

**GURU NANAK PUBLIC SCHOOL**

**Subject: Business Studies**

**Class: XII-D**

**Teacher: Navjeet Kaur**

**Holiday Homework Instructions**

Dear Students,

I hope this letter finds you enjoying your well-deserved break. While holidays are a time for relaxation and fun, it is also essential to maintain a connection with our studies. To ensure a smooth transition back to school, I have prepared a set of holiday homework assignments for you to complete. These assignments will help reinforce your learning and keep your academic skills sharp during the break.

Please find below the details of the holiday homework

- Assignment 1: Case Studies
  - Solve all Case Studies from chapter 1-4 attached with the document.
  - Prepare a separate notebook for the Case Studies.
  - Submit the completed assignment on the first day after the vacation.
- Assignment 2:
  - Practise Questions from chapter 1-4 from Subhash Dey.

Please note the following important points:

1. It is crucial to manage your time effectively to complete the assignments within the given deadlines. Avoid leaving them all until the last moment, as it may compromise the quality of your work.
2. Take this opportunity to explore different resources, such as textbooks, online references, or educational websites, to enhance your understanding of the topics covered in the assignments.
3. Should you encounter any difficulties or have questions regarding the homework, feel free to reach out to me via email or during the designated doubt-solving sessions after the holidays.
4. Remember, the holiday homework is meant to be a learning experience, so approach it with a positive attitude and embrace the opportunity to reinforce your knowledge.
5. Ensure that your completed assignments are neat, organized, and reflective of your best effort. Presentation and attention to detail are essential in showcasing your understanding of the subject matter.

I wish you a joyful and productive holiday. Take this time to relax, spend quality moments with your family, and return to school rejuvenated. I look forward to reviewing your completed assignments and witnessing your growth when we reconvene.

Have a wonderful break!

Warm regards

# Case Studies – (Chapter -1)

## Nature and Significance of Management

Q. 1. Dheerj is working as 'Operations Manager' in Tifco Ltd. Name the managerial level at which he is working. State any four functions he will perform as 'Operations Manager' in this company. (5 marks)

Q. 2. Volvo Ltd's target is to produce 10000 shirts per month at a cost of Rs. 100/- per shirt. The Production Manager achieved this target at a cost of Rs. 90/- per shirt. Do you think the 'Production Manager' is effective? Give one reason in support of your answer. (1 mark)

Q. 3. Yash Ltd. is facing a lot of problems these days. It manufactures electronic goods like washing machines, microwave ovens, refrigeration and air-conditioners. The company's margins are under pressure and the profits and market marketing department blames production department for producing goods, which are not of good quality to meet customers' expectations. The finance department blames both production and marketing departments for declining return on investment and bad marketing.

1. What quality of management do you think the company is lacking? Justify your answer.
2. State the importance of the concept identified in (a). (5 marks)

Q. 4. Aman, Ahmad and Ally are partners in a firm engaged in the distribution of dairy products in Maharashtra state. Aman is a holder of Senior Secondary School Certificate from Central Board of Secondary Education with Business Studies as one of his elective subjects. Ahmad had done his post graduation in History and Ally in dairy farming. One day there was a serious discussion between Ahmad and Ally regarding the nature of management. Ahmad argued that management was a profession whereas Ally argued against it saying that the legal and medical professions are the only professions because they fulfill all the conditions of profession.

Aman on the basis of his knowledge of business studies explained the nature of management as a profession to Ahmad and Ally. Explain, how Aman would have satisfied both Ahmad and Ally. (6 marks)

Q. 5. To meet the objectives of the firm, the management of Bhavya Ltd. offers employment to physically challenged persons. Identify the organizational objective it is trying to achieve. Give reason in support of your answer. (1 mark)

Q. 6. B Ltd. wants to modify its existing product, CD players in the market due to decreasing sales. What decisions/steps should each level of management take to give effort to this decisions? (6 marks)

Q. 7. Sonali is the manager of a large company manufacturing garments for kids. She plans her winter collection in the month of August itself. Then, she ensures that there is adequate workforce. She continuously monitors whether production is proceeding according to plans. She asks the marketing department to prepare their promotional and advertising campaigns also.

1. Identify and explain the concept of management explained in the above para.
2. What characteristic feature does the above para highlight? State. (5 marks)

**Q. 8. H. Tech Ltd. is a company producing IT services. The company's profits are enough for the survival and growth. The management of the company believes that a satisfied employee creates a satisfied customer, who in turn creates profits that lead to satisfied shareholders. So, it pays competitive salaries and perks to its all employees. All the employees are happy working in the organization because of personal growth and development.**

**The company has a strong sense of social responsibility. It has set up an engineering college in which one-third of the students are girls to whom the company gives 50% scholarship.**

**Is the management of H. Tech Ltd. fulfilling its objectives? Justify your answer by giving reasons. (6 marks)**

**Q. 9. Govinda Ltd. is a highly reputed company. Different functions are performed by different individuals in this company, who are bound together in a hierarchy of relationships. Every individual in the hierarchy is responsible for successful completion of a particular task. Mr. Gauranga is responsible for the welfare and survival of the organization. He formulates overall organizational goals and strategies for their achievement. MR. Nityanand ensures that quality of output is maintained, wastage of materials is minimized and safety standards are maintained. Mr. Sanatan assigns necessary duties and responsibilities to the personnel and motivates them to achieve desired objectives**

**At what levels of management are MR. Gauranga, Mr. Nityanand and Mr. Sanatan working in Govinda Ltd.? justify your answer. (3 marks)**

**Q. 10. The management of Vrinda Ltd. strongly believes that the members of an organization should work towards fulfilling the common organizational goals. This requires team work and integration of efforts of all individuals, departments and specialists. This is because all the individuals and departments depend on each other for information and resources to perform their respective activities. Managers need to reconcile differences in approach, timing, effort or interest. At the same time it should enable all its members to grow and develop. Thus, there is a need to harmonize individual goals and organizational goals.**

1. Identify the concept of management discussed above.
2. State any three features of the concept identified in (a).
3. Identify and explain the characteristic of management which is reflected from the above para. (6 marks)

**Q. 11. Sanjana is the branch manager of ABC Handicrafts Pvt. The company's objective is to promote the sales of Indian handloom and handicraft products. Its sells fabrics, furnishings, ready-mades and household items are made out of traditional Indian fabrics. Sanjana decides quantities, variety, colour and texture of all the above items and then allocates resources for their purchase from different suppliers. She appoints a team of designers and crafts people in the company, who developed some prints for bed covers in bright colour on silk. Although they looked very impressive, they were more expensive than they had planned to sell. Average customer could not afford to buy it. Praising their effort, Sanjaja suggested that they should keep the silk bed covers for special occasions like Diwali and Christmas and offer the cotton bed covers on a regular basis to keep costs under control.**

**Identify the functions of management which Sanjaja performs by quoting the lines the above para. (5 marks)**

**Q. 12. XYZ Power Ltd. set up a factory for manufacturing solar lanterns in a remote village as there was no reliable supply of electricity in rural areas. The revenue earned by the company was sufficient to cover the costs and the risks. The demand of lanterns was increasing day by day, so the company decided to increase**

production to generate higher sales. For this they decided to employ people from the nearby villages as very few job opportunities were available in that area. The company also decided to open schools and crèches for the children of its employees.

1. **Identify and explain the objectives of management discussed above.**
2. **The company is fulfilling the organizational and social objectives of management. (4 marks)**

**Q. 13.** Nishtha is the marketing manager of a company selling laptops. She plans the target sale of 2000 laptops per month. She allocates necessary resources to carry out the plan. She has six salesmen working under her. She works with them, guiding and motivating them to achieve the target sales. At the end of the month, after comparison of actual sales with the target sales she found that actual sales exceeded the target sales. She rewards the efficient employees to motivate them.

1. **How does Nishtha prove the importance of management? Explain.**
2. **Also state any two values which she wants to communicate to the society by her behavior. (5 marks)**

**Q. 14.** Sooraj works as a salesman in a company selling pet accessories and food. He has been given a target of selling 1200 units of the food packets in a month by offering a maximum of 10% discount to his customers. In order to meet his monthly sales target, on the last two days of the months, he offers 15% discount to his customers.

In the context of the above case:

Is Sooraj effective in his work? Explain by giving a suitable reason in support of your answer.

**Q. 15.** Sujata works as a designer in an export house. As per the terms of an order received by the export house, she has to get 100 units of denim jackets made in 15 days @ Rs. 2000 per jacket. She is able to complete her target production in 20 days because in order to complete the order in 15 days she would have made the workers work over time. As a result, the cost of production per jacket may have increased by Rs. 100.

In the context of the above case:

Is Sujata efficient in her work? Explain by giving a suitable reason in support of your answer.

**Q. 16.** Anju and Manju are good friends. Considering the fact that the activities involved in managing an enterprise are common to all organizations, after completing their masters in business management, both of them take up a job at managerial level in different organizations as per their individual areas of interest. Anju takes up a marketing job in a retail company and strives to increase sales whereas Manju joins an NGO and works diligently to realize its objective related to providing employment to specially abled persons. Both of them have to perform a series of continuous, composite, but separate functions. On some days, Anju may spend more time in planning a future display layout and on another day, she may spend time in sorting out an employee's problem. Both Anju and Manju make conscious efforts to build a feeling of team spirit and coordination among diverse individuals with different needs who work under them. The effect of their management is noticeable in their respective departments as the targets are met according to plans, employees are happy and satisfied, and there is orderliness in its functioning rather than chaos.

