

**SET - 1**

**Class- 12  
Business Studies  
Sample Paper 2020-2021**

**Time allowed: 3 hours**

**Maximum Marks: 80**

| Units         |   | Periods   | Marks     |
|---------------|---|-----------|-----------|
| <b>Part A</b> | <b>PRINCIPLES AND FUNCTIONS OF MANAGEMENT</b> |           |           |
| 1.            | Nature and Significance of Management         | 12        | 16        |
| 2.            | Principles of Management                      | 11        |           |
| 3.            | Business Environment                          | 08        |           |
| 4.            | Planning                                      | 08        | 14        |
| 5.            | Organising                                    | 10        |           |
| 6.            | Staffing                                      | 13        | 20        |
| 7.            | Directing                                     | 09        |           |
| 8.            | Controlling                                   | 07        |           |
|               | <b>Total</b>                                  | <b>78</b> | <b>50</b> |
| <b>Part B</b> | <b>BUSINESS FINANCE AND MARKETING</b>         |           |           |
| 9.            | Financial Management                          | 20        | 15        |
| 10.           | Financial Markets                             | 18        |           |
| 11.           | Marketing Management                          | 24        | 15        |
| 12.           | Consumer Protection                           | 05        |           |
|               | <b>Total</b>                                  | <b>67</b> | <b>30</b> |
|               | <b>PART C : PROJECT WORK (ONE)</b>            | <b>30</b> | <b>20</b> |

**General instructions:**

- 1 This question paper contains 34 questions.**
- 2. Marks are indicated against each question.**
- 3. Answer should be brief and to the point.**
- 4. Answers to the questions carrying 3 marks may be from 50 to 75 words.**
- 5. Answers to the questions carrying 4 marks may be about 150 words.**
- 6. Answers to the questions carrying 6 marks may be about 200 words.**
- 7. Attempt all parts of the questions together.**

## Questions:

| Q |   | Marks |
|---|---|-------|
| 1 | <p>Management is essential for the organisations which are</p> <p>(a) Non-profit organisations<br/>           (b) Service organisations<br/>           (c) Social organisations<br/>           (d) All of the above</p>   | 1     |
| 2 | <p>‘Twinkle Stars’ is a well-known resort for organising parties, especially for children. However, in the 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 the business environment which has influenced the business of ‘Twinkle Stars’ adversely.</p> <p>(a) Totality of external forces<br/>           (b) Dynamic nature<br/>           (c) Interrelatedness<br/>           (d) Uncertainty</p>   | 1     |
| 3 | <p>People in the organisations carry out diverse tasks with the aim to achieve</p> <p>(a) Different objectives<br/>           (b) Common objectives<br/>           (c) Both of the above<br/>           (d) None of the above</p>   | 1     |
| 4 | <p>DigiLocker is the country’s first secured cloud-based platform for the storage, issuance and verification of documents with the Driving Licence &amp; 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 person the trouble of carrying licences &amp; vehicle papers, which can be accessed on phones using the DigiLocker app. Identify the related dimension of the business environment.</p> <p>(a) Economic dimension<br/>           (b) Technological dimension<br/>           (c) Social dimension<br/>           (d) Political dimension</p> | 1     |
| 5 | <p>Management is considered important because</p> <p>(a) It helps an organisation to adapt to the changes<br/>           (b) Seeks to integrate individual efforts<br/>           (c) It helps in development of the society<br/>           (d) All of the above</p>  | 1     |

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| 6  | <p>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,</p> <p>(a) Relativity<br/>(b) Dynamic nature<br/>(c) Uncertainty<br/>(d) Interrelatedness</p> | 1 |
| 7  | <p>On 8th November 2016, with the announcement from Government of India, all the ₹500 and ₹1,000 banknotes of the Mahatma Gandhi series 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.</p> <p>(a) Globalisation<br/>(b) Liberalisation<br/>(c) Demonetisation<br/>(d) Privatisation</p>   | 1 |
| 8  | <p>Which of the following is a technique used for measuring actual performance?</p> <p>(a) Random sampling<br/>(b) Personal observation<br/>(c) Performance reports<br/>(d) All of the above</p>  | 1 |
| 9  | <p>Which of the following is not a feature of planning?</p> <p>(a) Planning is futuristic.<br/>(b) Planning is pervasive.<br/>(c) Planning establishes standards for controlling.<br/>(d) Planning focuses on achieving objectives.</p>   | 1 |
| 10 | <p>Reducing the workers, absenteeism in a factory by 20% is an example of</p> <p>(a) Quantitative standard<br/>(b) Qualitative standard<br/>(c) Deviation<br/>(d) None of the above</p>   | 1 |
| 11 | <p>Authority arises from</p> <p>(a) Responsibility<br/>(b) Formal position<br/>(c) Accountability</p>   | 1 |

