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| **PB1/BSAK/1223/B 30-NOV-2023** | | | | | | | |
| **PRE BOARD EXAMINATION – I (2023-24)** | | | | | | | |
| **Answer Key** | | | | | | | |
| **Subject: Business Studies**  **Grade: XII** | | | Max. Marks:80Time: | | | | |
| 1 | **b) Critical point control** | | | | | 1 |
| 2. | d) **Coordination** | | | | | 1 |
| 3 | c) Harmony,not discord | | | | | 1 |
| 4 | Rs 750 | | | | | 1 |
| 5 | 1. **A and R are true and R is the correct explanation of A** | | | | | 1 |
| 6 | 1. **Both (a) and (b)** | | | | | 1 |
| 7 | 1. Functional structure | | | | | 1 |
| 8 | 1. Casual callers | | | | | 1 |
| 9 | 1. **Apprenticeship Training** | | | | | 1 |
| 10 | 1. decoding | | | | | 1 |
| 11 | 1. informal communication | | | | | 1 |
| 12 | 1. **Legal Environment** | | | | | 1 |
| 13 | b **High working capital requirement** | | | | | 1 |
| 14 | C **Dematerialisation of securities** | | | | | 1 |
|  | a | Trading of securities | | b | Demutualisation of stock exchange |  |
|  | c | **Dematerialisation of securities** | | d | All of these |  |
| 15 | C **Technological Environment** | | | | | 1 |
| 16 | C **Opening a trading account and Demat account, Placing an order, Execution of order, Settlement of order** | | | | | 1 |
| 17 | A **Regulatory function** | | | | | 1 |
| 18 | **A Permanent Account Number (PAN)** | | | | | 1 |
| 19 | D **All of the above** | | | | | 1 |
| 20 | C **Social Environment** | | | | | 1 |
| 21 |  | | | | | 3 |
|  | Analysing deviation &’Taking corrective action  **Analysing Deviations :** The deviations from the standards are assessed and analysed to identify the causes of deviations.  **Taking Corrective Action :** The final step in the controlling process is taking corrective action. No corrective action is required when the deviation are within the acceptable limits. But where significant deviations occur corrective action is taken | | | | |  |
| 22 |  | | | | | 3 |
|  | 1. Functional   It is most suitable when the size of the organization is large, has a diversified activities and operations require a high degree of specialization   1. Divisional   Divisional structure is suitable for those business enterprises where a large variety of products are manufactured using different productive resources. When an organisation grows and needs to add more employees, create more departments and introduce new levels of management, it will decide to adopt a divisional structure | | | | |  |
| 23 |  | | | | | 3 |
|  | its understanding are important for   1. enabling the identification of opportunities and getting the first mover advantage, 2. helping in the identification of threats and early warning signals, 3. coping with the rapid changes, 4. assisting in planning and policy and 5. improving the performance. | | | | |  |
| 24 |  | | | | | 3 |
|  | a) Production concept  b) Product concept  c) Selling concept | | | | |  |
| 25 |  | | | | | 4 |
|  | **Providing managers with useful insights into reality**:The principles of management provide the managers with useful insights into real world situations. Adherence to these principles will add to their knowledge, ability and understanding of managerial situations and circumstances. It will also enable managers to learn from past mistakes and conserve time by solving recurring problems quickly. As such management principles increase managerial efficiency. For example, a manager can leave routine decision-making to his subordinates and deal with exceptional situations which require her/his expertise by following the principles of delegation.  **Flexibile**: The principles of management are not rigid prescriptions, which have to be followed absolutely. They are flexible and can be modified by the manager when the situation so demands. They give the manager enough discretion to do so. For example, the degree of concentration of authority (centralisation) or its dispersal (decentralisation) will depend upon the situations and circumstances of each enterprise. Moreover individual principles are like different tools serving different purposes, the manager has to decide which tool to use under what circumstances. | | | | |  |
| 26 |  | | | | | 4 |
|  | 1. Concept used—Decentralization 2. Importance of Decentralization:   **Relief to top management**: A decentralized structure lays emphasis on the delegation of authority at all levels. This relieves the top management of routine and time-consuming tasks. Decentralization reduces the burden of top executives and provides them enough time to concentrate on other important functions.  **Develops initiative among subordinates**: Decentralization creates selfconfidence amongst the subordinates. This is because when lower managerial levels are given freedom to take their own decisions, they learn to depend on their own judgment. It works as an initiative and helps to promote creativity in them.  **Develops managerial talent for the future**: As a result of decentralization, employees get more opportunities to develop new skills. It makes them better future managers.  **quick decisions**: Decentralization provides more freedom to lower level managers to take their own decisions. There is no more need to get approval from higher level. It helps in quicker and better decision-making  **facilitates growth**  **better control** | | | | |  |
| 27 |  | | | | | 4 |
