

BUSINESS STUDIES (054)
CLASS XII
UNIT 1 Chapter- 1 Nature & Significance of
Management

Multiple Choice Questions

1. 'Doing the task with minimum cost' name the term associated with management?
(a) Efficiency (b) Effective
(c) Both (d) Management
2. The objective of the Marketing Department of 'KOTEX Ltd.' is to increase sales by 10 per cent by offering discounts. But, the finance department may not approve of such discounts as it means loss of revenue. These kinds of conflict arise in organizations because each department performing activities in isolation from others and barriers between departments are becoming more rigid. Identify the point of importance of coordination to which this case is related:
(a) Growth in size (b) Functional differentiation
(c) Specialization (d) None of these
3. Policy formulation is the function of
(a) Top level Managers (b) Middle level Managers
(c) Operational Management (d) None of the above
4. Goal setting is the function of
(a) CEO (b) Foreman
(c) Supervisor (d) Superintendent
5. How does a manager want to achieve his objectives?
(a) Efficiently (b) Effectively
(c) Efficiently and effectively (d) None of the above
6. Successful organizations do not achieve goals by chance but by following a deliberate process known as
(a) Planning (b) Co-ordination
(c) Controlling (d) Management
7. Which one of the following sequences of process of management is correct:
(a) Planning, Directing, Controlling, Organising, Staffing
(b) Directing, Staffing, Planning, Organising, Controlling
(c) Planning, Organising, Staffing, Directing, Controlling
(d) Organising, Planning, Staffing, Controlling, Directing

8. Which degree is compulsory to become a manager?

- (a) B.B.A.
- (b) M.Com.
- (c) M.B.A.
- (d) No compulsion of degree.

9. In which of the following occupation, no minimum qualification is prescribed?

- (a) Manager
- (b) Doctor
- (c) Lawyer
- (d) Chartered Accountant

10. Managing Director will be considered under which level of management?

- (a) Top-level
- (b) Middle-level
- (c) Lower-level
- (d) None of these

11. Foreman will be considered under which level of management?

- (a) Lower-level
- (b) Middle - level
- (c) Top-level
- (d) None of these

12. Management is essential for the organizations which are

- (a) Non-profit organizations
- (b) Service organizations
- (c) Social organizations
- (d) All of the above

13. Successful management ensures that

- (a) Goals are achieved with least cost
- (b) Timely achievement of goals
- (c) Both of the above
- (d) None of the above

14. Ravi works as a production manager in Rosy private Limited. He has been given the task of getting 10000 units of hand woven table mats manufactured at the cost of ₹150 per unit, within 100 days. In order to be acknowledged as an effective manager, he must ensure that

- (a) The cost of production does not exceed ₹150 per unit
- (b) The work is completed within 100 days even at higher cost per unit
- (c) The cost of production is less than ₹150 per unit
- (d) All of the above

15. Management is said to be poor if it is

- (a) Efficient but ineffective
- (b) Effective but inefficient
- (c) Both inefficient and ineffective
- (d) All of the above

16. Suzy Enterprises Limited is planning to increase its sales by 25% in the next year. Identify the feature of management being highlighted in the given statement.

- (a) Management is all pervasive
- (b) Management is a goal oriented process
- (c) Management is a continuous process
- (d) All of the above

17. Keeping in view ,the changes in the consumer demands and preferences,Royal Bakery‘ has reduced

the sugar and fat content in its products. This approach of business shows that management is

- (a) An intangible force
- (b) A group activity
- (c) A dynamic function

(d) A multidimensional activity

18. Management is considered to be an art because

- (a) The principles of management have universal validity
- (b) The principles of management have universal application
- (c) Different principles of management are brought into effect differently by different managers
- (d) It is not important for the practicing managers to be a member of a professional association.

19. 'Corrective action' comes under which function of management?

- (a) Planning
- (b) Organising
- (c) Directing
- (d) Controlling

20. Match the concept of management in Column I with their respective meaning in II;

COLUMN I	COLUMN II
Effectiveness	I) doing the task correctly with minimum cost.
Efficiency	ii)finishing the task on time.
Process	iii) The primary functions or activities that management performs to get.

- a) i), ii), iii)
- b) ii), i), iii)
- c) iii), ii), i)
- d) i), iii), ii)

21 Match the objective of management in Column I with their respective definition in Column II:

Column I	Column II
A) Survival	i) Increase in the number of employees, the number of products or increase in the capital investment, etc.
B) Profit	ii) A Vital Incentive for the continued successful operation of the enterprise
C) Growth	iii) An organisation must earn enough revenue to cover costs.

- a) i), ii), iii)
- b) ii), i), iii)
- c) ii), iii), i)
- d) i), iii), ii)

Assertion-Reasoning Based questions;

Read the following statements-Assertion (A) and Reason (R), and select the correct alternative in each case:

- (a) Both Assertion (A) and Reason (R) are true.
- (b) Both Assertion (A) and Reason (R) are false.
- (c) Assertion (A) is true and Reason (R) is false.
- (d) Assertion (A) is false and Reason (R) is true.

22. Assertion (A): There is a kind of cost-benefit analysis involved and the relationship between inputs and outputs.

Reason (R): If by using less resources (i.e., the inputs) more benefits are derived (ie., the outputs) then effectiveness has increased.

23. Assertion (A), Coordination is not an exclusive function of the top management.

Reason (R), Coordination is the responsibility of all managers-top, middle and operational levels.

24. Assertion (A), Management is a full-fledged profession.

Reason (R), Management meets the exact criteria of a profession.

25. Assertion (A). Management is a series of continuous interrelated functions.

Reason (R). The process of management is a series of continuous, interrelated, but separate functions (planning, organising, directing, staffing and controlling).

These functions are simultaneously performed by all managers all the time.

26. Assertion (A). Planning cannot prevent problems.

Reason (R).Planning can only predict the problems and prepare contingency plans to deal with them if and when they occur.

27. Assertion (A). Management is a dynamic function.

Reason (R). An organisation interacts with its external environment which consists of various social, economic and political factors. In order to be successful, an organisation must change itself and its goals according to the needs of the environment.

28. Assertion (A), Management is a tangible force and its presence can be felt in the way the organization functions.

Reason (R). The effect of management is noticeable in an organisation where targets are met according to plan, employees are happy and satisfied, and there is orderliness instead of chaos.

29. Assertion (A), Coordination is an all pervasive function.

Reason(R). Coordination is required at all levels of management due to the interdependent nature of activities of

30. Assertion(A):Social objective of management involve creation of benefits or economic values to the society.

Reason(R):Now a days,profit maximization is the only objective of management alternatives:

A) Both Assertion(A) and Reason (R) are True and Reason(R) is the correct explanation of Assertion (A).

B) Both Assertion(A) and Reason(R) are True, but Reason (R) is not the correct explanation of Assertion (A).

C) Assertion(A) is True, but Reason(R) is False.

D) Assertion(A) is False, but Reason(R) is true.

31. Assertion(A):Management is an exact science.

Reason(R): It is based on human behavior .It is neither precise nor as comprehensive as the pure science like physics or chemistry.

Alternatives:

A) Both Assertion(A) and Reason(R) are True and Reason (R)is the correct explanation ofAssertion(A).

B) Both Assertion(A) and Reason(R) are True, but Reason(R)is not the correct explanation of Assertion(A).

C) Assertion (A) is True, but Reason(R) is False.

D)Assertion(A) is False, but Reason(R) is true.

32. Assertion(A):Satisfactionofpersonnelobjectivesisveryimportantinanorganisation..

Reason(R): Employees are one of the most valuable resources for an organization,Alternatives:

A) BothAssertion(A)and Reason(R) areTrueand Reason(R)isthecorrectexplanationofAssertion(A).

B) BothAssertion(A)andReason(R) areTrue,butReason (R)isnotthecorrectexplanationofAssertion(A).

C) Assertion(A) is True ,but Reason(R) is False.

D) Assertion(A) is False, but Reason(R) is true.

33.Assertion(A):Management principles are developed through observation and repeated experimentation.

Reason(R):Outcomes of management principles can be predicted accurately

.Alternatives:

A) Both Assertion(A) and Reason(R) are True and Reason(R) is the correct explanation of Assertion(A).

B) Both Assertion(A) and Reason(R) are True, but Reason(R)is not the correct explanation of Assertion(A).

C) Assertion(A) is True, but Reason(R) is False.

D)Assertion (A) is False, but Reason(R) is true.

Q. Nos 34-37 are based on the following CASE.

Anu is a well-known face in the field of publishing. She owes the success of her business to her own education in business management and her team of certified management consultants. Therefore, she decides to send both her children Shreya and Darshal abroad to acquire degrees in the field of business management in their individual areas of expertise.

She 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.

On the basis of the above case;

34. If Anu considers management as a discipline, identify the reason

- (a) a lot of literature is available
- (b) it is a skillful activity
- (c) requires regular practice
- (d) has a code of conduct

35. Identify the concept of management in the above case

- (a) science
- (b) both Art & Science
- (c) profession
- (d) art

36. Every manager applies his personal skill and knowledge in the day-to-day functioning of an enterprise. It is proved because

- (a) management is an art
- (b) management is a science
- (c) management is a profession
- (d) none of these

37. Identify the features of management as a profession

- (a) systematic body of knowledge
- (b) restricted entry
- (c) service motive
- (d) all of the above

Read the following and answer questions from 38 to 42 on the basis of the same:

. Alcargo Ltd is a operating its business on large scale. Co. realizes that human resources are the most important assets of its business, So HRM Department is set up to show a developmental path to the employees through proper training modules and job enrichment. Time to time incentives and awards are given to employees which was based on their performance, which keeps the employees highly motivated. Ravi , just a graduate in humanities is appointed as the Plant superintendent in the company. Ravi knew that there are certain theories and principles of management based on deep observation and experimentation. So, he studied various theories and principles of management before joining the Company. Ravi is very energetic and he likes to deal with severe situations. On August 20th, He informed his boss that the goal he had been assigned had been achieved and the quality was also very good. The best part is that there is one day left for the deadline , which is August 21. However, his boss was dissatisfied because the expenses incurred by his team to complete the project exceeded the upper limit (norms).

38 Which objective of management is pursued by management of Alcargo Ltd.:

- a) Organizational objectives
- b) Social objectives
- c) Personal objectives
- d) None of these

39. Identify the feature of profession which is not applicable here - “Ravi, just a graduate in humanities is appointed as the Plant superintendent in the company.’