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|    | (d) All of the above  |   |
| 12 | <p>Shaan Limited is offering a travel package for 15 destinations around India with free insurance on the bookings for the month of December, 2020. Identify the feature of marketing being described in the above lines.</p> <p>(a) Needs and wants<br/>(b) Creating a market offering<br/>(c) Customer value<br/>(d) Exchange mechanism</p> | 1 |
|    | <p>Answer the questions from 13-16 on the basis of information given:</p> <p>The capital market is divided into two parts - Primary market and Secondary market. The primary market is also known as the New issue market. It deals with the new securities being issued for the first time.</p>  |   |
| 13 | <p>Which of the following is not an investor in the primary market are</p> <p>a. Banks<br/>b. Financial institutions<br/>c. Mutual funds<br/>d. RBI</p>   | 1 |
| 14 | <p>Which one of these is offered in the primary market</p> <p>A. e-IPOs<br/>B. Ordinary shares<br/>C. Preference shares<br/>D. Mutual Funds</p>   | 1 |
| 15 | <p>What is the other name for the secondary market being referred to:</p> <p>A. Unit Trust of India<br/>B. Stock Market<br/>C. National Securities Depository Ltd<br/>D. Life Insurance Corporation of India</p>  | 1 |
| 16 | <p>Which of the statement is true for the secondary market</p> <p>A. Ownership of existing securities is exchanged between investors<br/>B. Securities are issued by the company directly<br/>C. Only buying of securities takes place here<br/>D. Prices of the shares are determined by the company</p>                                     | 1 |
|    | <p>On the basis of the information given here answer the questions from 17-20.<br/>“Though branding and packaging adds cost, it provides several advantages to the consumer and the consumer.”</p>  |   |
| 17 | <p>Which of the given is not an advantage of branding?</p> <p>A. Status symbol for the customers</p>  | 1 |

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|    | <p>B. Ensures Quality<br/>         C. Helps in advertising<br/>         D. Providing information required by the law<br/>         Ans. D. Providing information required by the law.</p>  |   |
| 18 | <p>Which of these is a characteristic of a good Brand name<br/>         A. Should be easily changeable<br/>         B. It should not suggest the product being sold<br/>         C. Should be short and easy to pronounce<br/>         D. It should be very common in nature</p>  | 1 |
| 19 | <p>A tube of shaving cream comes in a cardboard box. This is an example of _____<br/>         A. Primary packaging<br/>         B. Secondary Packaging<br/>         C. Transportation Packaging<br/>         D. All of these</p>  | 1 |
| 20 | <p>Which of these is not an importance of packaging?<br/>         A. Product protection<br/>         B. Product identification<br/>         C. Brand Creation<br/>         D. Product Differentiation</p>   | 1 |
| 21 | <p>Rashi ltd is facing a lot of problems these days. It manufactures electrical items like TV, radio, etc. The company's margins are under pressure and the profit and market share is declining sharply. The production department blames marketing for not meeting the sales target and the marketing team blames the production team for producing low quality goods. The finance department blames both the production and marketing department for the fall in investment and declining market share. What quality of management do you think the company is lacking? Explain its importance by giving any three points.</p> | 3 |
| 22 | <p>Micro ltd is a reputed company of India and is facing difficulties in introduction of machinery and new technology. The company is facing internal resistance from the informal groups who are pressuring the company to work against the organisational goals. You are the HR manager of the company, what would you advise to deal with the formation of this informal group within the organisation?</p>  | 3 |
| 23 | <p><b>Explain the meaning and nature of controlling.</b></p>  | 3 |
| 24 | <p>Explain the functions of a financial market.</p>   | 3 |
| 25 | <p>Ramesh Chand is a manager in a company using highly sophisticated machines and equipment. He wants that the new and old employees who start working on those</p>   | 4 |

