; G2[Purchase]     G --&gt; G3[Marketing]     G --&gt; G4[Finance]     F --&gt; F1[Production]     F --&gt; F2[Purchase]     F --&gt; F3[Marketing]     F --&gt; F4[Finance] </pre>	5													
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37.	<p><b>There are two important internal sources of recruitment(Any 2)</b></p> <p><b>(a) Transfers:</b> Transfers involve shifting an employee from job to another or one department to another. Transfer will not have any change in position, responsibility or remuneration of an employee. Transfer does not affect the total number of employees in the organisation. Transfers can be used for training of employees for learning different jobs. For Example, transfer of clerk from Union Bank Kumaramangalam branch to Union Bank, Kottayam branch.</p> <p><b>(b) Promotion:</b> Promotion is the shifting of an employee from a lower job position to a higher job position. Promotion gives an employee a higher position and remuneration as well as greater responsibilities. It helps to improve motivation, loyalty and satisfaction level of employees. For example, promotion of clerk to finance manager.</p>	5													
38.	<p><b>Maslow's Need Hierarchy Theory of Motivation</b></p> <p>Abraham Maslow, an eminent U. S psychologist developed a theory of motivation based on the hierarchy of needs. According to him, there are five kinds of needs. They are:-</p> <ol style="list-style-type: none"> <li><b>Basic physiological needs:</b> These needs are most basic in the hierarchy and are termed primary needs. Hunger, thirst, shelter, sleep and sex are some examples of these needs. In the organizational context, basic salary helps to satisfy these needs.</li> <li><b>Safety/Security Needs:</b> These needs provide security and protection from physical and emotional harm. Examples: job security, stability of income, Pension plans etc.</li> <li><b>Affiliation/Belonging Needs:</b> These needs refer to affection, sense of belongingness, acceptance and friendship.</li> </ol>	5													

	<p>4. <b>Esteem Needs:</b> These include factors such as self-respect, autonomy status, recognition and attention.</p> <p>5. <b>Self Actualisation Needs:</b> It is the highest level of need in the hierarchy. It refers to the drive to become what one is capable of becoming. These needs include growth, self-fulfillment and achievement of goals.</p>														
39	<p><b><u>Controlling Process / Steps</u></b></p> <p>Controlling is a systematic process involving the following steps.</p> <p><b>Step 1: Setting Performance Standards:</b> The first step in the controlling process is setting up of performance standards. Standards are the criteria against which actual performance would be measured.</p> <p><b>Step 2: Measurement of Actual Performance:</b> Once performance standards are set, the next step is measurement of actual performance. Measurement of a company's performance may involve calculation of certain ratios like gross profit ratio, net profit ratio, return on investment, etc., at periodic intervals.</p> <p><b>Step 3: Comparing Actual Performance with Standards:</b> This step involves comparison of actual performance with the standard. Such comparison will reveal the deviation between actual and desired results. Comparison becomes easier when standards are set in quantitative terms.</p> <p><b>Step 4: Analysing Deviations:</b> Some deviation in performance can be expected in all activities. It is, therefore, important to determine the acceptable range of deviations.</p> <p><b>Step 5: Taking Corrective Action:</b> The final step in the controlling process is taking corrective action. No corrective action is required when the deviations are within acceptable limits.</p>	5													
40.	<p>Match the following</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center; width: 50%;">A</th> <th style="text-align: center; width: 50%;">B</th> </tr> </thead> <tbody> <tr> <td>(a) Selection process of employees</td> <td style="text-align: center;">Procedure</td> </tr> <tr> <td>(b) Promotion based on seniority only</td> <td style="text-align: center;">Policy</td> </tr> <tr> <td>(c) Casual leave of 2 per month for employee</td> <td style="text-align: center;">Rule</td> </tr> <tr> <td>(d) Conference for managers</td> <td style="text-align: center;">Programme</td> </tr> <tr> <td>(e) Time wage system</td> <td style="text-align: center;">Method</td> </tr> </tbody> </table>	A	B	(a) Selection process of employees	Procedure	(b) Promotion based on seniority only	Policy	(c) Casual leave of 2 per month for employee	Rule	(d) Conference for managers	Programme	(e) Time wage system	Method	5	
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(d) Conference for managers	Programme														
(e) Time wage system	Method														