- a) Well defined body of knowledge
- b) Restricted Entry
- c) Ethical code of conduct
- d) Service Motive

40. Which aspect of management is violated by Ravi in above case?

- | | |
|------------------|----------------|
| a) Planning | b) Efficiency |
| c) Effectiveness | d) Controlling |

41. Identify the nature of management highlighted in this line-“Ravi knew that there are certain theories and principles of management based on deep observation and experimentation.”

- | | |
|-----------------------------|--------------------------|
| a) Management as Profession | b) Management as Science |
| c) Management as an Art | d) None of the above |

42. Which aspect of management is followed by Ravi in above case?

- | | |
|------------------|----------------|
| a) Planning | b) Efficiency |
| c) Effectiveness | d) Controlling |

ANSWER KEY

BUSINESS STUDIES

CLASS XII

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Multiple Choice Questions; Answer;

1. Ans. (a)

2. Ans (b)

3. Ans. (a)

4. Ans. (a)

5. Ans. (c)

6. Ans.(d)

Explanation:

(d) Management is considered to be a deliberate process as it involves creating an environment which is conducive to efficient and effective performance (achieving goals).

7. Ans. (c)

Explanation: Ans c; because all the functions must be performed in proper sequence (in chronological order)

8. Ans (d)

EXPLANATION; Ans; d ; as there is no restricted entry in the field of management like other profession.

9. Ans (a)

EXPLANATION; Ans; a ; as there is no restricted entry in the field of management (manager) like other profession.

10. Ans (a)

11. Ans (a)

12. Ans (d)

EXPLANATION; Ans; d; because management is all pervasive which is required in every field of life.

13. Ans (c)

EXPLANATION; Ans; c; as it is focusing on achieving goals effectively and efficiently.

14. Ans (b)

EXPLANATION; Ans;b ; effectiveness is concerned with successful achievement (completion) of target within time frame irrespective of cost factor.

15. Ans (c)

EXPLANATION; Ans; c; because lack of efficiency and effectiveness leads to mismanagement which is considered as poor management.

16. Ans (b)

EXPLANATION; Ans;b; because management aims on achieving goals/target.

17. Ans (c)

EXPLANATION; Ans; c; as management keeps on changing according to prevailing market situations.

18. Ans (c)

EXPLANATION; Ans; c; because art is considered as application of acquired knowledge by using personalized skills.

19. Ans. (d)

20. Ans. (b)

21. Ans (C)

Assertion-ReasoningBasedquestions;

Read the following statements-Assertion (A) and Reason (R), and select the correct alternative in each case:

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- (c) Assertion (A) is true and Reason (R) is false.
- (d) Assertion (A) is false and Reason(R) is true.

22. Ans. (c)

EXPLANATION; because using less resources leads to efficiency and not effectiveness as specified.

23. Ans (a)

EXPLANATION; as coordination is joint responsibility of all.

24. Ans(b)

EXPLANATION; because neither Management is a full-fledged profession nor Management meets the exact criteria of a profession.

25. Ans(a)

EXPLANATION; because managerial functions are performed in chronological order to achieve goals continuously.

26. Ans(a)

EXPLANATION;

27. Ans(a)

EXPLANATION; Ans; c; as management keeps on changing according to prevailing market situations.

28. Ans(d)

EXPLANATION; as management is invisible force.

29. Ans(a)

30. Ans. (c)

EXPLANATION; because various other objectives are also achieved through management.

31. Ans (a)

EXPLANATION; because management is considered as social science and doesn't have exact result always. It is affected by prevailing scenario.

32. Ans. (a)

EXPLANATION; as human resource is the only active source of production.

33. Ans. (c)

EXPLANATION; because neither Outcomes of management principles can be predicted accurately nor deliver same results always.

Q. Nos 34-37 are based on the following CASE.

34. Ans (a)

EXPLANATION; because it can be studied and learnt by going through its available literature.

35. Ans(c)

EXPLANATION; because “certified management and acquiring degree” is indicating it as a profession in the above case.

36. Ans(a)

EXPLANATION; as every manager applies managerial knowledge /principles in their own way using their personalized skills.

37. Ans(a)

Read the following and answer questions from 38 to 42 on the basis of the same:

38. Ans(c)

EXPLANATION; as focus was given on achieving company’s goals.

39. Ans(b)

EXPLANATION; as “Ravi, who is just a graduate in humanities, appointed as the Plant superintendent in the company without having any managerial degree.

40. Ans(b)

EXPLANATION; as he achieved the assigned goals at higher cost by crossing the upper limit of the project.

41. Ans. (b)

EXPLANATION; as science is based on deep observation and experimentation.

42. Ans(c) EXPLANATION; as Ravi achieved the goals with quality ,on 20th august ,one day before the deadline, which was August 21.

CHAPTER :2

“PRINCIPLES OF MANAGEMENT”

1. Mr Mukesh used to manufacture shoes by employing labour who were easily available. When his son after completion is 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.

Answer the following questions. Based on the above case studies.

Which technique of scientific management is used by his son.

- (a) Fatigue study
 - (b) Motion study
 - (c) Method study
 - (d) Work study
2. What is the objective of that technique?
- (a) Finding the best way of doing thing
 - (b) Finding the rest interval
 - (c) Finding the minimum cost
 - (d) All of the above.

Mr Rajiv is the owner of “Laxmi Diary”. 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

Answer the following questions.

3. Which technique of scientific management is applied by Mr. Rajiv?
- (a) Motion study
 - (b) Fatigue study
 - (c) Method study
 - (d) None of the above
4. Which principle of Henry Fayol is followed by him?
- (a) Principle of equity
 - (b) Principle of order
 - (c) Principle of discipline
 - (d) All of the above.

Principles of Taylor and Fayol are mutually complementary. One believed that the management should share the gain with the workers while the other suggested that employee's compensation should depend upon the earning capacity of the company and should give them a reasonable standard of living

Answer the following questions

5. Which principle of Fayol is applied here?
- (a) Remuneration
 - (b) Discipline
 - (c) Equity
 - (d) Esprit the corps
6. Which principle of Taylor is applied here?
- (a) Harmony not discord
 - (b) Cooperation not individualism
 - (c) science not rule of thumb.
 - (d) None of the above

7. Manager of ABC Ltd. does not allocate work as per the capability of workers. Which principle is violated by them.
- (a) Principle of equity (c) Principle of order
(b) Principle of discipline (d) Principle of Division of work
8. The salesman of ABC Ltd. could not achieve his sales target of 1000 units, on enquiry it was found that he was not allowed to take decision related to give discount or credit to any of his customer. State the principle of Management violated in this case.
- (a) Principle of Division of work (c) Principle of authority and responsibility
(b) Principle of order (d) None of these
9. Suraj was engaged in the business of carpet making. Since company was making handmade carpet as well as machine made carpet. There were lot of overlapping of activities, so the Production manager advised there should be two separate division for both of them. Where in each division should have its own incharge plans and execution.

Identify the principle of management insisted by production Manager.

- (a) Unity of command (c) order
(b) Unity of direction (d) Equity
10. Mr. Malhotra, 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. Malhotra immediately agreed and cancelled his trip as he thought attending meeting is more import for company's benefit.
Which principle of Fayol is applied by Mr. Malhotra?
- (a) Principle of subordination of individual interest to general interest.
(b) Principle of equity
(c) Principle of order
(d) Principle of Discipline.
11. The principles of management are said to be flexible as:
- (a) They aim at influencing behavior of human beings.
(b) They are general guidelines to action, but do not provide readymade solutions to management problems.
(c) They can be modified by the manager when the situation so demands.
(d) Their application is dependent upon the prevailing situation at a particular point of time.
12. "Management principles are not as rigid as principles of pure science." Which of the following best describes the given statement?
- (a) Management principles deal with human behaviour and, thus, are to be applied creatively given the demands of the situation.
(b) Principles of management are formed after research in work situations, which are technical in nature. .
(c) Principles of management contribute towards the development of management both as a science and as an art. .
(d) None of the above
13. The principles are guidelines to action but do not provide readymade, straitjacket solutions to all managerial problems. This is so because_____.
- (a) The applications of principles has to be changed as per requirements. '
(b) Real business situations are very complex and dynamic and are a result of many factors.
(c) Principles are like different tools serving different purposes, the manager has to decide which tool to use under what circumstances.
(d) All the above

14. "The principles of management are not rigid prescriptions, which have to be followed absolutely." Which of the following best describes the given statement?
- Management principles aim at influencing behaviour of human beings.
 - Management principles enable a better understanding of the relationship between human and material resources in accomplishing organisational purposes.
 - Management principles are flexible and can be modified by the manager when the situation so demands.
 - None of the above.
15. The application of principles has to be changed as per requirements. For example, employees deserve fair and just remuneration. But what is just and fair is determined by multiple factors. They include contribution of the employee, paying capacity of the employer and also prevailing wage rate for the occupation under consideration. Identify the nature of principles of management highlighted above.
- General Guidelines
 - Flexible
 - Mainly Behavioral
 - Contingent
16. A manager should have the right to punish a subordinate for wilfully not obeying a legitimate order but only after sufficient opportunity has been given to a subordinate for presenting her/his case. Identify the principle of management highlighted above.
- Authority and Responsibility
 - Discipline
 - Equity
 - Stability of Personnel
17. According to Fayol, discipline requires _____.
- Good superiors at all levels
 - clear and fair agreements
 - Judicious application of penalties
 - All of these
18. _____ is an extension of the principle of division of work and specialization to the shop floor; and it violates the principle of Unity of command.
- Cooperation, not individualism
 - Functional foremanship
 - Unity of Direction
 - Standardisation and Simplification of work
19. Which of the following technique of scientific management violate's the principle of Equity?
- Functional foremanship
 - Standardisation and Simplification of work
 - Differential Piece Wage System
 - Method Study
20. A worker directly contacts the CEO of the company with a complaint regarding working conditions in the factory. Which of the following principles is being violated here?
- Unity of Command
 - Discipline
 - Scalar Chain
 - Unity of Direction
21. Same battery can be used in different mobile phones of a particular brand. This is an example of which of the following techniques of scientific management?
- Standardisation of work
 - Simplification of work
 - Method Study
 - Functional Foremanship
22. "She/he keeps machines, materials, tools etc., ready for operations by concerned workers". Whose work is described by this sentence under functional foremanship?
- Route Clerk
 - Repair Boss
 - Gang Boss
 - Instruction Card Clerk

23. Which one of the following statements best describes 'Mental Revolution' as described by F.W. Taylor?
- It implies change of attitude.
 - The management and workers should not play the game of one upmanship.
 - Both management and workers require each other.
 - Workers should be paid more wages..
24. In an organisation, each person should be scientifically selected. Then work assigned should suit his physical, mental and intellectual capabilities. To increase efficiency, they should be given the required training. Efficient employees would produce more and earn more. Which of the following principle of management is highlighted above?
- Science, not rule of thumb
 - Division of work.
 - Development of each and every person to his/her greatest efficiency and prosperity.
 - Remuneration of employees.
25. According to this principle of management, there should be obedience to organisational rules and contract of employment, clear and fair decisions and judicious application of penalties which are necessary for the working of the organisation.
The principle of management referred to above is:
- Authority and Responsibility
 - Discipline
 - Unity of Command
 - Subordination of Individual Interest to General Interest
26. Sanak and Gagan started their career in Wales Limited (a printing press) after going through a rigorous recruitment process. Since they had no prior work experience, the firm decided to give them one year to prove themselves. The principle of management followed by Wales Limited is _____.
- Authority and Responsibility
 - Discipline
 - Equity
 - Stability of Personnel

27. Match the principle of management in Column I with their respective explanation in Column II:

a.	Scalar chain	(i) When no division of the company has a separate plan of action.
b.	Subordination of individual interest to general interest	(ii) When a manager awards contract for supply of raw material to a particular party, which happens to be owned by his relative ignoring other parties, who can supply the same at a cheaper rate.
c.	Unity of direction	(iii) When a subordinate habitually contacts higher authorities in the company by passing his/her immediate superior.
d.	Equity	(iv) When the manager grants one month medical leave to a supervisor with pay and only one week medical leave to accountant.

