

S. No		Marks
1	No, management is not only concerned with doing the right task, completing activities and achieving goals but also has to take into consideration the cost benefit i.e. doing the task correctly and with minimum cost.	1
2	Organising is a process of identifying and grouping the work to be performed, assigning duties to job positions and establishing relationships for the purpose of accomplishing objectives.	1
3	Divisional structure.	1
4	The role of 'route clerk' as a foreman in functional foremanship is to specify the route of production.	1
5	<b>Financial planning</b> is the aspect of financial management that enables us to foresee the fund requirements both in terms of 'the quantum' and 'the timings'. The process of estimating the fund requirements of a business and specifying the sources of funds is called financial planning.	1
6	Technology upgradation	1
7	Transportation	1
8	<b>Right to seek redressal</b> - It states that a consumer has a right to get relief such as replacement of product, removal of defect in the product, compensation for any loss or injury suffered by the consumer in case the product or service falls short of his expectations.	1
9	<b>Planning</b> is the process of setting objectives for a given time period, formulating various courses of action to achieve them and then selecting the best possible alternative from among the various courses of action available.  First two steps in the process of planning are: (i) <b>Setting organisational objectives</b> - The first and the foremost step is setting organisational objectives, which specify what the organisation wants to achieve. Eg - 75% increase in sales.  (ii) <b>Developing planning premises</b> - Planning is concerned with the future, which is uncertain. Therefore, the manager is required to make certain assumptions about the future. These assumptions are called the planning premises, which are considered to be the base material upon which plans are to be drawn.	3
10	<b>(a) Two communication barriers are:</b>	3

	<p>(i) Organisational barrier/ Organisational policy (ii) Personal barrier/ Lack of confidence of superior on his subordinates.</p> <p><b>(b) Organisational barrier:</b></p> <p>(i) <b>Rigid Rules and regulations</b> may delay communication. (ii) <b>Status of the superior</b> may not allow his subordinates to express their feelings freely. (iii) <b>Complexity in organization structure</b> leads to delayed and distorted communication. (iv) <b>Lack of organizational facilities</b> like frequent meetings, suggestion box etc. may discourage free flow of communication.</p>	
11	<p><b>(a) Sources of recruitment used to fill up the vacancies are:</b></p> <p>(i) Promotion (ii) Placement Agencies and Management Consultants (iii) Casual Callers</p> <p><b>(b) Merit of each of the above identified source of recruitment:</b></p> <p><b>(i) Promotion:</b></p> <ol style="list-style-type: none"> <li>1. It helps to improve motivation, loyalty and satisfaction level of employees.</li> <li>2. It has a great psychological impact over the employees because a promotion at a higher level may lead to a chain of promotions at lower level in the organisation.</li> <li>3. It is a more reliable way of recruitment since the candidates are known to the organisation.</li> <li>4. It is a cheaper source of recruitment.</li> </ol> <p><b>(ii) Placement Agencies and Management Consultants:</b></p> <ol style="list-style-type: none"> <li>1. They recommend suitable names to their clients.</li> <li>2. It helps in enticing the needed top executives from other companies by making the right offers.</li> </ol> <p><b>(iii) Casual Callers:</b></p> <ol style="list-style-type: none"> <li>1. It reduces the cost of recruiting a workforce in comparison to other sources.</li> <li>2. It saves time.</li> </ol>	3
12	<p><b>Functions that were performed by SEBI in the above case were:</b></p> <p><b>(i) Regulatory function</b> 'On regular inspection and by conducting enquiries of the brokers involved, Securities and Exchange Board of India (SEBI) was able to detect this irregularity.' SEBI can call for information by undertaking inspection, conducting enquiries and audits of stock exchanges and intermediaries.</p> <p><b>(ii) Protective function</b></p>	3

	<p>'The SEBI imposed a heavy penalty on Vikas Mehra.'</p> <p>SEBI controls insider trading and imposes penalties for such practices.</p>	
13	<p><b>Under the Consumer Protection Act, a consumer means:</b></p> <p>(a) Any person who buys any goods for a consideration, which has been paid or promised, or partly paid and partly promised, or under any scheme of deferred payment. It includes any user of such goods, when such use is made with the approval of the buyer, but does not include a person who obtains goods for resale or any commercial purpose.</p> <p>(b) Any person who hires or avails of any service, for a consideration which has been paid or promised, or partly paid and partly promised, or under any system of deferred payment. It includes any beneficiary of services when such services are availed of with the approval of the person concerned, but does not include a person who avails of such services for any commercial purpose.</p>	3
14	<p>Management is the process of getting things done with the aim of achieving goals effectively and efficiently.</p> <p><b>Three features that establish it as an art are:</b></p> <p><b>(i) Existence of theoretical knowledge.</b> As in art, in management too, there is a lot of literature available in various areas of management which the manager has to specialise in.</p> <p><b>(ii) Personalised application</b> Like in any art, in management too, a manager applies his acquired knowledge in a personalised and unique manner. This gives rise to different styles of management.</p> <p><b>(iii) Based on practice and creativity</b> Management satisfies this criteria as a manager gains experience through regular practice and becomes more effective.</p>	4
15	<p><b>(i) Social Environment</b> Social Environment includes social forces like custom and traditions, values, social trends and society's expectation from business.</p> <p><b>(ii) Technological environment</b> Technological Environment of business includes forces relating to scientific improvements and innovations which provide new ways of producing goods and services and new methods and techniques of operating a business.</p>	4
16	<p><b>(a) Informal organisation.</b></p> <p><b>(b) Advantage of informal organisation:</b></p> <p>(i) It fulfills social needs.</p> <p>(ii) It compensates for inadequacies in the formal organisation.</p>	4