41.	<p><b>Planning process/ Steps</b></p> <p>Planning means deciding in advance what is to be done, when it is to be done, how it is to be done etc. It involves certain logical steps. They are as follows.</p> <p><b>1. Setting Objectives</b> The first and foremost step is setting objectives. Objectives are the end-results which manager's wish to achieve. Objective must be specific and clear.</p> <p><b>2. Developing premises</b> Planning is concerned with the future which is uncertain and every planner is using assumptions about future. These <b>assumptions</b> are called <b>premises</b>. Premises are the base on which plans are made.</p> <p><b>3. Identifying various alternative courses of action</b> Once objectives are set and assumptions are made, then the next step is to act upon them. There are alternative ways to achieve the stated objectives. All the alternative courses of action should be identified.</p> <p><b>4. Evaluating alternative courses of action</b> In this stage, management will evaluate the merits and demerits of various alternatives in the light of various objectives of the business and planning premises. Alternatives are evaluated in the light of its risk, return, feasibility etc.</p> <p><b>5. Selecting an alternative</b> After analyzing the merits and demerits, the most appropriate alternative is selected. This is the real point of decision making.</p> <p><b>6. Implementing the plan</b> Implementing is the stage at which the best selected alternative is put into action</p> <p><b>7. Follow-up</b> Planning is a continuous process so manager's job does not get over simply putting the plan into action. To see whether plans are being implemented and activities are performed according to schedule is also part of the planning process. During follow up many adjustments are made in the plan. Monitoring the plans is equally important to ensure that objectives are achieved.</p>	8	40
42.	<p><b>External Sources of Recruitment (Any 4)</b></p> <p>External sources of recruitment refer to recruiting employees from outside the organisation. The external sources of recruitment are: -</p> <p>1. Direct Recruitment</p> <p>2. Casual Callers</p>	8	

3. Media advertising
4. Employment Exchanges
5. Placement Agencies
6. Management Consultants
7. Campus Recruitment
8. Recommendations by the Existing Employees
9. Web Publishing

**1. Direct Recruitment**-Sometimes, the organizations paste notice at the gate of their office or factories stating the vacant job positions. The people who are interested in those jobs walk in for the interview. This method of recruitment is very inexpensive and is most suitable for unskilled job positions like sweeper, peon etc.

**2. Casual Callers**-Qualified candidates send their bio-data to the institutions even when applications are not called for. Institutions keep a database of such unsolicited applicants and consider them for appointment when vacancies arise.

**3. Media advertising**-The most common and popular method of external recruitment is advertising about the vacant job position. Advertisement in TV, newspapers and journals etc.will attract a large number of applicants.

**4. Employment Exchange**-Employment exchanges run by government helps to match personnel demand and supply by serving as link between job seekers and employers. It is suitable for unskilled and skilled jobs.

**5. Placement Agencies**-Placement agencies provide nation-wide service of matching demand and supply of work force. These agencies invite the bio data and record from various job seekers and send them to suitable clients. These agencies charge fee for providing such service.

**6. Management Consultants**-Management consultants help the organizations to recruit technical, professional and managerial personnel .They specialize in middle level and top level executive placements.

**7. Campus Recruitment**-Sometimes the senior managers of the organizations visit various professional collages, technical institutions to get fresh graduates or the people with the latest technological know-how. The organizations prefer fresh graduates because they can be mould according to the requirement of the organization.

**8. Recommendations by the Existing Employees**-Many firm encourage their employees to recommend the names of their relatives and friends to fill the vacant job position. Such appointments are usually done at lower levels.