- (i), (ii), (iii), (iv)
- (iii), (ii), (i), (iv)

- (ii), (i), (iii), (iv)
- (iii), (i), (ii), (iv)

28. Match the technique of scientific management in Column I with their respective explanation in Column II:

a.	Time study	(i) Each specialist is to be assigned work according to her/his qualities. For example, those with technical mastery, intelligence and grit may be given planning work. Those with energy and good health may be assigned execution work.
b.	Method study	(ii) Devising new varieties instead of the existing ones and eliminating unnecessary diversity of products.
c.	Functional foremanship	(iii) Fixing the standard time taken to perform a well-defined job so as to determine the number of workers to be employed; frame suitable incentive schemes and determine labour costs.
d.	Standardisation and simplification of work	(iv) Finding out one best way of doing the job to minimise the cost of production and maximize the quality and satisfaction of the customer.

(a) (iii), (ii), (i), (iv)
(c) (iii), (iv), (i), (ii)

(b) (ii), (i), (iii), (iv)
(d) (i), (iii), (ii), (iv)

29. Match the technique of scientific management in Column I with their respective explanation in Column II:

a.	Standardisation of work	(i) Separation of planning and execution functions
b.	Simplification of work	(ii) Setting benchmarks for every business activity which must be adhered to during production
c.	Method study	(iii) Eliminating superfluous varieties, sizes and dimensions.
d.	Functional foremanship	(iv) Minimising the cost of production and maximise the quality and satisfaction of the customer

(a) (i), (ii), (iii), (iv)
(c) (ii), (iv), (i), (iii)

(b) (ii), (iii), (iv), (i)
(d) (i), (iii), (ii), (iv)

30. Match the technique of scientific management in Column I with their respective explanation in Column II:

a.	Method Study	(i) To reduce a given line or product to fixed types, sizes and characteristic
b.	Time Study	(ii) Devising new varieties of the existing ones
c.	Standardisation of work	(iii) To find out one best way of doing the job
d.	Simplification of work	(iv) To determine the number of workers to be employed; frame suitable incentive schemes and determine labour costs.

(a) (iii), (iv), (i), (ii)
(c) (ii), (iv), (i), (iii)

(b) (i), (ii), (iii), (iv)
(d) (iii), (i), (ii), (iv)

In the given questions (31 to 38) a statement of assertion followed by a statement of reason is given. Choose the correct answer out of the following choices.

- (a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
 - (b) Both Assertion (A) and Reason (R) are true but Reason (R) is not correct explanation of Assertion (A)
 - (c) Assertion (A) is true but reason (R) is false.
 - (d) Assertion (A) is false but reason (R) is true
- 31.** Assertion (A) : Taylor's technique of functional formanship is based on fayol's principle of division of work.
Reason (R): Taylor advocated separation of planning and execution functions of a foreman through a planning and production in-charge under him.
Each of the in-charge will have four personnel working under him according to their specialisation.
- 32.** Assertion (A) : A principal refers to a statement which reflects the fundamental truth about some phenomenon based on cause and effect relationship.
Reason (R) Management principles are broad and general guidelines for decision making and behaviour of managers.
- 33.** Assertion (A) : Managerial Principles are guidelines for managerial action.
Reason (R): Values are not guidelines for human behaviour.
- 34.** Assertion (A): Management principle can not be applied differently under different conditions
Reason (R): Some changes can be made in application of principles according to the requirement of the company.
- 35.** Assertion (A) : Management principles provides managers with useful insight into reality.
Reason (R): Management principles improve knowledge, ability and understanding of managers under various managerial situations.
- 36.** Assertion (A): Fayol suggested that employees in the organisation must be given an opportunity to take some initiative in making and execution a plan.
Reason (R): It does not help to develop feeling of belongingness in the employees
- 37.** Assertion (A) : Taylor insists that each job performed in the organisation should be based on intuition and not on scientific enquiry.
Reason (R) Taylor insists that standard time for a job should be set up scientifically by performing time study in the organisation and then the day's target should be fixed.
- 38.** Assertion (A) : Technique of "Simplification of Work" eliminate superfluous verities. Sizes and dimensions of products.
Reason (R) Technique of "Simplification of work" reduced inventories, fuller utilisation of equipment and increased turnover to reduce cost.

Answer the Question (39 to 42), Based on below Paragraph

Rajat Joined as a CEO of Bharat Ltd. a firm manufacturing computer hardware. On the first day he addressed the employees. He said that he believed that a good company should have an employee suggestion system and he wished to minimize employee turnover to maintain organisational efficiency. He informed all employees that he would ensure that all agreements were clear, fair and there was judicious application of penalties. However, he said that he believed that lazy personnel should be dealt with sternly to send the message that everyone was equal in the eyes of management. Also that he would want to promote a team spirit of unity and harmony among employees, which would give rise to a spirit of mutual trust and belongingness among team members and eventually minimize need for using penalties. He told all present that the interests of the organization should take priority over the interests of any one individual employee.

39. Identify the principal of management in the following line. “He said that he believed that a good company should have an employee suggestion system”
- (a) Unity of command (c) discipline
(b) Unity of direction (d) initiative
40. Identify the principal of management in following line. “He wished to minimize employee turnover to maintain organizational efficiency.”
- (a) Stability of personnel (c) Centralization and Decentralization
(b) Discipline (d) Remuneration of employees
41. Identify the principal of management in the following lines. “He informed all employees that he would ensure that all agreements were clear, fair and there was judicious application of penalties.”
- (a) Initiative (c) Discipline
(b) Equity (d) Esprit de corps.
42. Identify the principal of management in the following lines “Which would give rise to a spirit of mutual trust and belongingness among team members.
- (a) Discipline (c) Initiative
(b) Unity of command (d) Esprit de corps.

Answer the questions (43 to 46) on the basis of the following paragraph:

Radhika opens a jewellery showroom in Jaipur after completing a course in jewellery 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 specialised 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 discounts 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.

43. Identify the principal of management in “She divided the work into small tasks and each employee is trained to perform his/her specialised job”
- (a) Unity of command (c) Division of work
(b) Unity of direction (d) Discipline

44. Identify the principal “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”
- (a) Division of work (b) Discipline
(c) Initiative (d) Centralisation and decentralisation
45. Identify the principal of management in the following lines. “Therefore after six months when the business was doing well, she awarded a cash bonus to each of these employees to honour her commitment.
- (a) Discipline (b) Initiative
(c) Scalar chain (d) Remuneration
46. Which principle is violated in the following lines. “However when it comes to settling the conflicts among her employees, She tends to be more biased towards her female employees.”
- (a) Discipline (b) Equity
(c) Division of work (d) Justice

Answer the following questions (47 to 50) on the basis of given case study.

As students of a management course Karan and Kunal were asked to prepare a project report on applicability of principles of management in real business situations. In order to conduct the survey Kunal had selected an outlet of a popular chain of fast food restaurant whereas Karan visited a nearby department store. When Kunal presented his report to class, Karan realised that their observations were matching on various grounds. In both the business units, work is divided into small tasks and each is performed by a trained employee. A set of rules are predetermined and communicated to employees for compliance and there is a fixed place for every thing and all employees have been allotted individual space. Moreover, the manager encourage a spirit of mutual trust and belongingness among the employees so that need for imposing penalties is reduced.

47. Identify the principal of management in the following lines “work is divided into small tasks and each is performed by a trained employee.”
- (a) Unity of direction (b) Unity of command
(c) Division of work (d) Initiative
48. Identify the principal of management in following lines “A set of rules are predetermined and communicated to the employees for compliance.”
- (a) Discipline (b) Scalar chain
(c) Unity of command (d) Unity of direction
49. Identify the principles of management in the following lines: “There is a fixed place for everything and all employees have been allotted individual space”
- (a) Unity of direction (b) Order
(c) Scalar chain (d) Equity
50. Identify the principle of management in the following lines: “Managers encourage a spirit of mutual trust and belongingness among the employees”
- (a) Unity of command (b) order
(c) Equity (d) Esprit de corps

Answer Key : PRINCIPLE OF MANAGEMENT

- | | |
|---------|---------|
| 1. - c | 41. - c |
| 2. - a | 42. - d |
| 3. - c | 43. - c |
| 4. - b | 44. - d |
| 5. - a | 45 - a |
| 6. - a | 46 - b |
| 7. - d | 47 - c |
| 8. - c | 48 - b |
| 9. - b | 49 - b |
| 10. - a | 50 - d |
| 11. - c | |
| 12. - a | |
| 13. - b | |
| 14. - c | |
| 15. - d | |
| 16. - a | |
| 17. - a | |
| 18. - b | |
| 19. - c | |
| 20. - c | |
| 21. - a | |
| 22. - c | |
| 23. - c | |
| 24. - c | |
| 25. - b | |
| 26. - d | |
| 27. - c | |
| 28. - c | |
| 29. - b | |
| 30. - a | |
| 31. - a | |
| 32. - b | |
| 33. - c | |
| 34. - d | |
| 35. - a | |
| 36. - c | |
| 37. - d | |
| 38. - a | |
| 39. - d | |
| 40. - a | |