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|    | <p>machines should be fully trained before using such machines.<br/>What best training method would you suggest so that employees can learn the process.</p>   |   |
| 26 | <p>The Eshtyle watch company is well known for its stylish watches. It performs various activities like market analysis, product designing, packaging, warehousing, labeling, advertising, pricing, promotion, and sales. The company maintains good customer relations through various customer service activities.<br/>(i) Name the concept related to the activities mentioned above.<br/>(ii) Explain any two features of the activity identified above.</p>   | 4 |
| 27 | <p><b>State whether controlling is a goal oriented process or an action oriented process.</b></p>  | 4 |
| 28 | <p>What are the advantages of functional structure?</p>  | 4 |
| 29 | <p>Explain the role of financial management? or explain the role of a financial manager?<br/>OR<br/>Explain the role of financial management?<br/>or<br/>Explain the role of a financial manager?</p>  | 4 |
| 30 | <p>Explain the meaning and concept of consumer protection act 1986.</p>  | 4 |
| 31 | <p><b>What is the difference between principles of science and principles of management?</b></p>   | 6 |
| 32 | <p>A printing company wants to increase profits by purchasing new high speed machines or increasing sale price or using the waste materials to produce shoe and boot mat. It is decided that using waste material to increase the profit is the best solution for the company.<br/>(a) Identify the concept of management involved.<br/>(b) Mentioned the steps involved in the above process by quoting the lines from the question.<br/>(c) To complete the process of the concept identified in (a), what future steps does the manager have to take?</p> | 6 |
| 33 | <p>Esha started a company called 'Fashion Wrap.' with ten employees to gift pack items for their clients in an attractive and fashionable manner called it new style wrapping. The company did very well in its initial years. As the product was good and marketed well, the demand went up. To increase production, the company decided to recruit additional employees. Esha, who was earlier taking all the</p>  | 6 |

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|    | <p>decisions for the company, had to selectively disperse the authority. He believed that people are competent, capable and resourceful and can assume responsibility for the effective implementation of their decisions. This paid off and the company was not only able to increase its production but also expanded its product range with different features.</p> <p>(a) Identify the concept used by Esha through which he was able to steer his company to greater heights.<br/>                 (b) Also explain any three points of importance of this concept.</p>   |   |
| 34 | <p>Amba Rani works as a corporate event coordinator in an event management company. She has been made an overall official incharge for organizing a marriage ceremony for one of the clients of the company. To ensure that the ceremony takes place successfully, she identifies the various activities involved and divides the whole work into various task groups like invitation, decoration committee, and reception committee. In order to facilitate coordination within and among committees, she appoints a supervisor of each group. Each member in the group is asked to report to their respective supervisors and all the supervisors are expected to work as per Amba's orders. In context of the above case:</p> <p>(a) Identify the function of management being performed by Amba Rani.<br/>                 (b) Describe briefly the various steps involved in the performance of the function of management as identified in part (1) of the question.</p> | 6 |

## Answers:

| Q |                                     | Marks |
|---|-------------------------------------|-------|
| 1 | Answer. (d) All of the above        | 1     |
| 2 | Answer. (b) Dynamic nature          | 1     |
| 3 | Answer. (b) Common objectives       | 1     |
| 4 | Answer. (b) Technological dimension | 1     |



