

Second Year Higher Secondary Second Terminal Examination, December-2022

Subject-BUSINESS STUDIES -2048 -Unofficial (Max Score-80)

Q.No	Answer Any 8 questions from 1-10 . Each carries 1 score	Score	Total
1.	(c) lower Level	1	8
2.	Order	1	
3.	(a) Social	1	
4.	Planning	1	
5.	goal-oriented process/ pervasive function/ backward-looking function	1	
6.	(d) All of these	1	
7.	(b) Selection – Negative Process	1	
8.	(d) Case Study (Off the job training)	1	
9.	Affiliation/Belonging Needs	1	
10.	Controlling	1	
	Answer any 5 questions from 11-16. Each carries 2 scores		
11.	Management is the art of getting things done through others. Management is the process of planning, organizing, directing and controlling activities of and using the resources of an organization for accomplishing the organizational goals efficiently and effectively in an ever-changing environment.	2	10
12.	Planning is concerned with the future which is uncertain and every planner is using assumptions about future. These assumptions are called planning premises . Premises are the base on which plans are made.		
13.	Functional Structure is an organisational structure wherein jobs of similar nature are grouped together. Here activities are grouped on the basis of function.Example: Purchase department, sales department, marketing department etc.	2	
14.	Intelligence tests,Aptitude test,Personality test,Trade test,Interest test	2	
15.	Supervision,Motivation,Leadership,Communication	2	
16.	Financial Planning is a vital part of Financial Management. Financial planning is the plan needed for estimating the fund requirements of a business and determining the sources for the same. Financial planning takes into consideration the growth, performance, investments and requirement of funds for a given period. Financial planning includes both short-term as well as long-term planning. The objective of financial planning is to ensure that enough funds are available at right time.	2	
	Answer any 5 questions from 17-22. Each carries 3 scores.		
17.	Functional Foremanship- In this technique Taylor suggested the division of factory into two departments-Planning Department and Production Department. Taylor said foreman must be intelligent, educated, energetic, honest and	2	15

	profession expert. All these qualities can't be found in one person so Taylor proposed there must be at least eight specialist or foreman to supervise and give orders to workers. There are 4 specialist foremen under the planning in-charge, namely route clerk, instruction card clerk, time and cost clerk and disciplinarian. There are another 4 specialist foremen in production-in-charge., namely Gang boss, speed boss, repair boss and inspector.		
18	<p>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.</p> <p>Privatisation: 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.</p> <p>Liberalisation: It means liberating economy from unnecessary controls and regulations and making the economy more competitive. Through liberalization, in India, business system is now free from unnecessary licence, permit, quota etc</p>	3	
19	<p>Vestibule training-In this method, actual work environments is created in a class room. Employees use the same materials and equipments here. It is a costlier method and it is usually carried out when employees are required to handle sophisticated machinery and equipment. Here the learner gets both theoretical and practical knowledge.</p>	3	
20	<p>Importance of Controlling (Any-3)</p> <ul style="list-style-type: none"> (i) Accomplishing organisational goals (ii) Judging accuracy of standards (iii) Making efficient use of resources (iv) Improving employee motivation (v) Ensuring order and discipline (vi) Facilitating coordination in action 	3	
21.	<p>Financial Decision:</p> <ol style="list-style-type: none"> 1. Investment Decision 2. Financing Decision 3. Dividend Decision 	3	
22.	<p>Trading on Equity: In favorable financial leverage situation [Return On Investment (ROI) is higher than the cost of deb] company's often employ fixed cost securities such as debentures and preference shares in the capital structure so as to increase the return on equity capital. Such practice is called Trading on Equity. If the cost of borrowed fund is lower than</p>	3	