CHAPTER -3

BUSINESS ENVIRONMENT

MULTIPLE CHOICE QUESTION

- Business environment is the sum total of all the factors and forces.....to a business.
(a) Internal (b) Specific (c) External (d) All of these
- Investors, customers, competitors and suppliers come under.....forces.
(a) General (b) Specific (c) General and Specific
(d) None of the above
- Specific attitudes that elected government representatives hold towards business is called..... environment.
(a) Legal (b) Social (c) Technological (d) Political
- Which of the following best indicates the importance of business environment?
(a) Identification (b) Improvement in performance
(c) Coping with rapid changes (d) All of the above
- “There is a great demand for reservation in jobs for economically weaker sections of the society.” Identify the type of dimension of business environment mentioned.
(a) Technological environment (b) Political environment
(c) Legal environment (d) Social environment
- WhatsApp was the first application for mobile chat. Afterwards, many other applications came but still whatsapp is No.1 in mobile chat. Which importance of Business Environment is highlighted here.
(a) Helps in tapping resources (b) Helps in policy making
(c) Identifying threat and getting warning signal
(d) Helps to identify opportunities and getting first mover advantages
- The government of India proposed to encourage e-transactions by encouraging the use of plastic money(through debit, credit and gift cards) or net banking by allowing deductions in usage charges, fees and income tax exemptions. Which component of business environment does it represent?
(a) Economic environment (b) Political environment
(c) Legal environment (d) Social environment
- The court issued the order that for vehicles to be smokeless was most essential and that any one violating this order shall have to pay a heavy fine. Identify the dimension of Business environment?
(a) Economic environment (b) Political environment
(c) Legal environment (d) Social environment
- Which of the following is an example of social environment?
(a) Money supply in the economy
(b) Consumer Protection Act
(c) The Constitution of the country
(d) Composition of family
- Match the following

Column I	Column I
A. Stock Market indicates	(i) Political environment
B. Customs and traditions	(ii) Social environment
C. New techniques of operating business	(iii) Technological environment
D. General stability and peace in the country	(iv) Economic environment

Find the correct option.

- | | | | |
|-----------|-------|------|------|
| A | B | C | D |
| (a) (iv) | (iii) | (i) | (ii) |
| (c) (iii) | (iv) | (ii) | (i) |

- | | | | |
|----------|-------|-------|-----|
| A | B | C | D |
| (b) (ii) | (iii) | (iv) | (i) |
| (d) (iv) | (ii) | (iii) | (i) |

11. which of the following dimensions of business environment includes legislations passed by the government administrative orders issued by government authorities.

- (a) Technological environment (b) Political environment
(c) Legal environment (d) Social environment

12. Which of the following is a component of economic environment? (a) Concern with quality of life

- (b) Rates of saving and investment
(c) Extent of government intervention in business
(d) Birth and death rate

13. Banking sector reform has led to many attractive schemes of deposits and lending money. The banks are offering loans at very nominal rate of interest and with minimum formalities to be completed.

Identify the dimension of Business environment highlighted here?

- (a) Political (b) Social (c) Economical (d) Technical

14. Under which environment effect, IBM and Coca –Cola had to leave India?

- (a) Political (b) Social (c) Economical (d) Technical

15. Introduction of mobile phones have negatively effected the business of cameras and watches it is related to

- (a) Technological environment (b) Political environment
(c) Legal environment (d) Social environment

16. is considered a major element of the economic environment.

- (a) Public debt
(b) The nature of relationship of our country with foreign countries
(c) Birth and death rate
(d) Literacy rates

17. Non-discriminatory employment practices is the part of which dimension of business environment?

- (a) Political (b) Social (c) Economical (d) Legal

18. 'Threats to law and order' is an example ofenvironment of business.

- (a) Political (b) Social (c) Economical (d) Legal

19. The trend of Yoga as a result of COVID -19 relates to...

- (a) Social (b) Political
(c) Technological (d) Legal

20. It is very difficult to predict the changes of Business environment. No one can predict business environment 100% accurately. Which of the following feature of the business environment is highlighted by this point?

- (a) Uncertainty (b) Dynamic (c) Relativity (d) Complexity

Assertion Reasoning MCOs

Direction question number – 21 to 25 There are two statements marked as Assertion (A) and Reason

(R). Read the statements and choose the appropriate option from the options given below

- (a) Both Assertion(A) and Reason (R) is the correct explanation of Assertion (A)
(b) Both Assertion (A) and Reason (R) are true but reason (R) is not the correct explanation of Assertion (A)
(c) Assertion (A) is true but Reason (R) is false
(d) Assertion (A) is false but Reason (R) is true

21. Assertion (A) Entry of new firms in the market may make an enterprise think afresh about how to deal with the situations

Reason (R) Business environment assist in planning and policy formulation.

22. Assertion (A) Demand for sarees may be fairly high in India whereas it may be almost non-existent in America.

Reason (R) Business environment consists of numerous inter-related and dynamic conditions of forces which arise from different sources.

23. Assertion (A) Turbulent market conditions, less brand loyalty, Kodivision and subdivision of market are just a few of the images to describe business environment.

Reason (R) Business environment is getting dynamic where changes are taking place at a slow pace.

24. Assertion (A) Manufacturers have now flexible manufacturing systems.

Reason (R) Agricultural and industrial production trends are the economic dimensions of the environment which affect the business environment.

25. Assertion (A) Reservation of jobs for backward classes as per the constitution of India affects the business environment.

Reason (R) Various elements of legal dimensions affect the business environment.

Case study based MCOs

Direction Read the following text and answer the question number 26-30 on the basis of the same

Neel and Aakash after finishing their graduation under vocational stream decide to start their own travel agency which will book rail tickets and air tickets on commission basis. They also thought of providing tickets within 10 minutes through the use of internet. They discussed the idea with their professor Mr. Singh who liked the idea and suggested them to first analyse the business environment which consist of investors, competitors and other forces like social, political, etc., that may affect their business directly or indirectly. He further told them about the technological improvements and shifts in customer preferences that were taking place and hence, they should be aware of the environmental trends and changes which may hinder their business performance. He emphasised on making plans keeping in mind the threats posed by the competitors so that they can deal with the situation effectively. This alignment of business operations with the business environment will result in better performance.

26. Identify the components of business environment highlighted in the above paragraph

- (a) economic environment
- (b) social environment
- (c) technological environment
- (d) political environment

27. Identify the features of business environment as discussed by Professor Singh with Neel and Akash.

- (a) specific and general forces
- (b) inter-relatedness
- (c) dynamic nature
- (d) uncertainty

28. Identify the points of importance of business environment as stated by Professor Singh in the above situation.

- (a) It enables the firm to identify opportunities and getting the first mover advantage
- (b) It helps the form to identify threats and early warning signals
- (c) It helps in tapping useful resources
- (d) The it helps in assisting in planning and policy formulation.

29. Which of the following is not an element of legal environment

- (a) court judgement
- (b) The extent and nature of government intervention in business
- (c) Government regulations
- (d) Administrative orders issued by the government authorities.

30. Neel and Aakash after finishing their graduation under vocational stream decided to start their own travel agency which will book rail tickets and air tickets on commission basis which dimension of business environment highlighted here.

- (a) Economical
- (b) Political
- (c) Legal.
- (d) social

Direction Read the following text and answer the question number 31-35 on the basis of the same

The government all over the world are becoming more and more cautious towards the environment. To ensure the same, recently, many state governments passed an order to ban polythene bags since these are non biodegradable. As a result, the government also decided to give a subsidy to jute industry (bags). The minister said in the statement that they believe it will be helpful as income of people are rising and people can afford jute bag.

After this subsidy, Aman saw great potential in jute multi-pocket bags business which was not established yet in India but had been flourishing in UK where he studied during his graduation. He launched the product and his business started to boom. So, more companies entered into the market with other articles and improvisations.

31. Which business dimension is highlighted in the line, "As a result, the government also decided to give a subsidy to jute industry (bags)."

- (a) Legal
- (b) Political
- (c) Economic
- (d) Social

32. Which business dimension is highlighted in the line, "The Minister said in the statement that he believes it will be helpful as income of people are rising and people can afford jute bags."?

- (a) Legal
- (b) Political
- (c) Economic
- (d) Social

33. Which merit of business environment is highlighted in the lines, "After the subsidy Aman saw great potential in jute multi-pocket bags business which was not established yet in India but had been flourishing in UK where he studied during his graduation."

- (a) Identify opportunities
- (b) Tapping useful resources
- (c) Coping with rapid changes
- (d) Assisting in planning

34. Which merit of business environment is highlighted in the lines, " He launched the product and his business started to boom. So, more companies entered into the market with other articles and improvisations."

- (a) Identify opportunities
- (b) Identified threats
- (c) Assisting in planning
- (d) Coping with rapid changes

35. Which dimension of business environment is highlighted in the given lines, " To ensure the same, many state government passed an order to ban polythene bags since these are non biodegradable."?

- (a) Political
- (b) Legal
- (c) Technological
- (d) Economic

Direction Read the following text and answer the questionnumber 36-40 on the basis of the same

Yogesh Agro limited started a new venture for distribution of harmful and chemical free fertilizers vegetables they conducted a survey to find out customer preferences for such vegetables.They found out that most of the customers were concerned about the harmful chemicals being used in growing the vegetables. They found out that 90% of the households were searching for alternatives. The company connected a group of agriculture experts to lay down the procedure for growing the vegetables by the farmers. They decided to train the farmers in new technology to grow chemical free vegetables according to new innovative methods. The experts also suggested soil management techniques through which farmers would be able to create an abundant and lasting harvest. Due to increased awareness for healthcare, demand for products of Yogesh agro limited increased and thus the business flourished

36. "They found that most of the customers were concerned about the harmful chemicals being used in growing the vegetables. They found out that 90% of the households searching for alternative." identify the dimension of business environment highlighted above.

- (a) Economic environment
- (b) Social environment
- (c) Technological environment
- (d) Political environment

37. "They decided to train the farmers in new technology to grow chemical-free vegetable according to new innovative methods." Identity the dimension of business environment highlighted above.

- (a) Economic environment
- (b) Social environment
- (c) Technological environment
- (d) Political environment

38. "Due to increased awareness for healthcare demand for products of Yogesh Agro limited increased and thus the business flourished."What feature/ characteristic of business environment is highlighted above?

