QB365 Student Learing Managemnet System
Exam Name: Pre Quarterly - Practice
Std: 12th Standard - Business Studies
Chapter: Planning, Consumer Protection, Directing , Financial Markets, Nature and Significance of Management , Controlling, Principles of Management, Staffing, Marketing, Financial Management, Organising, Business Environment

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Answers Key:

6 Marks

1. The given points highlight the importance of management principles:
(a) Provides managers with useful insights into reality/Improves understanding. The knowledge of principles improves the understanding of managers about the ways and means of managing an organisation. Management principles are helpful in taking decisions and handling situations arising in course of management.
(b) Scientific decisions/helps in thoughtful decision making. Management principles help in thoughtful decision-making. They emphasise logic rather than blind faith. Management decisions taken on the basis of principles are free from bias and prejudice. They are based on the objective assessment of the situation.
(c) Optimum utilisation of resources and effective administration. Resources should be put to use in such a manner that they should give maximum benefit with minimum cost. Principles equip the managers to foresee the cause and effect relationships of their decisions and actions. As such wastages associated wih a trial-and-error approach can be overcome.
(d) Direction for training of managers. The principles are helpful in identifying the areas of management in which existing and future managers should be trained. The principles of management help the Universities and professional institutes to impart teaching and training in the theory and practice of management.
(e) Guide to research in management. The body of management principles indicates the lines on which research should be undertaken to make management practices more effective. The management principles which have so far been developed by experienced managers can be tested through research to make them perfect as nearly as possible
(f) Meeting changing environment requirements. Principles are modified and as such help managers to meet changing requirements of the environment. Companies are specialising in their core competency and divesting non-core business.
(g) Fulfilling social responsibility. Management principles also guide the manager to perform social responsibilities. Principle of 'equity' today does not apply to wages alone. Value to customers, care for environment, dealings with business associates also come under the purview of this principle.
2. (a) The company has decided to provide training and development to its employees.
(b) The benefits of training to 'Moga Industries Ltd.' are:
(i) Economic operations. Trained personnel will make economic and efficient use of resources such as men, money, material and machines. This will lead to the reduction in the cost of production per unit. There will be a great savings as training reduces wastage and spoilage. This will result in economic operations. Thus, training expenditure is treated as an investment in human resources.
(ii) Increases productivity. Training helps to improve employee's knowledge and skills, which in turn increases the quality and quantity of production. Higher productivity means higher profitability for the organisation.
(iii) High motivation and morale. Training reduces the rate of labour turnover and absenteeism and increases job satisfaction. This improves staff morale and self-esteem. With the help of training, employees are able to direct the staff towards management philosophy, mission, attitudes, work ethics, team work and greater cooperation and loyalty.
3. (a) Services - Business Process Outsourcing, Online Trading.
(b) Ideas - Blood donation, Family Planning.
(c) Place - Udaipur - 'The City of Lakes' Mysore - 'The City of Gardens'
(d) Events - IPL Cricket Matches, Diwali Mela
(e) Organisations - Dabur, Hindustan lever, communicate with people for boosting their public image.
4. For points explaining role (significance) of organising function in an enterprise,
(i) Benefits of specialisation Organising leads to a systematic allocation of jobs amongst the work force. This reduces the work load as well as enhances productivity because of the specific workers performing a specific job on regular basis. By doing a job on regular basis, a worker gets experience in that area and leads to specialisation.
(ii) Clarity in working relationship The establishment of working relationships clarifies the lines of communication and specifies, 'who will report to whom'. This removes ambiguity in transfer of information and instructions.
(iii) Development of personnel Delegation of authority allows the managers to reduce their work load and to pay attention to more important and strategic issues and to develop new methods and ways of performing job where their potential can be exploited in more useful manner. Delegation develops in subordinates the ability to deal effectively with challenges and realise their full potential for more creative work.

4 Marks

5. Planning lays down the base for all other functions of management.All the other functions are performed within the framework of the plans drawn. Since planning precedes all the other functions, it is called the primary function of management or primacy of planning.
6. Self-help is the ideal way to overcome problems.If every consumer becomes aware of his/her rights and the remedies available against exploitation and unscrupulous activities then businessman will not be able to exploit consumers.
Therefore,consumers should be made aware and educated about their rights.They should know how to protect themselves malpractices in the market.