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| 5  | Answer. (d) All of the above  | 1 |
| 6  | Answer. (a) Relativity  | 1 |
| 7  | Answer. (c) Demonetisation  | 1 |
| 8  | Answer. (d) All of the above  | 1 |
| 9  | Answer. (c) Planning establishes standards for controlling.   | 1 |
| 10 | Answer. (a) Quantitative standard   | 1 |
| 11 | Answer. (a) Responsibility  | 1 |
| 12 | Answer. (c) Customer value  | 1 |
| 13 | Answer. d. RBI  | 1 |
| 14 | Answer. A. e-IPOs   | 1 |
| 15 | Ans. B. Stock market  | 1 |
| 16 | Ans. A. Ownership of existing securities is exchanged between investors   | 1 |
| 17 | Ans. D. Providing information required by the law.  | 1 |
| 18 | Answer. C. Should be short and easy to pronounce  | 1 |
| 19 | Ans. Secondary Packaging  | 1 |
| 20 | Answer. C. Brand Creation   | 1 |
| 21 | <p>Answer.</p> <p>Coordination is lacking among the different departments in Rashi ltd.</p> <p>The importance of coordination</p> <ol style="list-style-type: none"> <li>Functional differentiation: Coordination brings unity in action among the interdependent departments</li> <li>Specialisation: Specialists are appointed in different departments of the organisations. Coordination is required to avoid conflicts between the specialist and other members of the organisation.</li> <li>Growth in size: As the organisation grows the number of people also increases. There needs to be coordination among the workers to integrate the effort and activities.</li> </ol> | 3 |
| 22 | Answer.   | 3 |