- (a) Specific and general forces
- (b) Inter-relatedness
- (c) Dynamic nature
- (d) Relativity

39. Which of the following is not a component of economic environment?
- (a) Balance of payments and changes in foreign exchange reserves
 - (b) The nature of relationship of our country with foreign countries
 - (c) Expansion of transportation and communication facilities
 - (d) Volume of imports and exports of different items.
40. "The experts also suggested soil management techniques through which farmers would be able to create an abundant and lasting harvest." which dimension of business environment is highlighted here?
- (a) Technological
 - (b) Legal
 - (c) Political
 - (d) Social

ANSWER KEY

MULTIPLE CHOICE QUESTIONS

1. (c) 2. (b) 3(d) 4(d) 5(d) 6 (d) 7 (a) 8(c) 9(d) 10 (d)
11. (c) 12.(b) 13 (c) 14 (a) 15 (a) 16 (a) 17 (b) 18 (d) 19 (a) 20 (a)

ASSERTION- REASONING MCOs

- 21(a) 22 (b) 23 (c) 24 (b) 25(b)

CASE BASED MCOs

- 26(c) 27 (a) 28 (b) 29 (b) 30 (a)
31 (b) 32 (c) 33 (a) 34 (b) 35 (b) 36 (b) 37 (c) 38 (b) 39 (b) 40 (a)

CHAPTER-4

PLANNING

Q.1 Radha Rani is the C.E.O. of 'Radhika Sales Pvt. Ltd.' Besides other managerial activities, she is an expert in planning. While planning for her company, she noticed that at first several options are gathered, then their evaluation is done and finally the most suitable option is selected. Once she was confronted with such a problem as had only one option available for its solution. To select this very option was her compulsion. Now, for the first time she realized that the necessity of planning is there only when several options are available. Identify the feature of planning in the event stated above.

- (a) Planning is continuous. (b) Planning is futuristic.
(c) Planning involves decision making. (d) Planning is pervasive.

Q.2 Saurabh decided to start a chocolates manufacturing business. He set the target of earning 10% profit on sales in the first year. As a good businessman, he was concerned about the future of the business, which was uncertain. He gathered information that the demand for chocolates is increasing day by day. He used this information as the base for future planning and shared it with his team. On the basis of the gathered information, he scheduled a meeting in the following week to find innovative ways to achieve the objectives. Identify one out of the two steps, which have been followed by Saurabh that are related to the process of one of the functions of management.

- (a) Follow up action (b) Selecting an alternative
(c) Developing Premises (d) Evaluating alternative courses

Q.3 In a business organization, the manager is busy in making plans for the coming year. The company has launched so many new products in the market. The main question before the company is how to advertise the new products. In the answer to this question, the planners collected several suggestions; namely, the job of advertisement should be done by the company itself; for advertisement the help of outsourcing of services should be taken; some of the work of advertisement should be done by the company itself and for some of it the outsourcing should be depended on. Still, other answers to this question are being looked for. Which particular stage of the 'Planning Process' in the above event is being completed by the managers?

- (a) Setting objectives (b) Developing premises (c) Identifying alternative courses of action (d) Evaluating alternative courses

Q.4 Suhani 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 readymade and 'ready to make' vegetable shakes and sattu milk shakes. Then they both weighed the pros and cons of both the shortlisted options. Name the function of management being discussed above.

- a) Planning b) Organizing
c) Directing d) Controlling

Q. Read extract given below and answer the question on the basis of the same.

The CEO of ABC limited, auto mobile enterprise dreams of his company becoming the best player in future for which he sets the objectives, forecast the future and develops various courses of action. He has also made a statement indicating sales volume for the next financial year to achieve the desired sales as highlighted in the statement. He decided to advertise in all the leading newspapers in every state of India for the next six months, so he also wants to train his employees for achieving his sales target.

As a part of the training programme for newly appointed sales executive, CEO fixes responsibility of sales managers as mentors to take the executives for visit to their existing customers and help them learn on the job.

Q.5 Which function of management is highlighted in the first line of the given extract?

1. Planning
2. Controlling
2. Staffing
4. None of these

Q.6 Changes and events cannot be eliminated but they can be anticipated and managerial response to them can be developed. Which importance of planning is highlighted in the above statement?

- a) Planning provides direction.
- b) Planning reduces overlapping and wasteful activities.
- c) Planning reduces the risk of uncertainty.
- d) Planning facilitates decision making.

Q.7 Sales Forecasting is the basis on which a business firm prepares its annual plan for production and sales. Which feature of planning is highlighted in the above case?

- a) Planning focuses on achieving objectives.
- b) Planning is continuous.
- c) Planning is the primary function of management.
- d) Planning is futuristic.

Q. Read the extract given below and answer the questions on the basis of the same. (Q.8-Q.11)

Mona inherited a 30-acres ancestral land from her grandparents. She decided to venture into agriculture, for this purpose she set out specific goals, objectives. Everything was a challenge because she was not aware about farming. She learned every activity and, in the process, thought of assisting other farmers as well. She eventually launched her own company Agro limited. She wanted to be sure that the activities effectively met the best interest of the company and the farmers. Hence, she prepared an annual plan for production, sales and marketing, through sales forecasting she'll realized that farmers were growing only one or two crops. On account of this the land remained idle for the rest of the year. she identified and evaluated different alternatives through which the farms could be utilized throughout the year. She used her foresight and systematic thinking, based on analysis of all fixed analysis of all the facts and examined and evaluated all the alternatives. She presented a plan to the Farmers Union, where after harvesting the primary crops, seasonal vegetables and foods could be grown.

Q.8 Hence she prepared an annual plan for production sales and marketing through sales forecasting. Which feature of planning is depicted in this statement?

1. Planning is continuous
- 2 planning is futuristic
- 3 planning involves decision-making
- 4 planning is a mental exercise

Q.9 For this purpose she set out specific goals objectives and activities which feature of planning is depicted in this statement?

1. Planning focuses on achieving objectives
2. planning is a primary function of management
3. planning involves decision-making
4. planning is a mental exercise

Q.10 Thus, she identified and evaluated different alternatives through which the farms could be utilized throughout the year. Which feature of planning is depicted here?

1. Planning is pervasive
2. planning is continuous
3. planning his futuristic
4. planning involves decision-making

Q.11 She used her foresight and logical and systematic thinking based on analysis of all facts and examined and evaluated all the alternatives. which feature of planning is depicted here?

1. Planning focuses on achieving objectives
- 2 planning is a primary function of management
3. planning is mental exercise
- 4 planning involves decision-making

Q.12 Identify the statement which is not correct.

- a) Planning is required a top-level management only.
- b) Planning facilitates decision-making
- c) Planning is a time consuming process
- d) All are correct.

Q.13 _____ Are the anticipated environments in which plans are expected to operate.

- a) Planning premises
- b) Forecasting
- c) Objectives
- d) none of these.

Q.14 Mr. Ram is the C.E.O. in 'Ram Lakhan General Pvt. Ltd.' He is the head of the team making plans for the company also. He gave a number of suggestions to the team out of which the two main suggestions were: First, Mr. Ram said that they had to face a lot of problem in getting the main raw material used in the company, but in the next year it was possible that they could get it easily. Secondly, in the second coming year the rate of bank interest was most likely to increase, which would affect the company's costs. He laid emphasis on this matter that both of his remarks should be kept in view while preparing the plans. Clarify to which stage of the planning process the above event is related.

- (a) Setting objectives
- (b) Developing premises
- (c) Identifying alternative courses of action
- (d) Evaluating alternative courses

Q.15 Mrs Madhvi Bhire is working as a manager in 'Taarik and Company'. She is involved in a problem related to a particular product. She is unable to decide whether she should produce that product in her own company or she should buy it from the market. She studied both the options deeply with the help of specialists. In order to maintain the company's impression on the minds of the customers, she decided to produce the product in the company itself. She is hopeful of the complete success of this decision. Identify the stage of the 'planning process' on which Mrs Madhvi reached the final decision.

- (a) Evaluating alternative courses
- (b) Selecting an alternative
- (c) Implementing the plan
- (d) Follow-up action

Q.16 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 Jimmy as a 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. Identify and explain the function of management which Jimmy failed to perform by quoting lines from the paragraph.

- 1. Planning
- 2. Directing
- 3. Controlling
- 4. staffing

Q.17 Rakhi Dua is employed at the middle level management of 'Punjab Food Suppliers'. Working in her department she noticed that they are asked to implement the plans prepared by the top management without making any change. Many a time, even though wishing to do so, she cannot make any change in them. As a result of it, the initiative and creativity of the managers at the middle level management, gets killed. Not only this, several times, even opportunities of advantage slip out of hand. Rakhi is very unhappy with this state of affairs of the company, and she is thinking of shifting to some other company at the earliest. Identify the 'limitation of planning' in the above event.

- (a) Planning leads to rigidity.
- (b) Planning may not work in a dynamic environment.
- (c) Planning reduces creativity.

Q.18 Super Fine Rice Ltd. has the largest share of 55% in the market. The company's policy is to sell only for cash. In 2015, for the first time company's number one position in the industry has been threatened because other companies started selling rice on credit also. But the managers of Super Fine Rice Ltd. continued to rely on its previously tried and tested successful plans which didn't work because the environment is not static. This led to decline in sales of Super Fine Rice Ltd. The above situation is indicating two 'limitations of planning' which led to decline in its sales. Identify one of them.

- (a) Planning creates rigidity
- (b) Planning reduces creativity
- (c) Planning involves huge costs
- (d) Planning does not guarantee success

Q.19 Planning is futuristic.

- 1. False
- 2. True

Q.20 All other managerial functions are performed within the framework of the plans drawn. Identify the related feature of planning.

- (a) Planning focuses on achieving objectives.
- (b) Planning is pervasive.
- (c) Planning is futuristic.
- (d) Planning is primary function of management.

Q.21 Planning requires logical and systematic thinking rather than guess work or wishful thinking. Identify the related feature of planning.

- (a) Planning is futuristic.
- (b) Planning is a mental exercise.
- (c) Planning establishes standards for controlling.
- (d) Planning focuses on achieving objectives.

Q.22 Planning cannot foresee everything, and thus, there may be obstacles to effective planning. Identify the related limitation of planning.

- (a) Planning leads to rigidity.
- (b) Planning may not work in a dynamic environment.
- (c) Planning does not guarantee success.
- (d) Planning reduces creativity.

Q.23 Identify the correct sequence of steps involved in the planning process.