	company's rate of earnings, the equity shareholders will get additional profits due to this practice.												
	Answer any 4 Questions from 23-27. Each carries 4 scores												
23.	<p>Coordination is the process by which managers synchronize/coordinate the activities of different departments to ensure unity of action. Coordination is needed at all levels of management and for all functions of management. Coordination is considered as the essence of management because it is the force that connects all other managerial functions.</p> <p>Features of coordination: (Any-2)</p> <ol style="list-style-type: none"> 1.Coordination Integrate Group Efforts 2.Coordination ensures unity of action 3.Coordination is a continuous process 4.Coordination is a pervasive function 5.Coordination is the responsibility of all managers 6.Coordination is a deliberate function 	4	16										
24.	<p>Match the following:</p> <table border="1" style="width: 100%;"> <thead> <tr> <th style="text-align: center;">A</th> <th style="text-align: center;">B</th> </tr> </thead> <tbody> <tr> <td>(a) No Smoking inside the premises</td> <td>Rule</td> </tr> <tr> <td>(b) Promotion on the basis of merit only</td> <td>Policy</td> </tr> <tr> <td>(c) Increase sales by 20%</td> <td>Objective</td> </tr> <tr> <td>(d) Time rate system of wage payment</td> <td>Method</td> </tr> </tbody> </table>	A	B	(a) No Smoking inside the premises	Rule	(b) Promotion on the basis of merit only	Policy	(c) Increase sales by 20%	Objective	(d) Time rate system of wage payment	Method	4	
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25.	<p>Maslow's Need Hierarchy Theory of Motivation</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"> 1. Basic physiological needs: 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. 2. Safety/Security Needs: These needs provide security and protection from physical and emotional harm. Examples: job security, stability of income, Pension plans etc. 3. Affiliation/Belonging Needs: These needs refer to affection, sense of belongingness, acceptance and friendship. 4. Esteem Needs: These include factors such as self-respect, autonomy status, recognition and attention. 	4											

	Self Actualisation Needs: 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.		
26.	<u>Factors affecting fixed capital of a business: (Any 4)</u> 1.Nature of business 2.Scale of operations 3.Technique of production 4.Growth prospects 5.Diversification 6.Technology up gradation 7.Financing alternatives	4	
27.	<u>Limitations of Controlling (Any 2)</u> 1.Difficulty in setting quantitative standards: Controlling will be effective only when standards are fixed in quantitative terms. Control system loses some of its effectiveness when standards cannot be defined in quantitative terms. 2.Little control on external factors: Generally, an enterprise cannot control external factors such as government policies, technological changes, competition etc. 3.Resistance from employees: Control is often resisted by employees. They see it as a restriction on their freedom. For instance, employees might object when they are kept under a strict watch with the help of CC TV. 4.Costly affair: Control is a costly affair as it involves a lot of expenditure, time and effort. A small enterprise cannot afford to install an expensive control system.	4	
	Answer any 3 questions from 28-31. Each carries 5 Scores		
28.	<u>Features of management (Any 5)</u> 1. Management is a goal-oriented process Management always aims at achieving the organizational objectives. 2. Management is pervasive Management is necessary for all the organizations irrespective of its size, nature and functions. 3. Management is a group activity Management consists of number of persons who work as a group. The management functions cannot be performed in isolation 4. Management is a continuous process Management is a continuous or never-ending process. 5. Management is a dynamic function	5	15

	Management has to make change in goal, objectives and other activities according to changes taking place in the environment		
29	<p>Business environment is the surroundings in which business exists. Business environment refers to all those factors that are outside the control of business but are continuously affect its performances. 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>Importance of Understanding of Business Environment (Any-3)</p> <p>1)It helps the firm to identify opportunities and get the first mover advantage: Early identification of opportunities helps an enterprise to exploit them, otherwise it will be exploited by our rivals/competitors.</p> <p>2)It helps a firm to identify threats and early warning signals Environmental awareness can help managers to identify various threats on time and serve as an early warning signal.</p> <p>3)It helps in assisting in planning and policy formulation Since business environment provides both opportunities and threats for the firm, its understanding and analysis can be the basis for planning and policy formulation.</p> <p>4)Coping with changes If the business is aware of these changes then it can take possible measures to exploit the situation or it can take remedial measures to survive.</p> <p>5)It helps in improving performance With continuous scan of business environment firms can easily improve their performance.</p>	5	
30	<p><u>Major limitations of planning are given below: (Any 5)</u></p> <p>Planning leads to rigidity In an organisation a well-defined plan is drawn up with specific goal to be achieved with a specific time period. These plans decide the future course of action to be followed. Once a well-defined plan is drawn, managers may not be able to change it</p> <p>Planning may not work in a dynamic environment Since, planning cannot foresee everthing, and there may be obstacles to effective planning. Under the conditions of rapid changes, the plans become outdated and irrelevant even before they are implemented.</p> <p>Planning reduces creativity Planning is an activity which is done by the top management. Usually the rest of the members are blind followers of the plan. Employees only carry out orders. Thus, much of the initiative or creativity inherent in them gets lost or reduced.</p> <p>Planning involves huge costs Planning is an expensive process. Collection, analysis, and evaluation of the different information, facts and alternatives involve a lot of expenses.</p>	5	

Planning is a time-consuming process
 Planning process is a time-consuming process because it take long time to evaluate the alternatives and select the best one.