	<p><b>9. Web publishing-</b>In internet there are certain websites specifically designed to provide information regarding job seekers and companies which have vacant job position. These websites can be visited by job seekers as well as companies. Example: Naukri.com, Monster.com etc.</p>		
43.	<p><b>Henri Fayol's 14 Principles of Management (Any 8)</b>  Fourteen principles of management developed by Fayol are:</p> <ol style="list-style-type: none"> <li>1. Principle of Division of Work</li> <li>2. Principle of Authority and Responsibility</li> <li>3. Principle of Discipline</li> <li>4. Principle of Unity of Command</li> <li>5. Principle Unity of Direction</li> <li>6. Principle of Subordination of Individual Interest to General Interest</li> <li>7. Principle of Remuneration of Employees</li> <li>8. Principle of Centralisation and Decentralisation</li> <li>9. Principle of Scalar Chain</li> <li>10. Principle of Order</li> <li>11. Principle of Equity</li> <li>12. Principle of Stability of Tenure of Personnel</li> <li>13. Principle of initiative</li> <li>14. Principle of Esprit De Corps (Union is Strength)</li> </ol> <p>1. <b>Principle of Division of Work</b>  According to this principle the whole work in an organization must be divided into small tasks and one task or units of work should be assigned to one person according to his ability and qualification. Division of work leads to "specialization".</p> <p>2. <b>Principle of Authority and Responsibility</b>  Authority means the power to take decision. Responsibility means the obligation to complete the job assigned on time. According to this principle there must be balance (parity) between the authority and responsibility</p> <p>3. <b>Principle of Discipline</b>  Discipline means obedience, respect of authority and observance of established rules. According to Fayol discipline is necessary for the efficient working of an organization. Discipline applies not only to workers but also to managers at all levels.</p> <p>4. <b>Principle of Unity of Command</b>  According to Fayol there should be one and only one boss for every individual employee. This principle states that each participant in a formal organization should receive orders from and be responsible to only one superior. If there is more than one superior, there can be contradictory orders.</p> <p>5. <b>Principle Unity of Direction</b>  According to Fayol there should be 'one head (manager) and one plan' for each group of organizational activities that have the same objectives. For example Reliance Industries Ltd works in various fields including petrochemicals, communications, super markets etc. The activities and objectives of each of these areas will be different. Fayol advocate that each group of activities having the objectives must have one head and one plan. This ensures unity of action and coordination.</p>	8	

	<p>6. <b>Principle of Subordination of Individual Interest to General Interest</b> According to Fayol, the interest of the organisation should be the first priority over the interest of any individual in that organization. Workers working in an organization may have personal interest like get high salary, get promotion etc. The organization also has its own objectives (maximum profit with minimum cost). According to Fayol the focus should be on the organizational objectives and not on those of the individual.</p> <p>7. <b>Principle of Scalar Chain</b> An organization consists of superiors and subordinates. Scalar chain is the formal line of authority (Chain of command) which moves from highest to lowest rank in a straight line. The chain specifies the route through which the information is to be communicated to the desired person. Fayol insists that this chain must be strictly followed by all managers and subordinates in an organisation. Scalar chain or chain of command gives a clear idea about authority-responsibility relationship and systematic communication can be ensured in an organization.</p> <p>8 <b>Principle of Order</b> According to Fayol, there must be a fixed place for everything (men and materials) and everything must be in its place. If this order is strictly followed in an organization, there will be no hindrance in the activities of the business/ factory. This ensures the efficiency of company's operations.</p>		
44.	<p><b>Qualities of a Good Leader ( Any 8)</b></p> <p>It assumes that leaders can be distinguished from non-leaders by certain unique traits possessed by them. Following are the essential qualities of a good leader:</p> <p><b>(i) Physical features:</b></p> <p>Physical features like height, weight, health, appearance determine the physical personality of an individual. It is believed that good physical features attract people. Good health helps a leader to work hard which inspires others to work with same tempo.</p> <p><b>(ii) Knowledge:</b></p> <p>A good leader should have required knowledge and competence. Only such person can instruct subordinates correctly and influence them.</p> <p><b>(iii) Integrity:</b></p> <p>A leader should possess high level of integrity and honesty. He should be a role model to others regarding the ethics and values.</p> <p><b>(iv) Initiative:</b></p> <p>A leader should have courage and initiative. He should not wait for opportunities come to his way, rather he should grab the opportunity and use it to the advantage of organisation.</p>	8	