- (a) Evaluating alternative courses, Identifying alternative course of actions, Setting objectives, Developing premises
- (b) Setting objectives, Identifying alternative course of actions, Evaluating alternative courses, Developing premises
- (c) Setting objectives, Developing premises, Identifying alternative course of actions, Evaluating alternative courses
- (d) Setting objectives, Developing premises, Identifying alternative course of actions, Evaluating alternative courses

Q.24 By comparing _____ with standards manager can know whether the goals are achieved or not:-

- (a) Risk
- (b) Ideas
- (c) Actual performance
- (d) Costs

Q.25 Planning provides direction is a

- (a) Importance of planning
- (b) Limitation of planning
- (c) Characteristics of planning
- (d) Method

Q.26 Pervasiveness of planning indicates that planning

- (a) is a top management function.
- (b) extends throughout the organization.
- (c) is a future-oriented activity.
- (d) is the first element of management process.

Q.27 _____ is a feature of planning also referred to as primacy of planning.

- (a) Pervasive
- (b) Primary function of management
- (c) Continuous
- (d) Integrating

Q.28 Which of the following quality a manager must possess to succeed in planning?

- (i) Reflective Thinking
- (ii) Imagination
- (iii) Farsightedness
- (iv) All of these

Q.29 Planning requires logical and systematic thinking rather than guess work or wishful thinking. Identify the related feature of planning.

- (i) Planning is futuristic
- (ii) Planning is a mental exercise.
- (iii) Planning establishes standards for controlling.
- (iv) Planning focuses on achieving objectives.

Q.30 Planning results in decreasing _____

- (a) Coordination
- (b) Proper use of resource
- (c) Future uncertainties
- (d) Control

Q.31 Making assumptions for future is called

- (a) Making derivative plans
- (b) Making policy
- (c) Setting planning premises
- (d) All of the above.

Read the extract given below and answer the questions on the basis of the same. (Q.31-Q.32)

After completing a diploma in Bakery and Patisserie, Julie 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 types of pizzas and low sugar muffins in four flavours. Thus, by deciding 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 business. In context of the above case:

Q.32 Identify points highlighting the importance of planning mentioned in the above paragraph.

1. Reduces the risk of uncertainty:
2. Avoiding overlapping and wasteful activities
3. 1 and 2
4. None of these.

Q.33 The limitation of planning which adversely affects Payal's business is:

1. Planning may not work in a dynamic environment:
2. Planning may not guarantee success.
3. Planning involves huge costs
4. None of these.

Q. Read the following text and answer the following questions on the basis of the same: (Q.34-Q.37)

Simplex limited had been taken over by Mundhra Group immediately following India's independence. Since then, it enjoys a rich record of industry presence and experience. In 2005, with the aim to accelerate growth the company had gone through several rounds of meetings and discussions before launching ERP system to attract large projects. The management had done effective forecast and critical thinking regarding allocation resources to reduce wastage. For this purpose, the company had laid down multiple courses of action to meet the challenge of adverse situations. In 2008, the company suffered loss in many projects due to the great recession despite taking many cost cutting measures. The management had taken utmost care regarding the possible outcome and timely review of the plans to achieve the set target during that hard time. In 2010 the system implemented successfully which subsequently helped the company to execute numerous projects with precision and timeliness.

Q.34 "In 2005, with the aim to accelerate growth the company had gone through several rounds of Meetings and discussions." What is the objective mentioned here according to the process stated here?

- | | |
|--------------------------------|-------------------------|
| A. Developing Premises | B. Growth & development |
| C. Launching IT enabled system | D. Cost cutting. |

Q.35 "In 2008, the company suffered loss in many projects due to the great recession despite taking many cost cutting measures." Which limitation of the management process is indicated here?

- | | |
|---|---|
| A. It fails to cope with sudden changes
requires critical thinking | B. It involves huge cost C. It
d) Economic Environment |
|---|---|

Q.36 State whether the given statement is True or False:

“The management had done effective forecast and critical thinking regarding allocation of resources to reduce wastage.”

Q.37 “The management had taken utmost care regarding the possible outcome and timely review of the Plans to achieve the set target during that hard time.” Which is the last step of the Process mentioned here?

- A. Implementation of plan
- B. Timely execution of projects
- C. Follow up
- D. To prepare alternative course of action

Q.38 Match the following

COLUMN I		COLUMN II
1. Mental exercise	(i)	Looking ahead and regarded as forward looking.
2. Futuristic	(ii)	Intellectual activity of thinking rather than doing
3. Continuous	(iii)	Need for a new plan based on future requirements and needs.

A B C

- (a) (ii),(i),(iii)
- (b) (i),(iii),(ii)
- (c) (iii),(ii),(i)
- (d) none of these

Q.39. Mr Reeshabh Bhandari is the chief manager in ‘Bhandari PustakParkashans’. He is fond of continuing to present innovative ideas while planning for his business. His ideas are usually very significant. It has been observed several times that these very ideas take the form of concrete plans. This is the very reason that Mr Bhandari’s contribution to the growth and prosperity of the company continues to be quite great. Identify the ‘importance of planning’ described above.

- (a) Planning provides direction.
- (b) Planning reduces the risk of uncertainty.
- (c) Planning reduces overlapping and wasteful activities.
- (d) Planning promotes innovative ideas.

Q.40 Generally, it is thought that planning is related to the planning cycle. It means that a plan is framed, it is implemented and it is followed by another plan and so on. The above statement is related to a feature of planning, identify it.

- (a) Planning is continuous.
- (b) Planning is futuristic.
- (c) Planning involves decision making.
- (d) Planning is pervasive.

ANSWERS KEY

Q.1. c	Q.2.c	Q.3.c	Q.4. a	Q.5. 1	Q.6. b	Q.7.d
Q.8.2	Q.9.1	Q.10.4	Q.11.3	Q.12. a	Q.13.a	Q.14.b
Q.15.b	Q.16.1	Q.17.c	Q.18.d	Q.19.2	Q.20.D	Q.21.b
Q.22.B	Q.23.c	Q.24.c	Q.25.a	Q.26.B	Q.27.b	Q.28.4
Q.29.2	Q.30.c	Q.31.c	Q.32.3	Q.33.1	Q.34.B	Q.35.A
Q.36. True						
Q.37.c						
Q.38.a						
Q.39.D						
Q.40.A						

Chapter-5

Organising

Multiple Choice Questions

1. Name the process which co-ordinates human efforts, assembles resources and integrates both into a unified whole to be utilized for achieving specified objectives,
(a) Management (b) Planning (c) Organising (d) Directing
2. It refers to the number of subordinates that can be effectively managed by a superior
(a) Organisational structure (b) Informal organisation
(c) Span of management (d) None of the above
3. As the span of management increases in an organisation, the number of levels of management in the organisation
(a) Increases (b) Decreases
(c) Remains unaffected (d) None of the above
4. Uranus Limited is a company dealing in metal products. The work is mainly divided into functions including production, purchase, marketing, accounts and personnel. Identify the type of organisational structure followed by the organisation.
(a) Functional structure (b) Relational structure
(c) Divisional structure (d) None of the above
5. Under this type of organisational structure, manpower is grouped on the basis of different products manufactured.
(a) Divisional structure (b) Functional structure
(c) Network structure (d) Matrix structure
6. Rishabh has joined as a Creative Head in an entertainment company. He always ensures that the work has been divided into small and manageable activities and also the activities of similar nature are grouped together. Identify the related step in organising process being mentioned in the above lines.
(a) Identification and division of work (b) Departmentalisation
(c) Assignment of duties (d) Establishing reporting relationships
7. Identify the correct sequence of steps to be followed in an organising process.
(a) Departmentalisation, Establishing reporting relationships, Assignment of duties, Identification and division of work
(b) Identification and division of work, Departmentalisation, Assignment of duties, Establishing reporting relationships
(c) Identification and division of work, Assignment of duties, Departmentalisation, Establishing reporting relationships
(d) Identification and division of work, Establishing reporting relationships, Departmentalisation, Assignment of duties
8. It is the obligation of a subordinate to properly perform the assigned duty.
(a) Responsibility (b) Authority
(c) Accountability (d) All of the above

9. Which of the following is not a demerit of functional structure?
- (a) It places more emphasis on the objectives pursued by a functional head than on overall enterprise objectives.
 - (b) It may lead to conflict of interests among departments due to varied interests.
 - (c) It leads to occupational specialisation.
 - (d) It may lead to difficulty in co-ordination among functionally differentiated departments.
10. When decision-making authority is retained organisation is said to be by higher management levels, an
- (a) Decentralised
 - (b) Centralised
 - (c) Fragmented
 - (d) None of the above
11. Which of the following cannot be delegated?
- (a) Authority
 - (b) Responsibility
 - (c) Accountability
 - (d) None of these
12. Which of the following is not an element of delegation?
- (a) Authority
 - (b) Accountability
 - (c) Responsibility
 - (d) None of these
13. Harshit Ltd. has grown in size. It was a market leader but with changes in business environment and with the entry of MNCs, its market share is declining. To cope up with the situation CEO starts delegating some of his authority to the General Manager, who also felt himself overburdened and with the approval of CEO disperses some of his authority to various levels throughout the organisation. Identify the concept of management discussed above.
- (a) Delegation
 - (b) Organising
 - (c) Decentralisation
 - (d) Centralisation
14. In which situation the divisional structure happens to be appropriate?
- (a) Where the number of major products is more than one
 - (b) Where the size of the organisation is quite large
 - (c) Both (a) and (b)
 - (d) Where primarily only one product is sold
15. In order to successfully realize the objectives of an organisation, first of all it is ensured which activities will have to be performed. In the list of activities, all the activities, both big and small, are included. But it is not possible to set up separate departments for all the activities. Some similar activities are put together in the same department. In this way some necessary departments are set up. The reason for doing so is to exercise control over unnecessary administrative expenses. Identify the concept of management under which similar activities are put together and departments are set up.
- (a) Departmentalisation
 - (b) Delegation
 - (c) Decentralisation
 - (d) Centralisation
16. The accountability flows
- (a) In all directions
 - (b) Downwards
 - (c) Upwards
 - (d) None of the above

17 Which of the following is not a merit of divisional structure?

- (a) It promotes product specialisation.
- (b) It ensures that different functions get due attention.
- (c) It promotes flexibility and faster decision making.
- (d) It facilitates expansion and growth as new divisions.