In context of the above case:

Identify the various features of management highlighted in the above paragraph by quoting lines from it.

**Q. 17.** Real Alliance Ltd. is a well-known cement company in India. It is able to earn adequate revenues to cover costs. Its capital base, number of employees and production turnover has increased manifold over the

years. The rate of profitability of the business is also creditable. The employees of the company are happy and satisfied with their remuneration, working conditions, promotion policy etc. as a part of its moral obligation, the company has taken many initiatives for providing employment to specially abled persons and promoting literacy in the villages adopted by it.

In the context of the above case:

1. Identify and explain the various types of objectives of management being fulfilled by Real Alliance Ltd by quoting lines from the paragraph.
2. List any two values that real Alliance Ltd. wants to communicate to the society.

Q. 18. Esha works as the cost and risk management head of a company in power sector. As a result of her excellent managerial competence, the company is able to reduce costs and increase productivity. The company belongs to infrastructure sector, where is regular amendments are made in the government regulations and policies. She holds regular meetings to ensure that people in her department are not only aware of the related changes but are also able to adapt to these changes effectively. This helps the company to maintain its competitive edge. She motivates and leads her team in such a manner that individual members are able to achieve personal goals while contributing to the overall organizational objective. In the process of fulfilling her duties for the growth of the organization, she helps in providing competitive services, adopting new technology, creating more employment opportunities etc. for the greater good of the people at large.

In context of the above case:

Identify the various reasons that have made management so important by quoting lines from the paragraph.

Q. 19. Ramarjuna joins an IT firm as a system analyst after completing his masters in Computer Science. As the nature of his work demands he has to work in very close coordination with all the departmental head in the firm, very soon Ramarjuna realizes that each departmental head has own individual style of working. They differ greatly in their day-to-day approach to work. They tend to deal with a given situation, an issue or a problem through a combination of their own experience, creativity, imagination, initiative and innovation.

In the context of the above case:

Identify and explain the nature of management highlighted in the above case.

Q. 20. Dharam is a well-known businessman in the field of publishing. He owes the success of his business to his own education in business management and his team of certified management consultants. Therefore, he decides to send both his children Danush and Damini abroad to acquire a degree in business management in their individual area of expertise. He feels that all over the world there is marked growth in management as a discipline, but still it is not considered to be a full-fledged profession for certain reasons.

In the context of the above case:

1. Explain the reasons because of which Dharam considers management as a discipline.
2. Critically examine the various reasons because of which management is not considered to be a full-fledged profession.

Q. 21. Kartik joins a garment factory as a plant supervisor in Lucknow. He observes that the output of some workers is very low as compared to the standards set for their performance. On analyzing the reasons for the same, he finds out that a lot of time of the workers is wasted in getting the requisite materials issued from the store. Whereas on asking, the store keeper complains that there is no harmony in the working of the

production department as a whole. Every day the workers approach him at the least minute to procure different kinds of threads, laces, mirrors, buttons etc. if it is not available in the store then he has to place an order with the purchase officer. As a result, a lot of time of the workers is wasted. So, in order to integrate the various production activities, henceforth, Kartik ensures that the store keeper is informed well three days in advance about the requisite materials. Consequently, the store keeper is able to keep the materials ready for the workers every morning in accordance with their requirements.

In context of the above case:

1. **Identify and explain the quality of management that Kartik has introduced in the working of the production department as a corrective measure to control the output of the workers.**
2. **State briefly and two points highlighting the importance of quality of management identified in part (a).**

**Q. 22.** Sridhar's father is working as a section in-charge in a government office. Identify the level of management at which he is working? State any five functions that he has to perform at this level.

**Q. 23.** Geetika is working in a private sector bank. One of her key function relates to the formulation of the overall organizational goals and strategies of the bank. Identify the level of management at which she is working? State any three other functions that she has to perform at this level.

**Q. 24.** Arundhati has been promoted to the post of Marketing Division Head of a soft drink company. Identify the level of management at which she will be working henceforth. State any four functions that she will have to perform at this level.

**Q. 25.** Bhuvan argues that management is required in all kinds of organizations where as Piyush feels that management is not required in non-business organizations such as school, club, hospitals, etc. who is correct?

**Q. 26.** Mohan has retired from the post of a foreman in a factory. At what level of management is he working?

**Q. 27.** 'Sonu Nigam' the famous playback singer always spends time for practice and adds his creativity in his singing.

Like Sonu Nigam, Mr. Rajiv, manager of Headlines Ltd. uses his creativity and practice management principles under different situations to manage the business. The employees are happy and satisfied as he every day reward employees for their punctuality and efficiency.

1. **Identify the nature of management highlighted above.**
2. **Name other two aspects of nature of management.**
3. **Identify the values followed by Mr. Rajiv.**

**Q. 28.** Bhuvan Ltd., a garment manufacturing Company set the target production of 100 garments per month at the estimated cost of Rs. 200 per garment. Mohan, a worker worked double shift and manufactured around 150 garments but at the estimated cost of Rs. 230 per garment. On the other hand, Ravi another worker focus on cost and handled resources very carefully so the manufactured 90 garments but at the estimated cost of Rs. 190 per garment. Third worker maintained the balance and achieved target of 100 garment at the estimated cost of Rs. 200 per garment.

1. **Identify the quality possessed by Ravi, Mohan and what they are lacking.**

2. What quality is possessed by third worker?
3. Which worker is preferred by management?

Q. 29. Management of Alpha Ltd. has installed a special recycling plant to recycle the waste instead of dumping the waste in ground. It is also providing employment opportunities to local residents. Company started a school nearby for the children of their employees.

1. Identify the objectives company is fulfilling.
2. (ii) Quote the lines from above para which indicate those objective.

Q. 30. Directors of Bhuvan Ltd. assigned the task of implementing the plans and policies framed by the board to all the departmental heads. Departmental head appointed supervisors, superintendent, executives, etc. so that work can be assigned to workers as per the plan supervisors kept a check on workers as per the plan.

1. Identify the feature of management highlighted in above para.
2. Explain that feature.

Q. 31. Alpha Ltd. is a Company that manufacturers mobile phones and accessories. Its profits are declining nowadays. The sales department blames production department for low quality, the production department blames purchase department for not supplying good quality parts.

1. What quality of management is lacking in the above case?
2. Explain the nature of the concept.

Q. 32. A group of people believes that management is a systematic body of knowledge that explain certain general truth and is based on logical observation.

- Identify and explain the nature of management discussed in above case.

Q. 33. Unique enterprises is able to achieve the target production of 5,000 units within the prescribed time; however to achieve this target they hired extra workers on adhoc and spent around is 40,000 extra to pay the adhoc workers sot that target production can be achieved on time.

1. Do you think unique enterprise is effective or efficient?
2. Was their decision to hire adhoc workers to achieve the target was correct?
3. Explain the concept of management highlighted above.

Q. 34. In an organization sales department wants to increase the sale by 20% so sales department planned to offer extra discounts to customers. Finance department raised objection on it as they sat it will result in loss of revenue and company may face liquidity problem.

1. Name the importance of coordination referred here.
2. State other two importance of coordination.

Q. 35. Mr. Rajiv and Arun are responsible for welfare of the whole organization. Their job is very complex they have to develop long term objectives, policies and review the work of different heads at different level.



Mr. John and Mr. Singh are responsible for the working of department they are heading, they formulate short term departmental objectives in accordance with organizational objectives.

Mr. Philip, Mrs. Archana, Mrs. Kamlesh and Mrs. Kavita are in direct contact with the workforce consisting of various employees and workers. They are responsible for quality of work and providing good working conditions to workers.

1. State the three level of management.
2. Name the persons who are involved in different level from the above para.

Q. 36. The manager of Alpha Ltd. is very efficient and effective and makes sure all the employees and workers in his team perform the task on time with minimum cost. His main focus is on cost cutting so he never listens to the demand of workers for increasing wages. He even gives no opportunity to worker for promotion. As a result workers started becoming frustrated and disheartened all the time.

1. Which objective of management could not be achieved by the manager.
2. State other two objectives of management.
3. State any one value ignored by the manager.

Q. 37. The management of Amaira Ltd. strongly believes that the members of the organization should work toward fulfilled the common organizational goals. This requires team work and integration of efforts of all individuals departments and specialists. This is because all the individuals and departments depend on each other for information and resources to perform their respective activities. Manager needs to reconcile differences in approach, timing, efforts and interest. At the same time it should enable all its members to grow and develop. Thus, there is a need to harmonize individual goals and organizational goals.

1. Stat the concept of management discussed above.
2. State any three features of the concept identified in above para.
3. State value referred in above para.

Q. 38. Mega Ltd. manufactured water-heaters. In the first year of its operations, the revenue earned by the company was just sufficient to meet its cost. To increase the revenue, the company analysed the reasons behind the less revenues. After analysis, the company decided:

- To reduce the labour cost by shifting the manufacturing unit to a backward area where labour was available at a very low rate.
- To start manufacturing solar water-heaters and reduce the production of electric water-heaters slowly.

This will not only help in covering the risks but also help in meting other objectives.

1. Identify and explain the objectives of management discussed above.
2. State any two values which the company wanted to communicate to society.

Q. 39. Ritu is the manager of the northern division of a large corporate house. At what level does she work in the organization? What are he basic functions?