|  | A) Ms. Neeta is must be performing these functions as a HR manager:  1. Analysing jobs and collecting information about jobs to prepare job descriptions.  2. Developing compensation and incentive plans  B) Since the company has an expansion plan requiring 200 more persons for various types of additional requirements, Ms. Neeta will have to recruit and select those persons from outside the organization. For this she will have to invite candidates to apply for the jobs through external sources of recruitment such s advertisements, placement agencies, recommendations of employees, etc.Then, Ms. Neeta will have to arrange for various types of training (e.g. apprenticeship training, vestibule training, etc.) of the employees to make them efficient. She will have to handle workers’ grievances and complaints and maintain labour relations. She will have to provide for social security and welfare of employees | | | | |  |
| 28 |  | | | | | 4 |
|  | 1. Pay and allowances-“ From time to time, an organisation provided the employees with a hike in their salary and different allowances   Perquisites- It also offered the top and middle level managers with some facilities like  housing and medical   1. Job security- The employees were fired from the job for even petty reasons   Organizational climate- Also, they were not given sufficient opportunities to interact  with each other and the top level management did not entertain any suggestions from the  employees.  Employee participation- the top level management did not entertain any suggestions from the employees. | | | | |  |
| 29 | . | | | | | 4 |
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| 30 |  | | | | | 4 |
|  | |  |  | | --- | --- | | PRIMARY MARKET | SECONDARY MARKET | | 1. There is a sale of securities by new companies for the issue of new securities.  2. securities are sold by the company to the investor directly  3. flow of funds is from savers to investors. i.e primary market directly promotes capital formation.  4. only buying of securities takes place in the primary market, securities cannot be sold there.  5.prices are determined and decided by the management.  6.There is no fixed geographical location. | There is trading of existing shares only.  Ownership of existing securities is exchanged between investors. The company is not involved at all.  Enhances encashability of shares I.e it indirectly promotes capital formation.  Both buying and selling of securities takes place in the securities market.  Prices are fixed by the demand and supply for the security.  Located at specified places. | | | | | |  |
| 31 |  | | | | | 6 |
|  | 1. Product cost: One of the most important factor affecting price of a product or service is its cost. This includes the cost of producing, distributing and selling the product. The cost sets the minimum level or the floor price at which the product may be sold. Generally all marketing firms strive to cover all their costs, at least in the long run. In addition, they aim at earning a margin of profit over and above the costs. In certain circumstance, for example, at the time of introducing a new product or while entering a new market, the products may be sold at a price, which does not cover all the costs. But in the long run, a firm cannot survive unless at least all its costs are covered. There are broadly three types of costs: viz., Fixed Costs, Variable Costs and Semi Variable Costs. Fixed costs are those costs, which do not vary with the level of activity of a firm say with the volume of production or sale. For example, rent of a building or salary of a sales manager remains the same whether 1000 units or 10 units are produced in a week. Those costs which vary in direct proportion with the level of activity are called variable costs. For example, the costs of raw material, labour and power are directly related with the quantity of goods produced. Let us say, if the cost of wood for manufacturing one chair comes to `100 the cost of wood for 10 chairs would be ` 1000. Obviously, there will be no cost of wood if no chair is produced. Semi variable costs are those costs which vary with the level of activity but not in direct proportion with it. For example, compensation of a sales person may include a fixed salary of say `10,000 plus a commission of 5 per cent on sales. With an increase in the volume of sales, the total compensation will increase but not in direct proportion with the change in the volume of sale. Total Costs are the sum total of the fixed, variable and semi-variable costs for the specific level of activity, say volume of sales or quantity produced 2. G o v e r n m e n t a n d L e g a l Regulations: In order to protect the interest of public against unfair practices in the field of price fixing, Government can intervene and regulate the price of commodities. Government can declare a product as essential product and regulate its price. For example, the cost of a drug manufactured by a company having monopoly in the production of the same come to `20 per strip of ten and the buyer is prepared to pay any amount for it, say ` 200. In the absence of any competitor, the seller may be tempted to extort the maximum amount of ` 200 for the drug and intervene to regulate the price. Usually in such a case, the Government does not allow the firms to charge such a high price and intervene to regulate the price of the drug. This can be done by the Government by declaring the drug as essential commodity and regulating its price. 3. Inventory Control: Linked to warehousing decisions are the inventory decisions which hold key to success for many manufacturers, especially those where the per unit cost is high. A very important decision in respect of inventory is deciding about the level of inventory. Higher the level of inventory, higher will be the level of service to customers but the cost of carrying the inventory will also be high because lot of capital would be tied up in the stock. Thus, a balance is to be maintained in respect of the cost and customer satisfaction. | | | | |  |