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|  | <p>I as the HR manager of the organisation would suggest</p> <p>(i) <b>Use their knowledge:</b> Use the knowledge of such groups to gather their support and lead to improved organisational performance.</p> <p>(ii) <b>Weightage to both the formal and informal organisation:</b> Instead of confronting the group I would advise the management to talk with the group and take skillfully advantage of both formal and informal organisation.</p> <p>(iii) <b>Recognise their existence:</b> the organisation should recognise the existence of such a group and also identify the role the members are playing to tackle the situation.</p>   |  |  |   |  |  |   |   |
| 23   | <p><b>Answer. -</b></p> <table border="1" data-bbox="224 653 1297 1871"> <tr> <td data-bbox="224 653 480 1283"> <p><b>(1) Meaning of controlling</b></p> </td> <td data-bbox="480 653 1297 1283"> <p><b>Controlling is the process of monitoring organisation performance continuously finding deviation between set standards and actual performance and taking corrective action, minimizing the deviation and achieving organizational goals.</b></p> <p><b>Example:</b></p> <p>Suppose, the production team is given a target to produce 2000 units in a day. At the end of the day their performance is measured and analysed that they have produced only 1800 units. Here, corrective action is to be taken to remove the deviation of 200 units, in order to achieve their daily target.</p> </td> </tr> <tr> <td data-bbox="224 1283 480 1381"> <p><b>(2) Nature of controlling</b></p> </td> <td data-bbox="480 1283 1297 1381"></td> </tr> <tr> <td data-bbox="224 1381 480 1871"> <p><b>(a) Controlling is a fundamental management function</b></p> </td> <td data-bbox="480 1381 1297 1871"> <p><b>Controlling is the most important function of management which provides meaning to other functions of management like planning, organising, staffing and directing.</b></p> <p><b>Example:</b></p> <p>Plans formulated by top level management can be executed to achieve organizational goals only if they are followed by effective controlling measures, this means planning is not effective and efficient without controlling.</p> </td> </tr> </table> | <p><b>(1) Meaning of controlling</b></p> | <p><b>Controlling is the process of monitoring organisation performance continuously finding deviation between set standards and actual performance and taking corrective action, minimizing the deviation and achieving organizational goals.</b></p> <p><b>Example:</b></p> <p>Suppose, the production team is given a target to produce 2000 units in a day. At the end of the day their performance is measured and analysed that they have produced only 1800 units. Here, corrective action is to be taken to remove the deviation of 200 units, in order to achieve their daily target.</p> | <p><b>(2) Nature of controlling</b></p> |  | <p><b>(a) Controlling is a fundamental management function</b></p> | <p><b>Controlling is the most important function of management which provides meaning to other functions of management like planning, organising, staffing and directing.</b></p> <p><b>Example:</b></p> <p>Plans formulated by top level management can be executed to achieve organizational goals only if they are followed by effective controlling measures, this means planning is not effective and efficient without controlling.</p> | 3 |
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|   | <p><b>(b) Controlling is a goal oriented function</b></p>  | <p><b>Controlling as the function of management ensures that the efforts of all individuals working at different levels are directed towards the ultimate organisational goal.</b></p> <p><b>Example:</b></p> <p>If an organisation individuals finish their targets in time, then departments also finish their targets in time which ultimately leads to the achievement of organisational targets in time.</p> |   |   |                                       |   |   |  |  |   |   |
| 24  | <p>Answer.</p> <table border="1" data-bbox="224 737 1208 1822"> <tr> <td data-bbox="224 737 565 978"> <p>(a) Mobilising and channelising the savings into most productive use</p> </td> <td data-bbox="565 737 1208 978"> <p>A financial market facilitates the transfer of savings from savers to investors. it offers the savers the most appropriate investment opportunities like shares, debentures, bonds, etc.</p> </td> </tr> <tr> <td data-bbox="224 978 565 1283"> <p>(b) Facilitate price discovery</p> </td> <td data-bbox="565 978 1208 1283"> <p>Demand and supply determine the price of commodity and service in the market.</p> <p>The interaction between supplier and investor helps to establish the price for a financial asset which is being traded in the market.</p> </td> </tr> <tr> <td data-bbox="224 1283 565 1482"> <p>© Provides liquidity to financial assets</p> </td> <td data-bbox="565 1283 1208 1482"> <p>It provides a suitable platform for easy sale and purchase of financial assets like shares, bonds, debentures, etc.</p> </td> </tr> <tr> <td data-bbox="224 1482 565 1822"> <p>(d) Reduce the cost of transactions</p> </td> <td data-bbox="565 1482 1208 1822"> <p>It provides complete and valuable information like price, demand and supply of financial securities.</p> <p>Both buyers and sellers of the financial asset do not have to spend much of their time to search this information.</p> </td> </tr> </table> |   | <p>(a) Mobilising and channelising the savings into most productive use</p> | <p>A financial market facilitates the transfer of savings from savers to investors. it offers the savers the most appropriate investment opportunities like shares, debentures, bonds, etc.</p> | <p>(b) Facilitate price discovery</p> | <p>Demand and supply determine the price of commodity and service in the market.</p> <p>The interaction between supplier and investor helps to establish the price for a financial asset which is being traded in the market.</p> | <p>© Provides liquidity to financial assets</p> | <p>It provides a suitable platform for easy sale and purchase of financial assets like shares, bonds, debentures, etc.</p> | <p>(d) Reduce the cost of transactions</p> | <p>It provides complete and valuable information like price, demand and supply of financial securities.</p> <p>Both buyers and sellers of the financial asset do not have to spend much of their time to search this information.</p> | 3 |
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|  |  |  |   |                    |   |   |
|--|--|--|---|--------------------|---|---|
| 25   | <p>Answer.<br/>In this situation the best method would be Vestibule Training<br/>In this method a new separate training centre is set up. An experienced and trained trainer is appointed as an incharge of the centre. Machines tools and equipment are so arranged to present the look of the workshop. Employees are made to practice on those tools and equipment. After the training employees can be put to the real job. This ensures that the new employees are trained to get the best performance with less wastage.</p>   | 4  |   |                    |   |   |
| 26   | <p>Answer.<br/>(i). Marketing<br/>(ii). The two features are:</p> <table border="1" data-bbox="224 688 1209 1480"> <tr> <td data-bbox="224 688 423 940">Customer value</td> <td data-bbox="423 688 1209 940">Marketing leads to exchange of products and services between buyers and sellers.<br/>For customers to buy a product:<br/>Value of the product &gt; Cost/price of the product Marketer should add to the value of the product so that customers prefer it over competitors.</td> </tr> <tr> <td data-bbox="224 940 423 1480">Exchange mechanism</td> <td data-bbox="423 940 1209 1480">The process of marketing works on the exchange mechanism, i.e. in marketing, the products and services are exchanged for money or some valuable item.<br/>Following conditions should be satisfied for exchange to take place:<br/>Presence of two or more parties, i.e. the buyer and the seller<br/>Each party should offer something of value to the other<br/>Effective communication should be there between the parties<br/>Each party should deliver its own will in accepting or rejecting the offer, i.e. exchange should be at will<br/>Freedom to each party regarding whether to accept or reject the offer made by the other</td> </tr> </table> | Customer value                                     | Marketing leads to exchange of products and services between buyers and sellers.<br>For customers to buy a product:<br>Value of the product > Cost/price of the product Marketer should add to the value of the product so that customers prefer it over competitors. | Exchange mechanism | The process of marketing works on the exchange mechanism, i.e. in marketing, the products and services are exchanged for money or some valuable item.<br>Following conditions should be satisfied for exchange to take place:<br>Presence of two or more parties, i.e. the buyer and the seller<br>Each party should offer something of value to the other<br>Effective communication should be there between the parties<br>Each party should deliver its own will in accepting or rejecting the offer, i.e. exchange should be at will<br>Freedom to each party regarding whether to accept or reject the offer made by the other | 4 |
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| 27   | <p>Answer.<br/><b>Controlling is <u>both</u> a goal oriented process <u>as well as</u> an action oriented process.</b></p> <table border="1" data-bbox="224 1661 1209 1829"> <tr> <td data-bbox="224 1661 558 1829"><b>(a) Controlling is a goal oriented function</b></td> <td data-bbox="558 1661 1209 1829"><b>Controlling as a function of management ensures that the efforts of all individuals working at different levels are directed</b></td> </tr> </table>   | <b>(a) Controlling is a goal oriented function</b> | <b>Controlling as a function of management ensures that the efforts of all individuals working at different levels are directed</b>   | 4                  |   |   |
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|   |   |  |   |  |          |
|---|---|--|---|--|----------|
|   |   | <p><b>towards the ultimate organisational go.</b></p> <p><b>Example:</b></p> <p>If an organisation individuals finish their targets in time, then departments also finish their targets in time which ultimately leads to the achievement of organisational targets in time.</p>   |   |  |          |
|   | <p><b>(b) Controlling is an action oriented process</b></p>   | <p><b>The essence of controlling lies in taking corrective actions to remove the gap between predetermined standards and actual performance of a personnel.</b></p> <p><b>Example:</b></p> <p>In a photo frame manufacturing company, the defects in photo frames were found to be 2% of total frames manufactured. This deviation of 2% can be removed by an effective corrective action.</p> |   |  |          |
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|---|---|
|   | <p>c) finance<br/>d) purchase<br/>e) Human resource</p>   |
| <p><b>(b) Better control and coordination</b></p>                   | <p>It promotes control and coordination within a department because of similarity in the tasks being performed.</p> <p><b>Example:</b></p> <p>All the employees in the marketing department are working in total coordination to achieve departmental goals. Similar is the case with the human resource department.</p>  |
| <p><b>(c) Increase in managerial and operational efficiency</b></p> | <p>All the departmental heads are well focused on their own objectives; it leads to increase in profit as managerial and operational efficiency increases.</p> <p><b>Example:</b></p> <p>Since all the activities within the marketing department are interrelated both managerial and operational efficiency increases. If employees in the same department perform mixed functions (i.e. Functions of more than one department), there will be decrease in managerial and operational efficiency.</p> |
| <p><b>(d) Minimum duplication of efforts</b></p>                    | <p>It leads to minimum duplication of efforts as all similar functions are performed under the same department.</p> <p>Hence, all the wastage of time, efforts and money is reduced.</p> <p><b>Example:</b></p> <p>All the functions related to the hr department like recruitment, selection of employees, handling grievances of employees, etc. Are performed under the guidance of the HR head. All these activities are not taken care of by other departments so there is</p>                     |