**Q. 40. Mr. Nitin Singhania's father has a good business of iron and steel. He wants to go to the USA for his MBA but his father thinks that he should join the business. On the basis of emerging trends, do you think that Mr. Singhania should send his son to the USA? Give any three reasons in support of your answer.**

**41. Jayant is working as Head Relationship Manager in the wealth management division of a private sector bank. He has created an internal environment which is conducive to an effective and efficient performance of his team of ten relationship management executives. A typical day at work in Jayant's life consists of a series of interrelated and continuous functions. He decides the targets for his department which are in line with the objectives of the organization as a whole. The future course of action for his team members is laid out well in advance. The various resources required by the relationship managers like an Paid with GPS system, account opening forms, brochures, details of account holders etc. are made readily available to them. The executives are given sufficient authority to carry out the work assigned to them. Jayant works in close coordination with the human Resource Manager in order to ensure that he is able to create and maintain a satisfactory and satisfied work force in his department. Through constant guidance and motivation, Jayant inspires them to realize their full potential. He offers them various types of incentives from time to time keeping in view their diverse individual needs. Moreover, he keeps a close watch on their individual performances in order to ensure that they are in accordance with the standards set and takes corrective actions whenever needed.**

**In context of the above case:**

- 1. Identify the concept being referred to in the following line, "He created an internal environment which is conducive to an effective and efficient performance of his team of ten relationship management executives."**
- 2. Identify and describe the various functions of the concept as identified in part (a) of the question by quoting lines from the paragraph.**

**Q. 42. Ajay and Sanjay are childhood friends. Sanjay had lost his right hand in an accident in childhood. They meet after a long time in a restaurant. On being asked, Sanjay tells Ajay that he feels very discounted in managing his family business after the death of his father as it doesn't match with his areas of interest. Ajay knows that Sanjay possess extraordinary skills in management although he hasn't acquired any professional degree in management. Therefore, he asks Sanjay to wind up his business in India and join him in his hotel business in Dubai as an Assistant Manager in Sales and Marketing Division.**

**In context of the above case:**

- 1. Can Sanjay be deployed at the post of Assistant Manager in Sales and Marketing Division though he hasn't acquired any professional degree in management? Explain by giving suitable justifications in support of your answer.**
- 2. List any two values that are reflected in this act of Ajay.**

## **Case Studies –(Chapter -2)**

### **Principles of Management**

**Q. 1. In your school, you observe that books are kept in office, chalks in the library and office records in the staff room.**

- 1. Which principle of management is violated here and why?**
- 2. How will that affect the achievement of school objectives?**
- 3. As a manager, what steps will you take to rectify the shortcomings? (3 marks)**

**Q. 2. The production manager of an automobile company asked the foreman to achieve a target production of 200 scooters per day. But he did not give him the authority of requisition tools and materials from the stores department. Can the production manger blame the foreman if he is not able to achieve the desired target? Explain briefly the principle relating to the situation. (3 marks)**

**Q. 3. Soniya Ltd. was engaged in the business of manufacturing auto components. Lately, its business was expanding due to increased demand for cars. The competition was also increasing. In order to keep its market share intact, the company directed its workforce to work overtime. But this resulted in many problems.**

**Due to increased pressure of work the efficiency of workers declined. Sometimes, the subordinates had to work for more than one superiors. The workers were becoming indisciplined. The spirit of teamwork, which had characterized the company previously, had begun to wane.**

**Identify any three principles of management (as given by Henry Fayol) which were begin violated, quoting the lines from the above case. (3 marks)**

**Q. 4. The production manager of Harsh Ltd. instructs a salesman to go slow in selling the product, where the marketing manager is insisting on fast selling to achieve the target. Which principle of management is being violated in this case? (1 mark)**

**Q. 5. Kanika and Priyanka are typists in a company having same educational qualifications. Kanika is getting Rs. 16000 per month and Priyanka Rs. 10000 per month as salary for the same working hours. Which principle of management is violated in this case. (1 mark)**

**Q. 6. Rishabh, a manager, very often speaks to people at all levels, passing on instructions regarding his department and also the other departments. Which principle of management is being overlooked? (1 mark)**

**Q. 7. The management and workers have entered into an agreement that workers will do overtime to cover up looses of the company. In return, the manager will increase the**

wages. But management later refused to increase the wages. Name the principle violated in this situation. (1 mark)

**Q. 8.** In Simran Ltd., an employee has the objective of maximizing his salary, but the organizational objective is to maximize output at competitive cost. There was some dispute on this for a while. Eventually, the organization's interest was given priority over employees' interest. Name the principle related to this situation. (1 marks)

**Q. 9.** Radhika opens a jewelry showroom in Jaipur after completing a course in jewelry designing. She has employed eleven persons in her showroom. For greater productivity, she divides the work into small tasks and each employee is trained to perform his/her specialized job. The sales persons are allowed to close a deal with a buyer by giving a maximum of 10% discount, whereas the decision to give any further discount rests with Radhika as the final authority. In the earlier days of starting of the business, five of her employees were asked to put in extra hours of work. In return she had promised to give them a special incentive within a year. Therefore, after six months when the business was doing well, she awarded a cash bonus to each of these employees to honour her commitment. However, when it comes to settling the conflicts among her employees, she tends to be more biased towards her female employees.

In context of the above case:

1. Identify and explain the various principles of management that are being applied by Radhika by quoting lines from the paragraph.
2. Identify and explain the principle of management which is being violated by Radhika by quoting lines from the paragraph.
3. State any one effect of the violation of the principle of management by Radhika as identified in part (b) of the question.

**Q. 10.** Neeraj is selected for the post of software developer in an IT Company. On the first day of his joining Mehul, his project manager tells Neeraj that during the course of his work he will come across many such opportunities which may tempt him to misuse his powers for individual or family's benefit at the cost of larger general interest of the company. In such situations, he should rather exhibit exemplary behavior as it will raise his stature in the eyes of the company. Also, for interacting with anyone in the company on official matters, he should adopt the formal chain of authority and communication.

In context of the above case:

1. Identify and explain the various principles of management that Mehul is advising Neeraj to follow while doing his job.
2. List any two values that Mehul wants to communicate to Neeraj.

**Q. 11.** Davinder is a class twelfth commerce student in a reputed school in Punjab. Satinder is his elder brother who is doing his Masters in Hospital administration from Delhi after completing his B. Sc course. During vacations when Satinder comes home, Davinder shows him

the business studies project that he is preparing on the topic 'Principles of Management'. Satinder tells him that these principles are also a part of MBA course curriculum at the beginner's level as they form the core of management in practice. But he finds these principle different from those of pure science.

In context of the above case:

1. Outline the concept of principles of management.
2. Why does Satinder find the principle of management different from those of pure science?
3. Why do the principles of management form the core of management in practice?

Explain by giving any two points highlighting the importance of principles of management.

Q. 12. Nutan Tiffin Box service was started in Mumbai by Mumbai dabbawalas. The Dabbawalas who are the soul of entire Mumbai aim to provide prompt and efficient services by providing tasty homemade tiffin to all office goers at right time and place. The service is uninterrupted even on the days of bad weather, political unrest and social disturbances. Recently they have started online booking system through their website 'mydabbawals.com'. owing to their tremendous popularity amongst the happy and satisfied customers and members, the dabbawalas were invited as guest lecturers by top business schools. The Dabbawals operate in a group of 25-30 people along with a group pleader. Each group teams up with other groups in order to deliver the tiffin on time. They are not transferred on frequent basis as they have to remember the addresses of their customers. They follow certain rules while doing trade-No alcohol during working hours; No leave without permission; Wearing of white cap & carrying ID cards during business hours. Recently on the suggestion of a few self motivated fellow men, the dabbawalas thought out and executed a plan of providing food left in tiffins by customers to slum children. They have instructed their customers to place red sticker if food is left in the tiffin, to be fed to poor children later.

1. State any one principle of management given by Fayol & one characteristic of management mentioned in the above case.
2. Given any two values which the Dabbawalas want to communicate to the society.

(4 marks)

Q. 13. 'Aapka vidyalaya' believes in holistic development of students and encourages team building through a mix of curricular, co-curricular and sports activities. On its founders day a stage performance had to be put up. A committee of ten prefects was constituted to plan different aspect of the function. They all decided to use recycled paper for decoration. There was a spirit of unit and harmony and all members supported each other. With mutual trust and belongingness the programme was systematically planned and executed. Kartik, one of the prefects realized that unknowingly the group had applied one of the principles of management while planning and executing the programme. He was so inspired by the success of the function that he asked his father to apply to same principle in his business. His father replied that he was already using this principle.

1. Identify the principle of management applied for the success of the programme.
2. State any two features of management highlighted in the above para.
3. Identify any two values which 'Aapka Vidyalaya' communicated to the society.

(4 marks)

Q. 14. Nikita and Salman completed the MBA and started working in a multinational company at the same level. Both are working hard and are happy with their employer. Salman had the habit of backbiting and wrong reporting about his colleagues to impress his boss. All the employees in the organization knew about it. At the time of performance appraisal the performance of Nikita was judged better than Salman. Even then their boss, Mohammed Sharif decided to promote Salman stating that being a female Nikita will not be able to handle the complications of a higher post.

1. Identify and explain the principle of management which was not followed by this multinational company.
2. Identify the values which are being ignored quoting the lines in the above para. (5 marks)

Q. 15. Sigma Ltd. is a large company manufacturing electric motors. The company has several departments – Production, Marketing, Finance and HR. Mr. Shashank, CEO of the company set the target sale of 10 crore in a month. To increase the sales, the marketing manager, Mr. Ishaan insists on offering 10% discount to customers. But the finance manager, Mr. Mohak does not approve such discount as it would mean loss of revenue. Because of dual subordination, the sales manager, Mr. Anshik could not achieve the sales target.