	<p><b>(c) Values which 'My Car Ltd.' wanted to communicate to the society are:</b></p> <ul style="list-style-type: none"> <li>(i) Development of backward regions.</li> <li>(ii) Creating employment opportunities.</li> <li>(iii) Providing basic amenities to employees.</li> <li>(iv) Fulfilling social responsibility.</li> </ul>	
17	<p><b>Features of motivation:</b></p> <ul style="list-style-type: none"> <li>(a) It is an internal feeling as the urges, drives or needs of human beings which influence human behaviour is internal.</li> <li>(b) It produces goal directed behaviour as it stimulates people to accomplish desired goals.</li> <li>(c) It can be positive in the form of positive rewards or negative like punishment, stopping increments etc.</li> <li>(d) It is a complex process as any type of motivation may not have a uniform effect on all the members.</li> </ul>	4
18	<p><b>(a) Public Relations.</b> Public Relations refer to a variety of programmes to promote and protect a company's image or its products in the eyes of the public.</p> <p><b>(b) Role of Public Relations:</b></p> <ul style="list-style-type: none"> <li>(i) <b>Smooth functioning of business</b> - As quoted in definition by public association relation, it helps in analysing trends, predicting their consequences, counselling organisational leaders and implementing planned programmes of action, and thus helps in smooth functioning of business and achievement of objectives.</li> <li>(ii) <b>Image building</b> - Public relations covers a wide range of tactics, tools and programmes to promote and protect a company's image and products. It uses the tools to build corporate image which ultimately affects favourably on its products. It pursues for this purpose-upkeep of parks, gardens, sponsoring sports events, etc.</li> <li>(iii) <b>Launching new products</b> - The good image promotion itself lends credibility to new launches of the organisations.</li> </ul>	4
19	<p><b>Functions of financial market:</b></p> <ul style="list-style-type: none"> <li>(i) It mobilises savings and channelises them into most productive use by facilitating transfer of savings from savers to investors.</li> <li>(ii) It facilitates price discovery for financial assets by interaction of forces of demand and supply.</li> </ul>	4

	<p>(iii) It provides liquidity to financial assets as the securities can be easily converted into cash.</p> <p>(iv) It helps to save time, effort and money that both buyers and sellers of a financial assets would have to otherwise spend to try and find each other.</p>	
20	<p><b>The different types of plans are:</b></p> <p><b>(i) Objective</b>          'One of his objectives was to earn 50% profit on the amount invested in the first year'. An objective is the end which the management seeks to achieve within a given time period.</p> <p><b>(ii) Policy</b>          'It was decided that raw materials like flour, sugar, salt etc. will be purchased on two-month credit'. Policy is a general guideline which brings uniformity in decision making for achievement of predetermined objectives.</p> <p><b>(iii) Procedure</b>          'He also decided to follow the steps required for marketing the products through his own outlets.'</p> <p><b>(iv) Budget</b>          'Harsh also prepared a statement showing the requirement of workers in the factory throughout the year. '          A budget is plan which states expected results of a given future period in numerical terms. It may be expressed in time, money or physical units.</p> <p><b>(v) Rule</b>          'While working on the production table a penalty of ₹150 per day was announced for not wearing the helmet, gloves and apron by the workers.'          A rule is a statement that specifies what is to be done or not to be done.</p>	5
21	<p><b>(a) Formal communication</b>          'When the General Manager came to know about it, he ordered for fumigation in the company premises and for cleaning the surroundings.          Informal communication          E.g. - 'Mr. B. Chatterjee immediately sent a text message to the employees of the organization requesting them to donate blood for Prateek.'</p> <p><b>(b) Features of Informal communication:</b>          (i) It takes place without following the formal lines of communication.          (ii) It arises out of social needs of the employees          (iii) It spreads rapidly.</p> <p><b>(c) Values being communicated to the society are:</b>          (i) Concern for the environment          (ii) Cleanliness and hygiene          (iii) Concern for safety of human beings</p>	5