| 32 |  | | | | | 6 |
|  | a) Financial Planning  b) (i) It tries to forecast what may happen in future under different business  situations. (ii) It helps in avoiding business shocks and surprises and helps  the company in preparing for the future.  (iii) If helps in co-ordinating various business functions e.g., sales and  production functions, by providing clear policies and procedures.  (iv) Detailed plans of action prepared under financial planning reduce  waste, duplication of efforts, and gaps in planning.  (v) It tries to link the present with the future.  (vi) It provides a link between investment and financing decisions on a  continuous basis.  (vii) By spelling out detailed objectives for various business segments, it makes  the evaluation of actual performance easier | | | | |  |
| 33 |  | | | | | 6 |
|  | His theory was based on human needs. He felt that within every human being, there exists a hierarchy of five needs. These are:   1. Basic Physiological Needs: These needs are most basic in the hierarchy and corresponds to primary needs. Hunger, thirst, shelter, sleep and sex are some examples of these needs. In the organisational context, basic salay 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. 5. 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.   Maslow’s theory is based on the following assumptions:   1. People’s behaviour is based on their needs. Satisfaction of such needs influences their behaviour. 2. People’s needs are in hierarchical order, starting from basic needs to other higher level needs. 3. A satisfied need can no longer motivate a person; only next higher level need can motivate him. 4. A person moves to the next higher level of the hierarchy only when the lower need is satisfied. Maslow’s Theory focuses on the needs as the basis for motivation. This theory is widely recognised and appreciated.   However, some of his propositions are questioned on his classification of needs and hierarchy of needs. But, despite such criticism, the theory is still relevant because needs, no matter how they are classified, are important to understand the behaviour. It helps managers to realise that need level of employee should be identified to provide motivation to them. | | | | |  |
| 34 | Miss Joyful is a senior manager in a chocolate factory. She has the administrative qualities of a good manager and all the qualities of a leader in her. She is running the whole business successfully. She divides the work among her coworkers based on their respective capabilities and interests. Not only does she hand over the work to them, but also gives them the authority to make decisions. She pays full attention to making them capable enough to participate in the realization of the objectives of business. In her company people of several religions and castes are working. Even then she has succeeded in uniting them in a group. She knows that the success of her company depends on the level of production. This is the reason that Miss Joyful is keeping a special watch over this department of hers on which the survival of the company in the market depends for a long time. Identify and explain the characteristics of management described here in the paragraph by quoting the relevant lines.​ | | | | | 6 |
|  | “Not only does she hand over the work to them, but also give them the authority to make decisions”  **Management of Work**  Management of work: All organisations exist for the performance of some work. In a factory, a product is manufactured, in a garment store a customer’s need is satisfied and in a hospital a patient is treated. Management translates this work in of goals to be achieved and assigns the means to achieve it. This is done in terms of problems to be solved, decisions to be made, plans to be established, budgets to be prepared, responsibilities to be assigned and authority to be delegated.  “She pays full attention to making them capable enough to participate in the realization of the objectives of business”  **Management of people**  Management of people: Human resources or people are an organisation’s greatest asset. Despite all developments in technology “getting work done through people” is still a major task for the manager. Managing people has two dimensions   1. it implies dealing with employees as individuals with diverse needs and behavior; 2. (ii) it also means dealing with individuals as a group of people. The task of management is to make people work towards achieving the organisation’s goals, by making their strengths effective and their weaknesses irrelevant.   “She knows that the success of her company depends on the level of production”  **Management of operations**  Management of operations: No matter what the organisation, it has some basic product or service to provide in order to survive. This requires a production process which entails the flow of input material and the technology for transforming this input into the desired output for consumption. This is interlinked with both the management of work and the management of people | | | | |  |

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