1. Which concept of management Sigma Ltd. is lacking? State it.
2. Which principle of management has been overlooked by this company? State it.
3. Which principle of management has been overlooked by this company? State it. (6 marks)

Q. 16. ABC Ltd. is engaged in producing electricity from domestic garbage. There is almost equal division of work and responsibility between workers and management. The management even takes workers into confidence before taking important decisions.

All the workers are satisfied as the behavior of the management is very good.

1. State the principle of management described in the above para.
2. Identify any two values which the company wants to communicate to the society. (3 marks)

Q. 17. Voltech India Ltd. is manufacturing LED bulbs to save electricity and running under heavy losses.

To revive from the losses, the management thought of shifting the unit to a backward area where labour is available at a low cost. The management also asked the workers to work overtime without any additional payment and promised to increase wages of the workers after achieving its mission. Within a short period the company started earning profits because both the management and the workers honoured their commitments.

1. State the principle of management described in the above para.
2. Identify any two values that the company wants to communicate to the society. (3 marks)

Q. 18. Kushal Ltd. is a leading automobile company in which the various departments are setting up their own objectives without paying any interest to the organizational objectives.

1. Which aspect of management the company is lacking? What will be its impact on the organization?
2. Identify the principle of management which has been overlooked by this organization.
3. State any two values neglected by the people of this organization. (5 marks)

Q. 19. Telco Ltd. is manufacturing files and folders from old clothes to discourage use of plastic fields and folders. For this, they employ people from nearby villages where very less job opportunities are available. An employee, Harish, designed a plan for cost reduction but it was not welcomed by the production manager. Another employee gave some suggestion for improvement in design, but it was also not appreciated by the production manager.

1. State the principle of management described in the above para.
2. Identify any two values that the company wants to communicate to the society. (3 marks)

Q. 20. Khandelwal Ltd., a tyre manufacturing concern has been established for more than ten years. Having made good profits in the past, company wanted to expand further and hence did not declare bonus for the previous year. The workers got agitated and trade union declared strike and demanded bonus and other facilities. The management decided not to give into their demands.

1. Which principle of scientific management is overlooked in the given case?
2. State any two values overlooked/ignored by the management in the above case.

(3 marks)

Q. 21. Hritik is desirous of setting up a small factory to manufacture different kinds of eco-friendly packaging materials. He proposes to adopt to logical approach to his business rather than hit and trial method as he knows that this can result in tremendous saving of human energy as well as wastage of time and materials. He plans to adopt paternalistic style of management in practice in order to avoid any kind of class-conflict that may emerge between him and the workers. Moreover, he plans to seek the opinion of his workers before taking any important decisions and also offers incentives to them for providing valuable suggestions for the business.

In context of the above case:

1. Identify and explain the various principle of scientific management that Hritik plans to apply in his business.

2. List any two values that he wants to communicate to the society by offering eco-friendly packaging material.

Q. 22. Gaurika has been appointed as the chief organizer of a weeklong cultural event. Being a staunch follower of scientific management, she decides to execute her work by putting into practice the various techniques of scientific management. On the basis of several observations, she is able to determine that the standard time taken by the security officer at the gate to check the credentials of each visitor is 30 seconds. So she decides to employ two persons on this job for every function along with the other necessary support staff. She considers the fact that every day, the functions will take place in three shifts of four hours each, therefore it is important to give breaks to the support staff even in a single shift to take her/his lunch etc. moreover, on introspection, she determines that the best way to distribute refreshment boxes to the visitors will be to hand it over to them at the exit gate as it would help to save time and eliminate any kind of confusion.

In the context of the above case:

1. Identify and explain the various techniques of work study which have been put into practice by Gaurika.
2. List any two values that Gaurika wants to communicate to the society.

Q. 23. 'Study Buddy Pvt.' Is company dealing in stationery items. In order to establish standards of excellence and quality in materials and in the performance of men and machines, the company adheres to benchmarks during production. Moreover, its products are available in limited varieties, sizes and dimensions thereby eliminating superfluous diversity of products.

Identify the technique of scientific management which has been adopted by 'Study Buddy Pvt. Ltd.'

Q. 24. Tina and Anshu completed their MBA and started working in a multinational company at the same level. Both are working hard. Anshu has the habit of backbiting and wrong reporting about his colleagues to impress the boss. All the employees in the organization know about it. At the time of performance appraisal also Tina's performance was rated better than Anshu. Even then their boss decided to promote Anshu stating that being a female, Tina will not be able to handle the complications of higher post.

1. Identify and explain the principle of management that was not followed by this company.
2. Identify the values being ignored.

Q. 25. In one of his principles, Taylor suggested that job performance should be based on scientific enquiry and not on will/wish or personal intuition of manager?

1. Name that principle.
2. What values can be followed by using this principle?



**Q. 26.** The production department of Alpha Ltd. was not performing well on detailed analysis, it was observed that the workers of that department were overburdened. They were forced to work for longer hours without any break. So the management planned to replace the production manager. They appointed Mr. Hari as the new Production Manager. He observed the average worker and note down their times. He noted down the time they worked and the time they required to be fresh to join back the work. Based on this observation, he set the break intervals for workers. He gave small breaks to workers to recharge their energy.

- 1. Name and explain the technique of scientific management used by Mr. Hari.**
- 2. State the value which Mr. Hari wants to communicate to the society by allowing rest intervals to workers.**

**Q. 27.** In the staff meeting the principal of the school raised objection that teachers start the teacher after 5 to 10 minutes in third floor classes. He warned them as students are complaining about this. The teachers explained the principal that when we climb steps from ground to third floor. We get some tiredness and need 5 to 10 minutes rest before starting the lecture. The principal planned to install a lift in school so that teachers do not waste their energy on wasteful activity of climbing steps.

- 1. State the techniques of scientific management used by principal.**
- 2. State any other technique of scientific management.**

**Q. 28.** In a factory the toolbox was kept under the table of every worker, whenever worker needs tools he had to bend tape out tool from tool box and keep it back after use. The newly appointed supervisor observed it and suggested to keep a stool near every worker's chain where toolbox can be placed so that workers do not waste their energy in bending again and again.

- 1. Which technique of scientific management is used by New Supervisor.**
- 2. State the objective of motion study.**

**Q. 29.** Mr. Mukesh used to manufacture shoes by employing labour who were easily available. When his son after completing his MBA joined the business, he analysed that if we use capital intensive method by using a machine it will reduce the cost and the quality of shoes will also improve.

- 1. Which technique of Scientific management is used by his son.**
- 2. What is the objective of that technique.**

**Q. 30.** Mr. Kapoor, Finance manager of ABC Ltd. applied for leave to attend a family function in Amritsar. The director of the company requested him to cancel his leave as there is an

important meeting schedule on that date. Mr. Kapoor immediately agreed and cancelled his trip as he thought attending meeting is more important for company's benefit.

1. Which principle of Fayol is applied by Mr. Kapoor?
2. Explain that principle.

Q. 31. The manager of ABC Ltd. asked his workers to work overtime to increase the production and earn more but he did not paid extra wages to workers for extra time worked. The workers started feeling dissatisfied and stop contributing maximum.

1. Which principle of Fayol is violated in the above case.
2. Explain that principles.

Q. 32. Mr. Rajiv is the owner of 'Laxmi Dairy.' He is producing various milk products. He always tests various ways of producing different products and chooses the best and most economical way of production. He is also very particular about fixing a place for everything and he makes sure that all the employees are given a fixed place so that there is no wastage of time and delay in production.

1. Which technique of scientific management is applied by Mr. Rajiv?
2. Which principle of Henry Fayol is followed by him?

Q. 33. Mr. Rajiv the senior manager of Unique enterprise considered himself very wise and used to take all the decisions himself without consulting the employees, he never used to help any one nor he used to take help of anyone. The employees of unique enterprise were not working efficiently and company's profit margin started declining to tackle the problem, the company appointed a new manager from IIM Bangalore. The new manager after joining made a policy that all the decisions will be taken after consulting employees in the meeting. All employees must give some suggestions and best suggestions will be rewarded with financial and nonfinancial incentives. This policy had a very positive effects on company.

1. State the principle of Hencry Fayol used by new manager.
2. State the technique of scientific management related to above case.

Q. 34. In a school principal makes sure that every instruction, order or information given by him must be passed to vice-principal then Head of the department and then to teachers and students must be informed by respective teachers only. He never allows teachers to directly communicate with him.

1. Stat the Principle of Henry Fayol followed by the school principal.
2. In case of emergency which concept of Scalar Chain can be used by teacher to pass urgent message directly to principal.