18 Centralisation refers to:

- (a) Retention of decision-making authority
- (b) Dispersal of decision-making authority
- (c) Creating divisions as profit centres
- (d) Opening new centres or branches

Match the columns

19. Match the following on the basis of meaning of the content (remembering)

- | | |
|---------------------------|---|
| (i) Divisional structure | (a) formation is based on functions |
| (ii) Functional Structure | (b) number of subordinates that can be managed by superiors |
| (iii) Span of management | (c) product specialization |
| i ii iii | i ii iii |
| A. (a) (b) (c) | B. (a) (c) (b) |
| C. (c) (a) (b) | D. (b) (a) (c) |

20. Match the following on the basis of demerits of the content:

- | | |
|---------------------------|--|
| (i) Divisional structure | (a) Difficult for a multiproduct company |
| (ii) Functional Structure | (b) Difficult to fix responsibility |
| | (c) Non economical |
| i ii | i ii |
| A. (a) (b) | B. (b) (a) |
| C. (c) (a) | D. (b) (c) |

21. Match the following on the basis of features:

- | | |
|---------------------------|---------------------------------|
| (i) Divisional structure | (a) occupational Specialization |
| (ii) Functional Structure | (b) Perfect control |
| | (c) Business Environment |
| i ii | i ii |
| A. (a) (b) | B. (b) (a) |
| C. (c) (a) | D. (b) (c) |

22. Match the following:

- | | |
|---------------------------|--|
| i. Departmentalization. | a. Dividing the work as per plan |
| ii. Assignment of duties. | b. Allocation of responsibility |
| iii. Division of Work | c. The activities which are of similar nature. |
| i ii iii | i ii iii |
| A. (a) (b) (c) | B. (a) (c) (b) |
| C. (c) (a) (b) | D. (c) (b) (a) |

23. Match the following by choosing the correct option:

Column I					Column II				
i.	Leads to specialization				a.	Delegation			
ii.	Functional anddivisional				b.	Step of organising process			
iii.	It has narrow scope				c.	Importance of organization			
iv.	Establishing reporting relationships				d	Types of organisation structure			
	i	ii	iii	iv.		i	ii	iii	iv
A.	(a)	(b)	(c)	(d)	B.	(b)	(d)	(a)	(c)
C.	(c)	(d)	(a)	(b)	D.	(d)	(a)	(b)	(c)

24. Match the following:

i.	Authority			a.	Arises from formal position		
ii.	accountability			b.	Arises from delegation of authority		
iii.	Responsibility			c.	Arises from responsibility		
	i	ii	iii		i	ii	iii
A.	(a)	(b)	(c)	B.	(a)	(c)	(b)
C.	(c)	(a)	(b)	D.	(c)	(b)	(a)

25. Q 28. Match the steps in the process of organising' in Column I with the appropriate 'explanation' in Column II:

Column I					Column II				
i.	Identification and division of work activities				a.	Dividing work into manageable			
ii.	Departmentalisation				b.	Establishing a hierarchal structure			
iii.	Assignment of duties				c	Grouping similar activities together			
iv.	Establishing authority & reporting relationships				d.	Allocating jobs to the members of each department			
	i	ii	iii	iv.		i	ii	iii	iv
A.	(a)	(b)	(c)	(d)	B.	(a)	(c)	(d)	(b)
C.	(c)	(d)	(a)	(b)	D.	(d)	(a)	(b)	(c)

Multiple Choice Questions on Assertion -Reasoning Type

26 **Assertion(A):** Identification and division of work is the first step in the process of organising.

Reason (R): Organising involves identifying and dividing the work that has to be done in accordance with previously determined plans.

- (a) Both (A) and (R) are true and (R) is the correct explanation of (A)
- (b) Both (A) and (R) are true and (R) is not the correct explanation of A
- (c) (A) is true, but (R) is false
- (d) (A) is false, but (R) is true

27. **Assertion(A):** Assertion (A): Organising provides a clear description of jobs and related duties.

Reason (R): Organising stimulates creativity amongst the managers.

- (a) Both (A) and (R) are true and (R) is the correct explanation of (A)
- (b) Both (A) and (R) are true but (R) is not the correct explanation of A
- (c) (A) is true, but (R) is false
- (d) (A) is false, but (R) is true

28. **Assertion(A):** Functional Organization helps in increasing managerial and operational efficiency and this results in increased profit.

Explanation(R): Functional Organization promotes efficiency in utilisation of manpower as employees perform similar tasks within a department and are able to improve performance.

- (a) Both (A) and (R) are true and (R) is the correct explanation of (A)
- (b) Both (A) and (R) are true but (R) is not the correct explanation of A
- (c) (A) is true, but (R) is false
- (d) (A) is false, but (R) is true

29. **Assertion(A):** Organising helps management in implementing the principle of initiative among employees.

Explanation(R): Organising satisfies the subordinate's need for recognition and provides them with opportunities to develop and exercise initiative.

- (a) Both (A) and (R) are true and (R) is the correct explanation of (A)
- (b) Both (A) and (R) are true but (R) is not the correct explanation of A
- (c) (A) is true, but (R) is false
- (d) (A) is false, but (R) is true

30. **Assertion(A):** Authority determines the superior subordinate relationship wherein the superior communicates his decision to the subordinate, expecting compliance from him and the subordinate executes the decision as per the guidelines of the superior.

Explanation(R): Accountability is the obligation of a subordinate to properly perform the assigned duty.

- (a) Both (A) and (R) are true and (R) is the correct explanation of (A)
- (b) Both (A) and (R) are true but (R) is not the correct explanation of A
- (c) (A) is true, but (R) is false
- (d) (A) is false, but (R) is true

31. **Assertion (A):** The span of management at the upper level is generally narrow while at the lower level span is wide.

Reason (R) : The task allocated to subordinates at the lower level of management are more specific and precise and thus making supervision easy and simple.

- a. (A) is correct, but (R) is wrong
- b. (A) is wrong, but (R) is correct
- c. Both (A) and (R) are correct
- d. Both (A) and (R) are wrong

32. **Assertion (A):** Delegation helps a manager to extend his area of operations as without it, his activities would be restricted to only what he himself can do.

Reason (R): A manager, no matter how capable he is, cannot manage to do every task on his own. The volume of work makes it impractical for him to handle it all by himself.

- a. Both Assertion (A) and reason (R) are true.
- b. Both Assertion (A) and reason (R) are false
- c. Assertion (A) is true and reason (R) is false
- d. Assertion (A) is false and reason (R) is true

33. **Assertion (A):** Delegation does not mean abdication.

Reason (R): A manager is under obligation to perform the delegated task.

- a. Both Assertion (A) and reason (R) are true.
- b. Both Assertion (A) and reason (R) are false
- c. Assertion (A) is true and reason (R) is false
- d. Assertion (A) is false and reason (R) is true

34. **Assertion (A):** Responsibility is derived from authority and accountability is derived from responsibility.

Reason (R): Responsibility is the obligation of a subordinate to properly perform the assigned duty, for which he/she has been delegated authority by his/her superior. Once authority has been delegated and responsibility accepted, one cannot deny accountability.

- a. Both Assertion (A) and reason (R) are true.
- b. Both Assertion (A) and reason (R) are false
- c. Assertion (A) is true and reason (R) is false
- d. Assertion (A) is false and reason (R) is true

35. **Assertion (A):** A large sized organisation can be totally decentralised.

Reason (R): As an organisation grows in size and complexity, there is a tendency to move towards decentralised decision-making. Complete centralisation would imply concentration of all decision making functions at the apex of the management hierarchy.

- a. Both Assertion (A) and reason (R) are true.
- b. Both Assertion (A) and reason (R) are false
- c. Assertion (A) is true and reason (R) is false
- d. Assertion (A) is false and reason (R) is true

36. **Assertion (A):** Decentralisation must always be balanced with centralisation in areas of major policy decisions.

Reason (R): Decentralisation recognises the decision maker's need for autonomy. The management, however, needs to carefully select those decisions which will be pushed down to lower levels and those that will be retained for higher levels.

- a. Both Assertion (A) and reason (R) are true.
- b. Both Assertion (A) and reason (R) are false
- c. Assertion (A) is true and reason (R) is false
- d. Assertion (A) is false and reason (R) is true

37. **Assertion (A):** Decentralisation should be applied with caution by the top management.

Reason (R): It can lead to organisational disintegration if the departments start to operate on their own guidelines which may be contrary to the interest of the organisation.

- a. Both Assertion (A) and reason (R) are true.
- b. Both Assertion (A) and reason (R) are false
- c. Assertion (A) is true and reason (R) is false
- d. Assertion (A) is false and reason (R) is true

38. **Assertion (A):** Organisation structure is the outcome of the planning process.

Reason (R): The organising process leads to the creation of an organisation structure which includes the designing of roles to be filled by suitably skilled people and defining the inter-relationship between these roles so that ambiguity in performance of duties can be eliminated.

- a. Both Assertion (A) and reason (R) are true.
- b. Both Assertion (A) and reason (R) are false
- c. Assertion (A) is true and reason (R) is false
- d. Assertion (A) is false and reason (R) is true

39. Assertion (A): The need for an adequate organisation structure is felt by an enterprise whenever it grows in size or complexity.

Reason (R): As an organisation grows, coordination becomes difficult due to the emergence of new functions and increase in structural hierarchies. Thus, for an organisation to function smoothly and face environmental changes, it becomes necessary to pay attention to its structure.

- a. Both Assertion (A) and reason (R) are true.
- b. Both Assertion (A) and reason (R) are false
- c. Assertion (A) is true and reason (R) is false
- d. Assertion (A) is false and reason (R) is true

40. **Assertion (A):** Organisation structure is an indispensable means; and the wrong structure will seriously impair business performance and even destroy it.

Reason (R): A proper organisation structure is essential to ensure a smooth flow of communication and better control over the operations of a business enterprise. It specifies the relationships between people, work and resources.

- a. Both Assertion (A) and reason (R) are true.
- b. Both Assertion (A) and reason (R) are false
- c. Assertion (A) is true and reason (R) is false
- d. Assertion (A) is false and reason (R) is true

Case Study Based Questions

41. Read the extract given below and answer the questions on the basis of the same:

Mohit, the owner of 'Ravi Constructions' decided to begin a campaign in order to create awareness among the residents for creating a clean and safe environment. In an effort to develop clean surroundings in the area, he formed a team of 30 members to list the different ways that can be adopted for keeping the area clean. Different people had different suggestions, someone suggested to take the help of local residents including young children, one suggestion was to involve unemployed youth. The idea to take the help of volunteers was also given. A combination of the most effective strategies after evaluating all options was selected for implementation. To achieve the desired goals and objectives, various activities were identified like:

- (i) Purchase of essential items like dustbins, garbage bags, brooms, phenyl, etc.
- (ii) Door-to-door collection of garbage.
- (iii) Recycling of garbage. (iv) Disposal of garbage, etc.

Thus, an organisational design was chosen which grouped similar activities together in order to minimise duplication of effort. After identification and grouping of these activities, the work was allocated among the different members.

(a) "After identification of different activities the work was allocated to different members."

Which step does this represent in the process of organising?