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|---|--|--|---|--|---|---|---|---|
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|    |  | <ol style="list-style-type: none"> <li>1. advances from customers</li> <li>2. short credit period allowed to debtors</li> <li>3. long credit period availed from supplier</li> </ol>   |   |
|    | (4) Fixing debt-equity ratio in capital employed                                     | <p>The correct proportion between debt and equity is highly desirable. a newly established or financially weak company has to depend more on equity.</p> <p>Any old and financially strong company raises more funds for debts and least from equity.</p>            |   |
| 30 | <p>Answer.</p> <p>consumer, consumer protection and consumer protection act 1986</p> |  | 4 |
|    | (1) Consumer   | Consumer is a person who consumes or uses the product or services.   |   |
|    | (2) Consumer protection  | Consumer protection is the obligation which is based on the rules and regulations as well as obligation, which is to be performed by the seller/manufacturer, to protect the consumers from trading malpractices by the manufacturers, traders and service provider. |   |
|    | (3) Consumer protection act 1986   | <p>The consumer protection act (cpa) was enacted by the parliament in 1986.</p> <p>To provide safeguard to consumers against the defective goods and fraud and misleading advertisements by the business enterprises.</p>  |   |
|    | Definition of consumer as per consumer protection                                    | Any person who buys any goods for a consideration, which has been paid or promised, or partly paid or partly promised, or under any  |   |