**Q. 35. Pawan is working as a Production Manager in CFL Ltd. which manufactures CFL bulbs. There is no class-conflict between the management and workers. The working conditions are very good. The company is earning huge profits. As a policy, the management shares the profits earned with the workers because they believe in the prosperity of the employees.**

- 1. State the principle of management described in the above paragraph.**
- 2. Identify any two values which the company wants to communicate to society.**

**Q. 36. The principles of Taylor and Fayol are mutually complementary. One believed that management should share the gains with the workers while the other suggested that employees' compensation should depend on the earning capacity of the company and should give them a reasonable standard of living.**

**Identify and explain the principles of Fayol and Taylor referred to in the above paragraph.**

**Q. 37. The principles of Taylor and Fayol are mutually complementary. One believed that management should not close its ears to constructive suggestions made by the employees while the other suggested that a good company should have an employee suggestion system whereby suggestions which result in substantial time or cost reduction should be rewarded.**

**Identify and explain the principles of Taylor and Fayol referred to in the above paragraph.**

**Q. 38. Hina and Harish are typists in a company having the same educational qualifications. Hina gets Rs. 3,000 per month and Harish gets Rs. 4,000 per month as salaries for the same working hours. Which principle of management is being violated in this case? Name and explain the principle.**

**Q. 39. Rajveer works as a plant superintendent in a carpet making factory. In order to complete the export orders on time, the production manager asks him to make the workers work over time whereas the finance manager is strictly against this practice because it will increase the cost of production. Moreover, Rajveer feels that since the company is manufacturing handmade carpets as well as machine made carpets there is a lot of overlapping of activities. Therefore, there should be two separate divisions for both of them wherein each division should have its own in charge, plans and execution resources.**

**In context of the above case:**

- 1. Identify and explain the principle of management which is being violated.**
- 2. Also identify the principle of management that Rajveer feels should be implemented in the factory.**
- 3. Give any two differences between the principle of management as identified in part (a) and part (b) respectively.**

**Q. 40. Gurpreet is running a retail mart in Varanasi to provide various types of products of daily use under one roof to the buyers. The employee turnover in his business is very high and he is perpetually on a look out for new staff. The fact of the matter is that he lacks managerial skills and assigns work to his employees on adhoc basis without letting them settle down in a specific work. This approach of his creates a sense of insecurity among the employees and**

they tend to leave the job very quickly. However, he is a very god fearing person and offers fair wages to his employees so they can afford a reasonable standard of living.

In context of the above case:

1. Identify and explain the principle of management which Gurpreet is unable to apply and is perpetually on a look out for new staff.
2. "He is a very god fearing person and offers fair wages to his employees so they can afford a reasonable standard of living." Name and explain the relevant principle of management will have been brought into effect by Gurpreet.

Q. 41. After finishing her BBA degree course, Tanya gets a job of Assistant Manager in a retail company through the reference of her cousin Taruna who works in the same company as a Senior Manager. Taruna decides to guide Tanya through her experience by making her aware of the important facts about management in practice. She tells her that neither the principles of management provide any readymade, straitjacket solutions to all managerial problems nor they are not rigid prescriptions, which have to be followed absolutely.

In context of the above case:

1. Identify the two features of principles of management mentioned in the above paragraph by quoting lines from the paragraph.
2. Why do the principles of management not provide readymade, straitjacket solutions to all managerial problems?

Q. 42. Raj and Simran are both qualified eye surgeons and good friends. After obtaining a certificate of practice, they decide to pursue a career of their own choice. Raj starts an eye care centre in the city whereas Simran joins a government hospital in a small village. They meet after a long time in a party. Raj invites Simran to visit his eye care centre and she accepts his invitation. She observes at his clinic that there is a fixed place for everything and everyone and it is present there so that there is no hinderance in the activities of the clinic. Also, Raj always tends to replace 'I' with 'We' in all his conversations with the staff members. Later on Raj shares with her that he always deals with lazy staff sternly to send the message that everyone is equal in his eyes.

In context of the above case:

1. Identify and explain the various principles of management that Raj is applying for the successful management of his eye care centre.
2. List any two values that Simran wants to communicate to the society by taking up a job in a village.

Q. 43. Anshul owns a small scale factory where utility items are prepared from waste material like paper mache items, paper and cloth bags, decorative material etc. over the past few weeks, he was observing that the productivity of one of his very efficient worker, Ramdas, is going down. So he decides to probe into the matter and confronts Ramdas one day. On being asked, Ramdas shares with Anshul that he has deliberately slowed down in his work as many of the less efficient workers often pull his leg saying that there is no need for him to be more efficient when everybody is being paid at the same rate. Taking a lesson from this insight,

Anshul decides to implement an incentive bonus plan so as differentiate between efficient and inefficient workers.

In context of the above case:

1. Name and explain the incentive bonus plan that Anshul may implement so as differentiate between efficient and inefficient workers.
2. State any two values that Anshul wants to communicate to the society by setting up a special type of business.

Q. 44. Swaraj is running an office furniture showroom. Most of his clients are businessmen and they prefer to buy goods on credit. Keeping this in mind, he has given the power to the sales manager, Mr. Bhardwaj, to offer a credit period of only 20 days, while negotiating a deal with a buyer. On a specific day, Mr. Bhardwaj finds that if he can offer a credit period of 30 days as an exception to a prospective buyer, he is likely to finalize a highly profitable deal for the business. So Mr. Bhardwaj requests Swaraj to grant him additional authority for offering a credit period of 30 days in the interest of the business. But swaraj refuses to extend his authority and as a result, the deal is not finalized.

In context of the above case:

1. Can Mr. Bhardwaj be held responsible for loss of the deal? Why or why not? Give a suitable reason in support of your answer.
2. Also, explain the related principle.

# Case Studies - (Chapter- 3) Business Environment

Q. 1. Mr. Ajay after completing MBA from USA comes to India to start a new business under the banner Ecom Creations Ltd. He launches a new product in a e-learning for senior Secondary School students in Commerce stream, which already has an established market in UK and USA but not in India. His business starts flourishing in India. Now more Indian companies entered into the market with other subjects also.

Identify and quote the lines from above para which highlight the significance of understanding business environment. (4 marks)

Q. 2. Just after declaration of Lok Sabha Elections 2014 results, the Bombay stock exchange's price index (Sensex) rose by 1000 points in a day. Identify the environmental factor which led to this rise giving reason. Also explain any two other dimensions of business environment. (5 marks)

Q. 3. The court passed an order that all schools must have water purifier for the school children as

1. Society in general is more concerned about quality of life.
2. Innovative techniques are being developed to manufacture water purifier at competitive rates.
3. Incomes are rising and children at home are also drinking purified water.

The government is also showing positive attitude towards the water purifier business. Identify the different dimensions of business environment by quoting from the above details. (5 marks)

Q. 4. 'It is common now to see CD-ROM's, computerized information kiosks, and Internet/World Wide Web multimedia pages highlighting the virtues of products.' Name the dimension of the business environment highlighted by this statement. (1 mark)

Q. 5. Which component of business environment requires that advertisements of baby food must necessarily inform the potential buyers that mother's milk is the best? (1 mark)

Q. 6. It is the process by which government control over the industry is being loosened. Give the term to which this statement is trying to indicate. (1 mark)

**Q. 7. Due to entry of foreign firms, competition for Indian firms has increased, especially in service industries. Name such service industries. (1 mark)**

**Q. 8. The Court passed an order to ban polythene bags as**

- 1. The bags are creating many environmental problems which affect the life of people in general.**
- 2. Society in general is more concerned about quality of life.**

**The Government decided to give subsidy to jute industry to promote this business.**

**Innovative techniques are being developed to manufacture jute bags at low rates.**

**Incomes are rising and people can afford to buy these bags.**

**Identify the different dimensions of Business Environment by quoting the lines from the above particulars. (5 marks)**

**Q. 9. The government of India is seriously thinking of allowing the oil-marketing public sector undertaking to fix their own prices for petrol and diesel. Which economic reform is the reason for this change in the government's policy?**

**Q. 10. Kapil Sharma is working as the Country Head of a company which owns a chain of malls under the name of 'Virtuoso' in the various parts of India. Through an analysis report of the business environment, it has been brought to his notice that in the coming years, shopping at a mall will not be a necessity for the buyers as purchases can be made online from anywhere and at any time with ease and at the consumer's convenience. Hence, malls will have to provide much more than shopping to be able to attract customers. So, he recommends that 'Virtuoso' malls should to be restructured into recreation centres, offering more spaces to socialize, host events and concerts, and provide ample Food and Beverages options.**

**Consequently the share of entertainment segment and Beverages segment in the overall mall space is increased by 20%. As a result, the company gains enormously by getting the first mover advantage.**

**In context of the above case:**

- 1. Define the term 'Business Environment'.**
- 2. Explain the terms 'Threats' and 'Opportunities' by quoting lines from the paragraph.**

**Q. 11. "Zero Defect Zero Effect" (ZED) is a slogan coined by the Prime Minister of India, Narendra Modi with reference to the Make in India initiative launched by the government. The slogan reflects the efficiency of production processes, i.e. the products**

have no defects and the process through which the product is made has zero adverse environmental and ecological effects. The Zed model aims to make India the manufacturing hub of the world and prevent the products developed in India from being rejected by the global market. Moreover, before the initiative was launched, the limits of foreign direct investment in various sectors had been relaxed. The application for licences was made available online and the validity of licences was increased to three years. Various other norms and procedures were also relaxed by the government.

In the light of the above paragraph, identify and explain the major component of New Economic Policy of 1991 that are being referred to by quoting lines from the paragraph.

Q. 12. Over the years, e-business in our country has witnessed tremendous growth due to several reasons. There is significant improvement in the Information Technology infrastructure over the last decade as the Government has taken important steps in high-speed Internet connectivity. As a result, the broadband networks have not only become better but also more affordable. Additionally, Government is trying to make rural India connected through broadband – a great possibility for e-business to expand the retail market by reaching out to the most remote rural customer. Another catalyst strengthening the e-business segment is the country's favourable demography. It has more than 50% of its population below the age of 25 and more than 65% below the age of 35. It is expected that, in the year 2020, the average age of an Indian will be 29 years, compared to 37 for China and 48 for Japan, this promises for phenomenal increase in e-business. Moreover, the penetration of the smartphone in a large section of the population has aptly addressed the problem of computer illiteracy. Notwithstanding the fact that consumers also prefer e-business due to multiple factors like convenience, time etc.