7.

Basis	Formal communication	Informal communication
Mutual relationship	Based on formal superior-subordinate relationship	Based on interpersonal contacts
Nature	Systematic and orderly	Unsystematic and erratic
Speed of communication	It is slow and time-consuming	It is fast and time-saving
Authenticity	Official and well-planned messages are authentic	Unofficial and unplanned messages may not be authentic
Contents or subjects matters	Work related matters,e.g.orders and instructions are communicated	Personal matters are discussed
objectives	To achieve organisational objectives	To meet personal meet and interest

8. (a) Mrs. Chhatwal suggested Financial Incentive.
(b) The three other incentives of the same type are:
(i) Pay and allowances. Salary is the top most prioritylincentive for work to any employee in the organisation. If performance of an employee improves each year, then he may be rewarded by hike in salary and other allowances.
(ii) Bonus. It is a reward that is offered on a onetime basis for high performance. A bonus may be in cash or in some other form, e.g., many sales organisations periodically offer prizes, such as trips, for their top sales people.
(iii) Profit sharing. It is often discussed that labour being the live factor in production, is entitled to share in the surplus earned by his firm. Employers often use this device to extort their loyalty and reduce the influence of trade unions. This provides group incentive to the workers for higher productivity and greater profitability.

9. The types of selection tests that may be used for selecting the desired technicians are:
(a) Trade test. These tests measure the level of knowledge and skills of an individual already acquired through training and on the job experience. Such tests are useful in the selection of stenographers, typists, sales persons, etc. These tests can be oral and written.
(b) Aptitude test. These tests measure the ability or potential of a candidate to learn a new job or skill. Defects in a person's sensory or intellectual capacity can be detected through these tests.
c) Interest test. These tests identify individual's likes and dislikes in relation to work. These tests help to identify the kind of work that will satisfy him.

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10. Capital budgeting is the technique of making long-term planning decisions for investment and their finance. Decision on capital expenditure is difficult as future is uncertain. It includes current cash outlay or a series of cash outlays in return for an anticipated flow of future benefits. Capital budgeting is employed to evaluate long-term expenditure decisions which involves current outlays and the benefits that occur in the future years

11. Following are the objectives of financial planning:
(a) To ensure availability of funds whenever required.
(b) To see that firm does not raise resources unnecessarily.

3 Marks

12. (a) Efficiency
(b) Values – (i) optimum utilization of scarce resources.
(ii) sincerity
(iii) Responsible towards achieving the target.

13. (a) Primary Market
(b) The first method is Offer for Sale and the other one is Rights Issue.
(c) To facilitate the transfer of investible funds from savers to entrepreneurs seeking to establish new enterprises or to expand existing one through the issue of securities for the first time.
(d) Banks, financial institutions, insurance companies, mutual funds and individuals
(e) Private Placement and e-IPOs

14. Inspite of the above said drawback, promotion is still used as a good source of filling the vacancies internally due to the following reasons
(i) It motivates the employee for better performance and leads to satisfaction of employees.
(ii) It makes the process of selection and placement simpler, as the background of the candidate is already known.

15. Advantages of management by exception
(i) It saves the time and efforts of managers as they deal with only significant deviations.
(ii) It focuses managerial attention on important areas. There is better utilization of managerial talent.
(iii) The routine problems are left to the subordinates. Thus, it facilitates delegation of authority and increases morale of employees.

Multiple Choice Question

16. (a) Qualitative Standards
17. (b) Setting performance standards
18. (a) direct channel of distribution.
19. (d) Growth
20. (d) Coordination ensures unity of action
21. (c) Development
22. (a) Management is a continuous process

23. (d) technological environment
24. (b) Dematerialisation
25. (b) Remuneration of employees
26. (c) Customer support services
27. (b) social environment
28. (d) Societal marketing concept
29. (c) Economic environment
30. (a) Describing the product and specifies its contents
31. (c) Allocation of jobs to members of each department.
32. (d) Financing decision
33. (c) Assignment of duties
34. (c) Safety
35. (b) Unique order code

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