Planning does not guarantee success
 The success of an enterprise is possible only when plans are properly drawn up and implemented.

31.	Formal Organisation Vs Informal Organisation (5)	5																			
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Answer any 2 questions from 32-34. Each carries 8 scores

32.	<p><u>Principles of Management by Henry Fayol (Any 8)</u></p> <p>1.Principle of Division of Work</p> <p>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.Principle of Authority and Responsibility</p> <p>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>	8	16
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3.Principle of Discipline

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.

4.Principle of Unity of Command

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.

5.Principle Unity of Direction

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.

6.Principle of Subordination of Individual Interest to General Interest

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.

7. Principle of Scalar Chain

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

8.Principle of Order

According to Fayol, there must be a fixed place to keep every material and things used in the organization and the fixed place or cabin for every employee of the organization so that no time and energy is wasted in search

	<p>of any material or any person. It will ensure smooth and systematic working of organization.</p> <p>Example.If a worker in need of a tool he must know in which box it will be found.</p> <p>9.Principle of Equity</p> <p>According to Fayol the principle of equity should be followed at every level.Equity refers to kind,fair and just treatment to employees.Employees will put their maximum efforts only when they are treated with kindness and justice. If a manager is biased in dealing with employees then employees will get dissatisfied and will not contribute to their maximum capacity. This principle ensures employee satisfaction.</p> <p>Example. The rules for granting medical leave to an employee should be same irrespective of their position, grade or gender.</p> <p>10.Principle of Stability of Tenure of Personnel</p> <p>According to this principle, employees once selected, should be kept at their post for a minimum fixed term (tenure).It refers to no frequent termination and transfer. They should be given reasonable time to show results. A feeling of insecurity for the job, the employees cannot contribute their maximum.</p>		
33.	<p>External sources of recruitment</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>	8	

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.

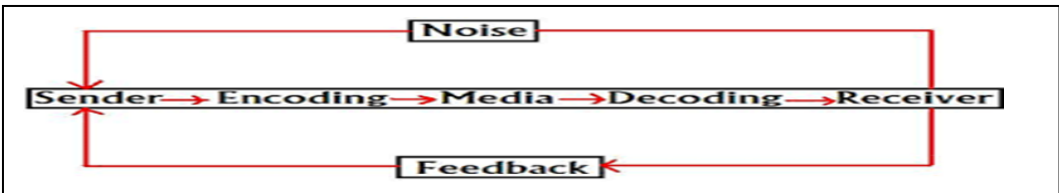
8. Recommendations by the Existing Employees-Many firm encourage their employees to recommend the names of their relatives and friends to fill the vacant job position. Such appointments are usually done at lower levels.

9. Web publishing-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

34.

Communication Process

Communication process involves elements like source, encoding, media/channel, receiver, decoding, noise and feedback. The elements involved in communication process are explained below:



(i) Sender:

Sender means person who conveys his thoughts or ideas to the receiver. The sender represents source of communication.

(ii) Message:

It is the content of ideas, feelings, suggestions, order etc., intended to be communicated. It is the subject matter of communication.

(iii) Encoding:

It is the process of converting the message into communication symbols such as words, pictures, gestures etc.,

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<p>(iv) Media:</p> <p>It is the path through which encoded message is transmitted to receiver. The channel may be in written form, face to face, phone call, Internet etc.</p> <p>(v) Decoding</p> <p>It is the process of converting encoded message into readable language to understand the message to the receiver.</p> <p>(vi) Receiver:</p> <p>The person who receives communication of the sender and understands the message.</p> <p>(vii) Feedback:</p> <p>It includes all those actions of receiver indicating that he has received and understood message of sender.</p> <p>(viii) Noise:</p> <p>Noise means some obstruction or hindrance to communication. This hindrance may be caused to sender, message or receiver.</p>		
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