|                 | act 1986  | scheme of deferred payment.<br><br>"commercial purpose" does not include use by a consumer of goods bought and used by him exclusively for the purpose of earning his livelihood, by means of self-employment |       |                       |                          |                |   |   |             |                             |                                    |            |        |           |                 |                        |  |   |
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| (c) Nature      | Rigid.  | Flexible.   |       |                       |                          |                |   |   |             |                             |                                    |            |        |           |                 |                        |  |   |
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| 32              | <p><b>Answer.</b></p> <p>(a). Planning<br/>           (b) steps involved<br/> <b>Setting objective</b> - increasing profit<br/> <b>Developing planning premises</b> - Making certain and evaluating assumptions about future<br/> <b>Identifying alternative course of action</b> -<br/>           Purchasing new high speed machines<br/>           Increasing sale price<br/>           Using waste to produce shoes and boot mat.</p>  |   | 6     |                       |                          |                |   |   |             |                             |                                    |            |        |           |                 |                        |  |   |

|    |  |   |
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|    | <p><b>Evaluating alternative and selecting an alternative</b> - Using the waste material to produce shoes and boot mat.</p> <p>(c) Further steps to complete the process</p> <p>(i) Planning promotes innovative ideas - Planning involves thinking in advance what to do and how to do it. There is a scope of finding better ideas to perform the particular task. Thus, planning makes managers innovative and creative.</p> <p>(ii) Planning establishes standards for controlling - A comparison of actual performance with the standards helps managers to identify the deviations and to take corrective action.</p>  |   |
| 33 | <p>Answer.</p> <p>(a) The concept used by Esha through which he is able to steer his company to greater heights is <b>Decentralisation</b>.</p> <p>(b) The three advantages of using decentralisation are as follows:</p> <p>(i) <b>Decentralisation helps to promote self-reliance and confidence amongst the subordinates:</b> When the subordinates are given freedom to take their own decisions they learn to depend on their own judgment and develop solutions for the various problems they encounter. Moreover, a decentralisation policy helps to identify those executives who have the necessary potential to become dynamic leaders.</p> <p>(ii) <b>Relief to top management:</b> Decentralisation reduces the need of direct supervision and helps to save the time of top management for pursuing other important work.</p> <p>(iii) <b>Quick decision-making:</b> In a decentralised organisation, managers at all levels are allowed to take such decisions independently which lie within their area of jurisdiction. This makes the process of decision making much faster.</p> | 6 |
| 34 | <p><b>Answer:</b> (a) The Organising function of management is being performed by Ishita.</p> <p>(b) The steps involved in the process of organizing are as follows:</p>   | 6 |

**Identification and Division of Work:** The first step in the process of organising relates to identification and division of the work that has to be performed in accordance with predetermined plans. This helps to avoid duplication of activities and makes the work manageable. It also ensures that the burden of work is being shared among the employees.

**Departmentalisation:** The next step in the process involves grouping of similar activities into departments, units, sections etc. using several criteria as a basis. This facilitates specialization.

**Assignment of Duties:** Once departments have been created each of them is placed under the charge of an individual and then jobs are allocated to the members as per their job positions.

**Establishing Reporting Relationship:** While assigning jobs each member is told that from whom he /she has to take orders and to whom he/she will be accountable. The establishment of such clear reporting relationships help to create a well defined hierarchical structure. It also facilitates coordination amongst various departments.