Identify and explain the various dimensions of business environment being referred to in the above case.

Q. 13. Beni, after completing her MBA, took up a job at a multinational company named 'Fortio'. The company was paying good salary and perks to its employees. The wages were within the paying capacity of the company that provided the employees a reasonable standard of living. The company also had a good work-culture and the behaviour of superiors was very good towards their subordinates. Beni was very happy in this organization, but due to long working hours she did not have time to cook her meals. She had to depend on outside food, which was deteriorating her health.

She observed that this problem was faced by many of her colleagues, not only in her company but also in many other companies. This was because of increase in the number of working women and non-availability of hygienic home-cooked food. She identified this as a great



opportunity and decided to give up her job to supply packaged home-cooked food to office goers at a reasonable price. At the end of the day she also distributing the left-over food in the nearby night-shelters.

1. State the dimension of business environment being discussed above.
2. State the principle of management being followed by 'Fortio'.
3. Identify any two values being communicated by the company to the society in the above case. (4 marks)

**Q. 14.** Nakul, a manager of Zyco Ltd. always takes into account the changes taking place in business environment while determining plans. He accepts changes readily and gives useful suggestions to his superior, which results in reduction of costs. As a result, company's profits increase. Nakul enjoys cordial relations with his co-workers and makes plans in consultation with his team to achieve organizational goals.

1. Which characteristic of management is highlighted in the above lines?
2. Identify and state any two principles of management followed by Zyco Ltd.
3. Give any two benefits which Zyco Ltd. get by taking into account the changes taking place in business environment, quoting the lines from the above para.
4. State any one value which Nakul wants to communicate to the society. (6 marks)

**Q. 15.** It is interesting to know that the menu items of the multinational food chains are customized to suit the general palates of the local people in the region. When McDonald's started its business in India in the year 1996, the company went through a complete localization strategy. McDonald's changed its product menu to accommodate the vegetable burger given the large vegetarian population. It also altered its store design and even reduced the product price by close to fifteen per cent. Also, the "McAloo Tikki burger" is not available anywhere but in the Indian outlets of McDonalds.

Identify the relevant feature of business environment being discussed above.

**Q. 16.** Eco-friendly products are gaining power as the consumers' awareness about environmental issues has increased over the years and they are conscious about choosing products that do not have adverse effects on the environment. They are now more conscious about the carbon emission and climate change effects, and want themselves to be 'seen' as a green advocate among their peers. In such a scenario, it has become a challenge for the companies as they have to not only meet the needs of the consumers but also ensure that their products are safe and environment friendly. At a result, there is growing need for better and advanced technologies to works as a catalyst in this regard.

1. Identify the relevant feature of business environment being discussed above.
2. Describe briefly any three points which highlight the importance of business environment and its understanding by managers.

**Q. 17.** Ultra Paint Co. which is manufacturing paints has been enjoying a prominent market position as it manufactured best quality paints, made timely payment of taxes to government. It assembled various inputs like finance, machines, raw materials, etc. from its environment. But since last year it has been dumping its untreated poisonous waste on the river bank which has created many health problems for the people. As a result, the court passed an order to seal the manufacturing unit of the company.

1. State the importance of business environment highlighted quoting the line from the above case.
2. Identify any two dimensions of business environment mentioned in the above case by quoting lines from it.
3. State any two values which have been overlooked by the company? (5 marks)

**Q. 18.** Philips, a company manufacturing light bulbs incurred heavy expenditure on scientific Research and Development and discovered a technology that made it possible to produce an energy efficient light bulb that lasts at least twenty times as long as a standard bulb. It resulted in growth and profitability of the company.

1. Identify and state the dimension of business environment mentioned above.
2. State the importance of business environment mentioned above by quoting the lines.
3. State any one value which the company wants to communicate to the society. (4 marks)

**Q. 19.** Disco Ltd. manufactures fashionable and designer clothes. Recently it finds that the demand for its products has been declining. After market research it was discovered that fashion and tastes of the consumers is changing at a fast pace. Customers' demand is increasing. New competitors have entered the market with new designs. It is very difficult for the company to predict future happenings. Also, it is difficult to know the extent of the relative impact of the social, economic, political, technological or legal factors on decrease in demand of its products in the market.

A meeting was held in which managers from different functional levels heading Production, Marketing, Finance, etc., for example, Chief Operating Officer, Chief Finance Officer, Vice President (Marketing) were present to discuss how to deal with the situation. After a long discussion, it was decided that they would study and analyze the market first to identify customer tastes and fashion and then manufacture garments accordingly. It was also decided to increase expenditure on advertising, after-sales services, etc.

1. Identify any two features of business environment by quoting the lines from the above case.
2. At which level of management the meeting of managers of Disco Ltd. was held?
3. Identify any two impact of government policy changes on business, quoting lines from the above case.
4. State the importance of understanding of environment by business managers in the light of the above para. (6 Marks)

**Q. 20.** The organic food market in India is grow at 25-30 per cent which reflects a clear shift in consumer tastes and preferences. The current growth in the organic food market is driven by multiplicity of factors like rising health consciousness, changing lifestyles, increase in disposable income and growing availability of organic food products in shopping malls, retail outlets and online.

In context of the above case:

1. Identify and explain the features of business environment being referred to here.
2. By quoting phrases from the paragraph identify the various components of general forces which have led to a growth in the organic food market.

**Q. 21.** Anurag, aspires to work with a socially and environmentally committed company as he does not want to work just for monetary benefits but also the brand value of the company he works for in the society matters a lot to him. Therefore, he has joined Cerebra Integrated Technologies a Bengaluru-based Infotech company. The company has built India's largest e-waste recycling plant. The company strives to be one of the leading players in this business which has huge potential not only in terms of generating huge revenues and profits but also wants to contribute to the environment issues that have become crucial worldwide. The company sees big business in the mountains of e-waste in Bengaluru which produces 2,00,000 tonnes of e-waste a year. The company plans to make its millions by extracting metals such as gold and platinum from the e-waste piling up in the city. As a mobile phone, for example, is made up of a combination of rare earth and precious metals: it contains 250 mg of silver, 24 mg of gold and nine mg of palladium while a laptop has 1,000 mg of silver, 220 mg of gold and 500 grams of copper.

To start the business, the company has obtained a licence from KSPCB (Karnataka State Pollution Control Board).

In context of the above case:

1. Identify the various dimensions of business environment being referred to by quoting lines form the paragraph.
2. List any two values which the company wants to convey to the society.

**Q. 22.** After completing his education, Arun joins his father in their family business of manufacturing cookware. As a businessman, his father is rigid in his approach and has fixed ideas about various issues. He tends to maintain a distance from the factory workers.

However, Arun is more receptive to the needs of the workers and doesn't seem to believe in any class-differences. He believes that the prosperity of their business greatly depends upon the prosperity of their workers and vice versa. At the same time, he has a good understanding of the business environment. Therefore, he introduces a new range of green pans that provide a healthy cooking surface, as they are manufactured with all ceramic or silicon coating and are considered safer than the traditional petroleum based nonstick surfaces which may contain toxic substances. Although, the new cookware range is highly priced, he expects a ready market for it as both the purchasing power of people and their preference for better quality products has increased over the years.

In context of the above case:

1. **Identify the nature of management which is being reflected in the different styles of management in practice adopted by Arun and his father.**
2. **Name and explain the related principle of scientific management.**
3. **State the related dimensions of business environment.**

**Q. 23.** Continuous and comprehensive evaluation is a process of assessment, mandated by the right to Education Act, of India. This approach to assessment has been introduced by state governments in India, as well as by the Central Board of Secondary Education in India. With the introduction of (CCE) system in education there is greater focus on project based learning. As a result, besides time and effort the students are willing to invest money to enhance the visual appeal of their project files so as to score higher marks. In order to cash on the opportunity Rishabh has started a small business unit to manufacture different kinds of decorative materials for the project files. He has employed a team of four creative designers for developing the innovative material with the help of latest technology. However, he has a prejudice against women and therefore pays less salary to them as compared to the male staff for equal work.

In the context of the above case:

1. **Name any two functions of management that Rishabh will have to perform in order to manage his business successfully.**
2. **Name and explain the principle of management which is being violated by Rishabh.**
3. **Identify the related dimensions of the business environment.**

**Q. 24.** Government of India is seriously thinking to allow oil marketing public sector, undertaking to fix their own price for petrol and diesel.

1. Name the economic reform related to this decision of government.
2. Name other two reforms recommended in new economic policy.

Q. 25. Recently many companies have planned for significant investment in retailing in India. Various factors which have encouraged companies to take these decisions are customer income is increasing, rise in standard of living of people. People are ready to pay high price for quality goods, government policy of liberalization regarding MNC entry and FDI, etc.

1. Explain briefly changes in business environment under different heads that have facilitated the companies' decision to plan significant investment in retailing.
2. What has been the impact of these changes with regards to globalization and privatization?

Q. 26. Two big banner movies were scheduled to be released on the same date. On the last movement release of one of the movies has to be postponed due to opposition of a group of people due to some unethical contents related to their religion was shown in the that movie. The other movie released on time and made huge profit as there was no competition and movie which was postponed suffered loss.

1. Which feature of business environment is highlighted here.
2. Identify the dimension of business environment, which delayed the release of movie.