	<p><b>(v) Communication skills:</b></p> <p>A leader should be a good communicator. He should have the capacity to clearly explain his ideas and make the people to understand his ideas. He should be a good listener, teacher, counsellor and persuader.</p> <p><b>(vi) Motivation skills:</b></p> <p>A leader should be an effective motivator. He should understand the needs of people and motivate them through satisfying their needs.</p> <p><b>(vii) Self Confidence:</b></p> <p>A leader should have high level of self-confidence. He should not loose his confidence even in most difficult times. In fact, if the leader lacks self-confidence, he cannot provide confidence to his followers.</p> <p><b>(viii) Social skills:</b></p> <p>A leader should be sociable and friendly with his colleagues and followers. He should understand people and maintain good human relations with them.</p>		
45.	<p><b>Elements of Marketing Mix (Four Ps of marketing)</b></p> <p>The four main elements of marketing mix are:</p> <ul style="list-style-type: none"> <li>➤ <b>Product mix</b></li> <li>➤ <b>Price mix</b></li> <li>➤ <b>Place mix</b></li> <li>➤ <b>Promotion mix</b></li> </ul> <p><b>Product Mix:</b></p> <p>Product means goods or services which is offered to the market for sale. Product mix is the total number of product lines that a company offers to its customers. Product mix consists of important decisions related to product such as quality of product, size, colour etc. The product mix has the following dimensions</p> <ol style="list-style-type: none"> <li>a. Product mix Width</li> <li>b. Product mix Depth</li> <li>c. Product mix Length</li> </ol> <p><b>Price Mix:</b></p> <p>Price mix refers to important decisions related to fixing of price of a commodity These decisions can be relate to pricing strategies, fixing prices by considering competrition,fixing prices according to the demand exist in the market etc. Price is an important factor affecting the success or failure of a product in the market. Price is the crucial element of marketing mix because customer is very sensitive to this element. Little variation in the price may shift your customer to competitor’s product, for example if the</p>	8	

price of 'MIRINDA' is changed from Rs. 30 to Rs.33 then the customer will start demanding 'FANTA' which is still available Rs.30.

**Place Mix:**

Place mix constitutes taking decisions regarding how the product will be available for the customers for the actual sale. There are two important decisions relating to this aspect.

**a. Decision regarding channel of distribution-** It decides whether goods are to be marketed through wholesalers, retailers, own branches or any other way. It determines the place, where the product should be made available. Types of channels –it may be direct or indirect.

**b. Decision regarding physical movement of goods-**

Physical movement involves handling the movement of goods from place of production to the place of consumption. It is also known as **logistic management**. It involves four major activities-order processing, transportation, and warehousing and inventory control. A good order processing involves timely receipt of order and timely delivery of goods.

**Promotion Mix:**

It involves all activities concerned with informing the consumers about a product and persuading them to buy the product. Such activities include **(1) Advertising (2) Personal selling (3) Sales promotion (4) Publicity**.

**Advertising-**Advertising is a paid form of impersonal communication. It is the most commonly used tool of promotion.

**Sales Promotion:** Sales promotion refers to short term use of incentives or other sales promotional activities that stimulate the customer to buy the product. Sales promotion activities include offering free samples, cash discounts, sales contests, free gifts etc.

**Personal Selling:** Personal selling means selling personally. This involves face to face interaction between seller and buyer for the purpose of sale.

**Publicity:** Publicity is a non-paid form of impersonal communication. It is just like advertisement except that advertisement is a paid form whereas publicity in non-paid form.

This answer key is given in detail to make it useful for students preparing for the final examinations....

**CA** കോഴ്സിനെപ്പറ്റി എല്ലാ വിവരങ്ങളും അടങ്ങിയിരിക്കുന്ന ഒരു ഇന്റർവ്യൂ ആണ് താഴെ കൊടുത്തിരിക്കുന്നത്. പ്ലസ് ടു വിനു ശേഷം നേരിട്ട് സി എ യ്ക്ക് ചേരണോ അതയോ ഡിഗ്രിക്ക് ശേഷം ചേരണോ എന്ന ചോദ്യം അഡ്യാപകർ സാധാരണയായി അഭിമുഖീകരിക്കുന്നതാണ്. അതിനുള്ള വ്യക്തമായ മറുപടി ഈ ഇന്റർവ്യൂവിൽ ഉണ്ട്. കേരളത്തിലെ പ്രശസ്തനായ ചാർട്ടേഡ് അക്കൗണ്ടന്റ് സി എ സോമൻ സർ കോഴ്സിനെപ്പറ്റിയും, അദ്ദേഹത്തിന്റെ ജീവിത അനുഭവങ്ങളും ഇവിടെ വിശദമാക്കുകയാണ്. എല്ലാ രക്ഷിതാക്കളും , അഡ്യാപകരും , വിദ്യാർത്ഥികളും കണ്ടിരിക്കേണ്ട ഒരു വീഡിയോയാണിത്. ആദ്യാവസാനം കാണുക, കൂടുതൽ ആളുകളിൽ എത്തിക്കുമല്ലോ.....ബിനോയ് ജോർജ്

Click here for the interview with **CA Soman N L** :<https://youtu.be/9ryRls4re6w>