	(iv) Sensitivity towards health (v) Fulfilling social responsibility.	
22	<p><b>Steps in the controlling process are:</b></p> <p><b>(i) The standards of performance are set</b> which serve as the criteria against which actual performance will be measured.</p> <p><b>(ii) Actual performance is measured</b> in an objective and reliable manner in the same units in which standards are set.</p> <p><b>(iii) Actual performance is compared</b> with the standards to find out the deviation.</p> <p><b>(iv) Deviations are analysed</b> for their causes through Critical Point Control and Management by Exception.</p> <p><b>(v) Corrective action is taken</b> if deviations go beyond the acceptable limits.</p>	5
23	<p><b>Characteristics of coordination are:</b></p> <p><b>(i) Integrates group efforts:</b> - The need for coordination is felt when group effort is needed for the accomplishment of an objective. In short, it can be said that coordination is related to group effort and not individual effort. The question of coordination does not arise, if the job is done by one person only.</p> <p><b>(ii) Ensures unity of action:</b> - The nature of coordination is creating unity in action. It means during the coordinating process an effort is made to create unity among the various activities of an organisation. For example, the purchase and sales departments have to coordinate their efforts so that supply of goods takes place according to purchase orders.</p> <p><b>(iii) Continuous process:</b> - It is not a job which can be performed once and for all, but its need is felt at every step. Many activities are performed in a business. Sometimes or the other, if any one of the activities goes on fluctuating either for more or less than required, the whole organisational balance is disrupted. Thus, a close watch has to be kept on all the activities to maintain the balance.</p> <p><b>(iv) Pervasive function:</b> - Pervasiveness refers to that truth which is applicable to all spheres (business and non-business organisations) and places uniformly. The nature of coordination is pervasive. Like making a time table in an educational institution is an apt example of establishing coordination. In the game of cricket, the placement of players at predetermined positions is nothing but coordination. In the same manner, to synchronise the activities of different departments, like purchase, sales, production, finance, etc. in a business organisation is coordination.</p>	6
24	(a) Earning per share before diversification: ₹0.50	6



**Calculation of Earnings per share after issue of Debentures: (assuming face value of ₹100 per share)**

Particulars	₹
Share capital	60,00,000
10% debentures	40,00,000
Total	1,00,00,000
Profit before interest and tax	8,00,000
Less Interest	4,00,000
Profit before tax	4,00,000
Less tax@ 40%	1,60,000
Profit available to shareholders	2,40,000
Earnings per share = 2,40,000/60,000	<b>=₹4</b>

This clearly shows that the shareholders have gained after the issue of debentures since the Earning per share has increased from ₹0.50 to ₹4.

**OR**

**Calculation of Earnings per share after issue of Debentures: (assuming face value of ₹10 per share)**

Particulars	₹
Share capital	60,00,000
10% debentures	40,00,000
Total	1,00,00,000
Profit before interest and tax	8,00,000
Less Interest	4,00,000
Profit before tax	4,00,000
Less tax@ 40%	1,60,000
Profit available to shareholders	2,40,000
Earnings per share = 2,40,000/6,00,000	<b>=₹0.40</b>

This clearly shows that the shareholders have lost after the issue of debentures since the Earning per share has decreased from ₹0.50 to ₹0.40.

**(b) Factors that favour issue of debentures by the company:**

(i) A good cash flow position makes debt funding more viable.

	<p>(ii) High Interest Coverage ratio lowers the risk of company failing to meet its interest payment obligations</p> <p>(iii) High debt service coverage ratio indicates better ability to meet the debt service obligations.</p>	
25	<p><b>(a) Labelling</b></p> <p><b>(b) Functions of labelling:</b></p> <p><b>(i) Describes the product and specifies its contents</b> - It specifies the contents and other features of the product. It enables the manufacturer to give clear instructions to the consumer about the proper use of his product. It helps to describe the product, its usage, cautions in use, contents, manufacturing and expiry dates, price, quantity, etc.</p> <p><b>(ii) Identifies the product or brand</b> - It gives a definite identity to the product or brand and therefore, the identification of a product becomes easy, e.g. the name Pears printed on toilet soaps helps us to know which soap out of several soaps is Pears.</p> <p><b>(iii) Helps in grading of products</b> - It enables the manufacturer to grade the product into different categories, e.g. Hindustan Lever sells different grades of tea under green, yellow and red labels.</p> <p><b>(iv) Helps in promotion of products</b> - Labelling is an important part of product mix as it helps in promotion of the product. A good label with attractive design will help in promoting the product in the market. They are even important for some promotional schemes such as sales promotion. The label of the product will be able to promote itself in the areas where the consumer needs to identify and choose for himself.</p> <p><b>(v) Provides information required by law</b> - There is some information which needs to be disclosed by the manufacturer to the consumer in adherence to the competition and consumer act, 2010. The food and drug administration has mentioned that the food products should compulsorily mention the nutritional labelling. It is also compulsory for certain products like tobacco and packets of cigarettes to have a statutory warning that these products are injurious to health. Hazardous and poisonous products also have warnings related to its safety and usage.</p>	6