Q. 27. After winning the election, Prime Minister Mr. Narendra Modi launched a Campaign of 'Swachh Bharat' and invited various celebrities to be a part of this Abhiyaan. This spread awareness among the people in society and in general, people started becoming more careful and aware about the cleanliness around their area. To continue its impact, a new service tax for Swachh Bharat was also started. The government is planning to import new and better technology to adopt new methods of treating the garbage and waste.

State the various dimension of business environment mentioned in the above para quoting the lines from the above para.

Q. 28. Even after opening up of Indian Economy, foreign companies found it extremely difficult to cut through the bureaucratic and red tapism in government offices. This discourages them from investing in India.

Identify the dimension of environment mention in above para.

**Q. 29.** Just after the declaration of Lok Sabha Elections in 2014, the Bombay Stock Exchange Index rose by 1000 points.

Identify the dimension of business environment.

**Q. 30.** 'Mamta Rice Food Ltd' is a well know rice producing company. The sales have been falling down from the beginning of the year. The managing director MR. Bhuvan is worried about this situation. With a view to find out the solution of this problem he made a team to find but the reasons for downfall of sales. The team conducted the survey and gave following four reasons for the downfall of company's sale.

1. On account of increase in export duty made by the government, the foreign demand has gone down.
2. Due to availability of other eatable substitute the taste of people is diverted from rice.
3. The competitor's imported new technology machine and are producing better quality rice.
4. Due to strain with neighbouring country's government and our country's government export is effected.

Identify the dimension of Business Environment discussed in the above case.

**Q. 31.** With changes in the consumption habits of people, Neelesh, who was running a sweet shop, shifted to the chocolate business. On the eve of Diwali, he offered chocolates in attractive packages at reasonable prices. He anticipated huge demand and created a website chocolove.com for taking orders online. He got a lot of orders online and earned huge profits by selling the chocolate.

Identify and explain the dimensions of business environment discussed in the above case.

**Q. 32.** A recent rate cut in the interest on loans announced by the banks encouraged Amit, a science student of Progressive School, to take a loan from State Bank of India to experiment and develop cars to be powered by fuel produced form garbage. He developed such a car and exhibited it in the Science Fair organized by the Directorate of Education. He was awarded the first prize for his invention.

Identify and explain the dimensions of business environment discussed in the above case.

**Q. 33.** 'Accent electronics Ltd.' was operating its business in Malaysia. The company started exporting its products to India when the Prime Minister announced relaxation in import duties on electronic items. The company appointed retailers in India who had direct online links with the suppliers to replenish stocks when needed.

Identify and explain the dimensions of business environment discussed in the above case.

**Q. 34. As per the directions issued by the Supreme Court, the government passed an order to ban the sale of tobacco products within the area of 200 meters of all educational institutions as:**

- 1. Its consumptions injurious to health.**
- 2. People are becoming more conscious about health and fitness. This indicates the government's attitude towards this business.**

**Identify the business environment under three different dimensions by quoting from above paragraph.**

**Q. 35. Make in India is an initiative launched by the Government of India to encourage national and multinational companies to manufacture their products in India. It focuses on job creation and skill enhancement and is in twenty five sectors of the economy. Under the initiative, brochures on these sectors and a web portal were released. The initiative aims at high quality standards and minimizing the impact on the environment. It also seeks to attract foreign capital investment in India.**

**In context of the above case:**

- 1. Identify the various dimensions of business environment being referred to by quoting lines from the paragraph.**
- 2. List any two values which the Government of India wants to convey through this initiative.**

**Q. 36. India's retail sector has been undergoing structural changes for the last two decades. On one hand, the 'mall culture' has gradually become a way of life, especially in the metros and mini-metros. On the other hand, there is accelerated growth in e-business as customers also prefer to buy products and services via the Internet, telephone and television. However, operating in either of the segments is marked by the presence of strong competitors.**

**Identify the components of specific forces and general forces being discussed in the above paragraph.**

**Q. 37. To mark the celebrations of International Family Day on 16<sup>th</sup> may 2016, Kurkure flagged off India's first family food train – Kurkure Family Express at New Delhi. The train took forty families on a fun culinary experience of a lifetime through an eight-day journey across fourteen states in India. A whole lot of fun activities were hosted on the train by the travel and food anchors Rocky and mayor.**

**The families were selected through an online campaign, 'Chatpata family photos'. The contest attracted approximately 1,000 entries, of which 40 entries that gelled with the brand's image were selected.**

The core idea of the campaign was to bring families from across India together over a journey like this. As in today's time, everyone is busy with their life the family members may feel disconnected with each other.

Identify and explain the various dimensions of business environment being referred to the in the above case by quoting lines from the paragraph.

**Q. 38.** In the year 2016, the State Government of Kerala had made it mandatory for anganwadis hostels and canteens in educational institutions to secure the Food Safety and standards Authority of India (FSSAI) licence to ensure food safety. As the educational institutions also get categorized as food business operators in the event of the annual turnover of the hostels, they run exceeding Rs. 12 lakh per annum.

In context of the above case:

1. Identify and explain the various dimensions of business environment being referred to here.
2. List any two values which the State Government of Kerala wants to convey through this initiative.

**Q. 39.** Postage stamps have been unveiled to commemorate 140 years of existence of the country's first stock exchange the Bombay Stock Exchange (BSE). The setting up of BSE is considered to be the greatest revolution that took place in the financial markets in India as it acts as a key driver for economic growth of a country. This is due to the fact that there exists a strong correlation between economic growth and capital accumulation.

In the context of the above case:

1. Identify the dimension of business environment of India being referred here.
2. State any three factors which broadly affected the dimension of business environment of India as identified in part (a) of the question.

**Q. 40.** In May 2016, the government had launched a web-based application which will provide as opportunity to all the industries dealing in hazardous waste to apply online and get online permissions for import and export of certain categories of waste, which is for reuse, recycling or recovery while it will also help authorities in web-based processing, generation and grant of various types of permissions to the entrepreneurs and industries. It is also aimed at implementing the concept of paperless and green office and provide information regarding number authorizations or consent order granted by the State Pollution control Boards (SPCBs).

Identify the various dimensions of business environment being referred in the above case.



**Q. 41.** Bharat is running an ice cream parlour in a local market. Keeping in mind the changing perceptions about health among the people, one of his employee Abhiraj suggests to him that they should introduce a range a flavoured yogurt. Bharat accepts his suggestion as a result both the image and the profitability of his business increases.

**In the context of the above case:**

- 1. Identify the feature of management which is being highlighted.**
- 2. State the related dimension of the business environment.**
- 3. Name and explain the related principle of general management.**

## Case Studies - (Chapter - 4) Planning

Q. 1. Laxmi Chemicals Ltd., a soap manufacturing company wanted to increase its market share from 30% to 55% in the long run. A recent report submitted by the Research & Development Department of the company had predicted a growing trend of herbal and organic products. On the basis of this report the company decided to diversify into new variety of soaps with natural ingredients having benefits and fragrances of Jasmine, Rose, Lavendear, Mogra, Lemon Grass, Greed Apple, Strawberry etc. The Unique Selling Proposition (USP) was to promote eco-friendly living the contemporary life style. The company decided to allocate Rs. 30 crores to achieve the objective.

Identify the type of one of the functions of management mentioned above which will help the company to acquire dominant position in the market. (1 mark)

Q. 2. Suhasini a home science graduate from a reputed college has recently done a cookery course. She wished to start her own venture with a goal to provide 'health food' at reasonable price. She discussed her idea with her teacher (|mentor) who encouraged her. After analyzing various options for starting her business venture, they shortlisted the option to sell ready made and 'ready to make' vegetable shakes and sattu milk shakes. Then they both weighed the pros and coris of both the shortlisted optins.

1. Name the function of management being discussed above and give any one of its characteristics.
2. Also briefly discuss any three limitations the function discussed in the case. (5 marks)

Q. 3. A company is manufacturing garments. The manager wants to increase profits by purchasing new high speed machines or increasing the sale price or using waste material in manufacturing stuffed toys.

He decided that 'using waste material' to increase the profit is the best solution for him.

1. Identify the concept of management involved.
2. Mention the steps involved in the above process by quoting the line from the question.
3. To complete the process of the concept identified in (a), what two next steps does the manager have to take? Explain. (6 marks)

Q. 4. Two year ago, Madhu completed her degree in food technology. She worked for sometime in a company that manufactured chutneys, pickles and murabbas. She was not happy in the company and decided to have her own organic food processing unit for the same. She set the objectives and the targets and formulated an action plan to achieve the same.

One of her objectives was to earn 10% profit on the amount invested in the first year. It was decided that raw materials like fruits, vegetables, spices, etc. will be purchased on three

months credit from farmers cultivating only organic crops. She also decided to follow the steps required for marketing of the products through her own outlets. She appointed Mohan as the Production Manager who decided that exact manner in which the production activities were to be carried out. Mohan also prepared a statement showing the number of workers that will be required in the factory throughout the year. Madhu informed Mohan about her area wise sales target for different products for the forthcoming quarter. While working on the production table, a penalty of Rs. 100 per day for not wearing caps, gloves and apron was announced.

Quoting lines from the above paragraph, identify and explain the different types of plans discussed.

**Q. 5.** During partition, Kundan Lal came to Mumbai from Lahore with a lot of wealth. Keeping in view his innate ability to visualize and create things, he decided to work as a junior assistant in a film studio. Over a period of time, as he gained experience and his work was well acclaimed, he decided to set up his own film studio. Initially he was himself looking into every aspect of the business, but as his work increased manifolds and his own productivity reduced with age, he hired Jummy as manager. Jimmy being immature in his work started giving bookings for the studio haphazardly. He would never decide anything in advance or do any kind of forecasting of events. This led to lot of confusions and conflicts. As a result, the goodwill earned by Kundan Lal over the years began to decline.

In context of the above case:

1. Identify and explain the function of management which Jimmy failed to perform by quoting lines from the paragraph.
2. Describe briefly any two features of the function of management as identified in part (a).

**Q. 6.** After completing a diploma in Bakery and Patisserie, Payal sets up a small outlet at Goa Airport to provide a healthy food option to the travellers. To begin with, she has decided to sell five types of patties, three type of pizzas and low sugar muffins in four flavours. Thus, by deviding in advance what to do and how to do, she is able to reduce the risk of uncertainty and avoid overlapping and wasteful activities. But sometimes her planning does not work due to some unavoidable circumstances like cancellation of flights due to bad weather conditions, government alert etc. which adversely affects her clientele.

In context of the above case:

1. Identify and explain the points highlighting the importance of planning mentioned in the above paragraph.
2. Describe briefly the limitation of planning which adversely affects Payal's business.

Q. 7. Rahul, a worker, is given a target of assembling two computers per day. Due to his habit of doing things differently, an idea struck him which would not only reduce the assembling time of computers but would also reduce the cost of production of the computers. Rahul's supervisor instead of appreciating him, ordered him to complete the work as per the methods and techniques decided earlier as nothing could be changed at that stage.

The above para describes one of the limitation of planning function of management. Name that limitation. (1 mark)

Q. 8. ABC Ltd. has a plan of increasing profits by 20%. It has devoted a lot of time and money to this plan. But the competition starts increasing, so it could not change its plan to beat its competitors because huge amount of money had already been devoted to the pre-decided plan. It caused losses to the company.

Explain any two limitations of planning highlighted in the above case. Also, quote the lines from it. (4 marks)

Q. 9. In 'Chak De India' movie, Shahrukh Khan becomes the coach of the girls' hockey team. He knows that he has to prepare the girls for the international hockey matches and bring the world cup after winning. For this he prepares a long-term plan and thinks the ways how to beat the competitors. He coaches the girls to play in different ways like defensive, offensive, etc. at the outset of a match he explains who will open the match, and how the ball will be passed by one player to another step by step.

Identify four types of plan that are highlighted in the above case, quoting the lines from it. (4 marks)

Q. 10. Flipkart is an e-commerce company founded in the year 2007 by Sachin Bansal and Binny Bansal. The company is registered in Singapore, but has its headquarters in Bangalore, India. The company seeks to increase traffic (more clicks on their products) and boost sales and revenue through integration of Mobile Apps, Display, Pay Per Click and search Engine Optimization. In order to dispel the feat of people related to shopping online, Flipkart was the first company to implement popular 'Cash on Delivery' facility. All the products sold by the company under a particular category may have different return/replacement period. Flipkart allows multiple payment options such as cash on delivery, credit or debit card transactions, net banking, e-gift voucher and card swipe on delivery. The company operates both ways when an order is received. The products for which it holds inventory are dispatched by it directly. For the products they do not store in inventory, they just send the order received by them to the supplier who ships it. The company plans to spend about Rs.

75 crores on e-Commerce advertising in the year 2016. Flipkart reserves the right to terminate your membership and/or refuse to provide you with access to the website if it is brought to Flipkart's notice or if it is discovered that you are under the age of 18 years. This is because as per the Indian contract Act, 1872, the minors, un-discharged insolvents, etc. are not eligible to use the website.

In context of the above case, identify and explain the different types of plans being used by Flipkart by quoting lines from the paragraph.

Q. 11. An electronic company is facing a problem of declining market share due to increased competition from other new and existing players in the market. Its competitors are introducing lower price models for mass consumers who are price sensitive. For quality conscious consumers, company is introducing new model LED TV and DVD players with added features and new technological advancements. For this, the company raises extra funds Rs. 5 crore from banks.

Name the type of plan the company is preparing. State the steps which the company follows to implement this plan quoting the line from the above para. (4 marks)

Q. 12. Arush joins as a sales manager of a company dealing in naturotherapy products. Being proficient in his work, he knew that without good planning he will not be able to organise, direct, control or perform any of the other managerial functions efficiently and effectively. Only on the basis of sales forecasting, he would assist in the preparation of the annual plans for its production and sales. Besides, he will have to prepare sales plans regularly on weekly, monthly, quarterly and half yearly basis. While preparing the sales forecasts, he undertakes intellectual thinking involving foresight, visualization and issued judgement rather than wishful thinking or guess work. Most importantly, all these planning activities will be meaningful only if they will coincide with the purpose for which the business is being carried out.

In context of the above case, identify the various features of planning highlighted in the above paragraph by quoting lines from it.

Q. 13. Zyesha Ltd. is a company which manufactures leather bags. The CEO of the company wants to increase their sales and earn more profits. He consulted with a management consultant who suggested the top management of the company to work hard in thinking about the future in making business prediction and achieve the targets since the business environment keeps on changing whether in terms of technological improvement, shifts in consumer preferences or entry of new competitors in the market.

1. Identify and state the concept of management discussed in the para.

2. State the characteristic feature of business environment highlighted in the above para. (3 marks)

Q. 14. Lira Ltd. is a company manufacturing designer socks. While making its plan, the company takes into consideration the business environment. It constantly adapt itself to changes in environment by making changes in its plan. However, it becomes difficult for the managers of the company to accurately foresee future trends in the environment. Competition in the market upsets its financial plans; then sales targets have to be revised and, accordingly cash budgets also need to be modified since they are based on sales figures.

1. What characteristic features of business environment are highlighted in the above lines? State any two.
2. State and explain the limitation of planning highlighted in the above lines.
3. Identify any two types of plan mentioned in the above para by quoting the lines from it. (6 marks)

Q. 15. Pan Masala and Sons is a manufacturer of tobacco products. It decided to increase profits by at least 20% in the next quarter. It has many options:

1. To increase the working hours of labourers without additional payment.
2. To employ children from the local community.
3. To sell its products outside the schools and colleges.

It opted the (ii) and (iii) options to achieve the target.

1. Identify the function of management described in the above para.
2. State the steps of the process involved in the function of management identified in (a) quoting the lines from the above para.
3. State any two values neglected by the organisation (6 marks)

Q. 16. A reputed car manufacturing company in NCR is facing the problem of decline in its market share due to its internal mismanagement. Therefore it has planned to increase its production capacity at its Gurgaon plant by manufacturing low price eco-friendly cars for price sensitive consumers and introducing new models with added features for quality conscious consumers. For this the company issues shares to the public and raises Rs. 150 crore.

The company purchases more machinery required to increase production.

1. Identify the type of plan the company is preparing.
2. State the steps involved in this plan quoting the lines from the above case.
3. State any one value which the company wants to communicate to the society.(5 marks)

Q. 17. 'Agile Ltd.' is a well-known automobile manufacturing company in India. The company plans to increase the sale of its sedan cars by 20% in the next quarter. In order to achieve

the desired target, the marketing team of the company considers the impact of policy of the government towards diesel vehicles and the level of competition in this segment of cars. They explore the various available option like offering more discount to dealers and customers, providing more customer friendly finance options, lucky draws on test drives, increasing advertising, offering more of free accessories on the purchase of the car, etc. a thorough analysis of the various available options is done keeping in view the relative viability of each option. The company decides to pursue the option of offering more discount to dealers and customers in order to boost the sale of sedan cars. In order to implement the plan,, they determine the various discount packages and communicate the same to their product dealers. To make the prospective consumers aware about the new available benefits, advertisements are made through various sources of print and electronic media. The market analysts of the company keep a close watch on the revenue from the sedan cars to study the effect of new initiatives by the company to promote its sales.

In context of the above case:

1. Name the function of management described in the above paragraph.
2. Identify and explain the various steps involved in process the function of management as identified in part (a) by quoting lines from the paragraph.

Q. 18. Palvinder, is working as a supervisor in Alpha Ltd. To achieve the target he wants to try a new method and different way of allocating the work. His superior did not permit him and forced him to do the work strictly as per the plan.

(i) Name the limitation of planning indicated in above case.

(ii) Name the value overlook by Palvinder's superior.

Q. 19. The management of ABC Ltd. set up the target of selling 10,000 units per week and made all their plans based on this target. But due to change in technology adapted by competitors which reduced their cost, the ABC Ltd. could not achieve their target.

(i) Identify the limitation of planning discussed in the above para.

(ii) State any other two limitations.

Q. 20. Alpha Ltd. spent a lot of money to hire specialized people for framing their plans and collecting important facts from environment. The company cut down their cost by cancelling the employee's trip for recreation.

(i) Name the limitation of planning mentioned in above para.

(ii) Name the value overlook by management.

Q. 21. ABC Ltd. announced a plan nobody would smoke in the organization premises and they further added that certain penalty will be imposed on employees, overlooking this.

- (i) Name the type of plan related to above para.
- (ii) Name the feature of that plan.
- (iii) Name the values emphasized by the company.

**Q. 22.** Alpha Ltd. has a plan of increasing profit by 20%. The company spent lot of time and money to frame and implement this plan. The competition start increasing, so it could not change its plan to beat its competitors because huge amount of money is already spent. State any two limitations of planning.

**Q. 23.** 'Natural disaster like floods in Gujarat has been responsible for failure of production and sales plans of Jindal Textile Industry.' Which limitations of planning is highlighted in the given statement? State any three such limitations. (3)