- (i) Identification and division of work
- (ii) Departmentalisation
- (iii) Assignment of duties
- (iv) Establishing reporting relationships

(b) "Thus, an organisational design was chosen which grouped similar activities together in order to minimise duplication of effort." Which step under the process of organising is being referred to in this line?

- (i) Identification and division of work
- (ii) Departmentalisation
- (iii) Assignment of duties
- (iv) Establishing reporting relationships

(c) **"Thus, an organisational design was chosen which grouped similar activities together in order to minimise duplication of effort." Which step under the process of organising is being referred to in this line?**

- (i) Identification and division of work
- (ii) Departmentalisation
- (iii) Assignment of duties
- (iv) Establishing reporting relationships

(d) **"Thus, an organisational design was chosen which grouped similar activities together in order to minimize duplication of effort." Which organisational design is being referred to in this line?**

- (i) Functional
- (ii) Formal
- (iii) Divisional
- (iv) Informal

42. Read the extract given below and answer the questions on the basis of the same:

Aman decided to start a business of manufacturing toys. He identified the following main activities which he has to perform: (i) purchase of raw materials, (ii) purchase of machinery, (iii) production of toys; (iv) arrangement of finance; (v) sale of toys; (vi) identifying the areas where they can sell their toys; (vii) selection of employees. In order to facilitate the work he thought that four managers should be appointed to look after: (a) production (b) finance (c) marketing (d) personnel. As planned, all this was executed and the business started doing well. But the manager of production department is overburdened with routine work and is unable to concentrate on core issues of the department. To overcome this problem, he entrusted some of his responsibility and authority to his immediate subordinate

(a) Identify the function of management involved in the above mentioned paragraph.

- (i) Planning
- (ii) Organising
- (iii) Directing
- (iv) Controlling

(b) Which concept/process is used by the production manager?

- (i) Decentralisation
- (ii) Delegation
- (iii) Training
- (iv) Coordination

(c) The concept identified in point (b), is an extension to one of the principles of management. Name that principle.

- (i) Authority and responsibility
- (ii) Division of work
- (iii) Centralisation and decentralization
- (iv) Unity of direction

(d) Who will be accountable finally if the subordinate is unable to complete the task accordingly within time?

- (i) The Manager
- (ii) The Subordinate
- (iii) Both (i) and (ii)
- (iv) None of these

ANSWER KEY

1. c
2. c
3. b (because more subordinates can be effectively managed by a superior)
4. a(as the people are being grouped on the basis of functions)
5. a (the divisions are created on the basis of products)
6. b
7. b
8. a
9. c
10. b
11. c(Accountability, in short, means being answerable for the end result.)
12. d
13. c (Decentralization is a systematic delegation of authority at all levels of management)
14. c
15. (c)(a subordinate is accountable to his superior)
16. d
17. b
18. a
19. C (i-c, ii-a,iii-b)
20. C ((i)-(c), (ii)-(a))
21. B ((i)-(b),(ii)-(a))
22. D ((a)-(iii),(b)-(ii), (c) – (i))
23. C
24. B (i-a, ii-c,iii-b)
25. b
26. a (The organising function begins with the division of total work into smaller units.)
27. b (Clarity in working relationships enables proper execution of work.)
28. a
29. a
30. c(Responsibility is the obligation of a subordinate to perform a duty)
31. c
32. a
33. c(the manager shall still be accountable for the assigned task)
34. a
35. d
36. a
37. a(Decentralisation must always be balanced with centralisation in areas of major policy decisions.)
38. d(Organisation structure is the outcome of the Organising process.)
39. a
40. a
- 41-a-(iii)
- 41-b-(ii)
- 41-c-(ii)
- 41-d-(i)
- 42-a-(ii)
- 42-b-(ii)
- 42-c-(ii)
- 42-d-(i)

PART : B

CHAPTER :11 (MARKETING MANAGEMENT)

(Concept based questions)

1. With which element is exchange mechanism related?
 - (a) Publicity
 - (b) Marketing
 - (c) Advertising
 - (d) Branding
2. Which one of the following is a marketing management philosophy?
 - (a) Societal marketing concept
 - (b) Distribution concept
 - (c) Direct marketing concept
 - (d) Channel concept
3. Which one of the following is not a marketing mix?
 - (a) Product
 - (b) Physical distribution
 - (c) Product pricing
 - (d) Production process
4. Marketing is called a ____ process because it involves interaction of buyers and sellers.
 - (a) Economic
 - (b) Social
 - (c) Legal
 - (d) Political
5. ____ is the marketing function which is concerned with informing the customers about the firm's products.
 - (a) Transportation
 - (b) Selling
 - (c) Advertising
 - (d) Public Relations

CCT Based questions

6. Hena is planning to set up a small manufacturing unit for manufacturing eco-friendly packaging material. She has decided to market her products through the conventional channel of distribution, which involves wholesalers and retailers. Identify the channel of distribution being adopted by the company.
 - (a) Zero level channel
 - (b) One level channel
 - (c) Two level channel
 - (d) Three level channel
7. Within 2 years of its inception, Bhavishya Limited has created a very positive reputation about itself and its products in the eyes of general public by participating extensively in various social welfare programs. Identify the component of promotion mix described in the given lines.
 - (a) Advertising
 - (b) Personal selling
 - (c) Public relation
 - (d) Sales promotion
8. Harshit is planning a start up a venture for offering mobile pet care services at door step. He has decided to charge Rs. 1000 for heated hydrobath & blow dry of a pet and Rs. 500 for shampoo and conditioning. Identify the element of marketing mix which is not being described in the above case.
 - (a) Product
 - (b) Place
 - (c) Price
 - (d) None of the above

9. Guneet went to a shop and expressed her desire to buy a copper water bottle only of Prestige company. Identify the component related to branding being described in the above case.
- (a) Trademark
 - (b) Generic name
 - (c) Brand name
 - (d) Brand mark
10. Karam Limited is offering a travel package for 15 destinations worldwide with a free insurance on the bookings for the month of December, 2019. Identify the feature of marketing being described in the above lines.
- (a) Needs and wants
 - (b) Creating a market offering
 - (c) Customer value
 - (d) Exchange mechanism
11. Agile Limited has launched a new range of air conditioners in order to add value to the usability of the product. The new range of air conditioners have an inbuilt air purifier and are available in attractive colours. Identify the type of marketing philosophy being described in the above lines.
- (a) Product concept
 - (b) Production concept
 - (c) Marketing concept
 - (d) Societal marketing concept
12. Sujhav Limited is a company dealing in various types of fire extinguishers. Considering the fact that people generally don't buy fire extinguishers, the company undertakes aggressive sales promotion efforts in order to create and maintain demand for the product. Identify the type of marketing philosophy being described in the given case,
- (a) Product concept
 - (b) Selling concept
 - (c) Marketing concept
 - (d) Societal marketing concept
13. Madhubala is planning to launch an online education portal. In order to understand the varied needs of the students, she conducted an online survey. Based on the feedback of the survey, she has decided to offer educational packages to the prospective buyers. Identify the type of marketing concept being described in the given lines.
- (a) Product concept
 - (b) Production concept
 - (c) Marketing concept
 - (d) Societal marketing concept
14. Pragati Limited has chalked out an action plan in order to increase its market share in the international market by 20% in the next one year. The action plan contains the details about how the production levels will be increased, promotional activities will be carried out and so on. Identify the type of marketing function being described in the given lines.
- (a) Gathering and analysing market information
 - (b) Marketing planning
 - (c) Product designing and development
 - (d) Packaging and labeling

15. What does the symbol given below denote?



- (a) Brand name
 - (b) Brand mark
 - (c) Trademark
 - (d) Generic name
16. Sugandha purchased a pack of crayons for her daughter from a nearby stationery shop. She noticed that the crayons were packed in a portable transparent plastic bag. Identify the level of packaging being described in the above lines.
- (a) Primary package
 - (b) Secondary packaging
 - (c) Transportation packaging
 - (d) None of the above
17. On visiting a supermarket to buy a pack of moisturizer, Harsha noticed that the packaging of most of the beauty products exhibited a photograph of a celebrity. Identify the related function of packaging being described in the given case.
- (a) Facilitates the use of product
 - (b) Assists in promotion of the product
 - (c) Helps in product identification
 - (d) Provides protection to the product
18. The labelling of a pack of oats cookies explains how the product is beneficial in adding fibre to the diet and the other related health benefits. Identify the related function of labelling being described in the given case.
- (a) Describes the product and specifies its content
 - (b) Identification of the product or brand
 - (c) Grading of products
 - (d) Helps in promotion of the products
19. Identify the related function of labelling being depicted below as given on the pack of the chips.



- (a) Describes the product and specifies its content
 - (b) Grading of products
 - (c) Helps in promotion of the products
 - (d) Identification of the product or brand
20. Mehak Limited has hired 300 salesmen who will be assigned the task of contacting prospective buyers and creating awareness about the new range of organic incenses introduced by the company. Identify the element of promotion been described in the given lines.
- (a) Advertising
 - (b) Sales promotion
 - (c) Personal selling
 - (d) Public relation

(Case study based questions)

- 1 “Time Line” watch manufacturing company is a renowned company marketing watches. It performs various activities like, market analysis, product designing or merchandising, packaging, warehousing, branding, pricing, promotion and selling. The company maintains good customer relations through various follow up activities. This helps the company in procuring repeat sales orders.
- (I) Name the concept related to the activities mentioned in the above paragraph.
a) Marketing b) Selling c) Industry d) Packaging
- (II) Which concept of marketing is used to develop good relations with customers?
a) Branding b) sales promotion c) labeling d) public relation
- 2 “Every time I travelled, people asked me to bring them chips, khakra and pickles from all over the country,” says Anoushka. Finally, she and her colleague, Sumeet, decided to make a business out of it. They launched a Facebook page, asked people what they wanted, and they came up with a list of about 100 places and tied-up with two dozen vendors to begin with. They were servicing people from Jaipur who wanted spices from Kerala, people from Panipat who wanted halwa from Jammu and people from Delhi who ordered fresh tea leaves from Darjeeling. Through their business, they wished to bridge the gap between sellers and buyers. The business is now worth millions..
- I) Which function of marketing was performed by both friends while acquiring information about people’s choice through facebook page?
a) Gathering and analysing marketing information
b) Marketing planning
c) Branding
d) None of these.
- II) Which promotional tool is suitable for them
a) Advertising
b) Personal selling
c) Publicity
d) Sales promotion.
- III) Important element of marketing mix that Anouskha and Sumeet will have to be involved in for making the goods available to customers at the right place, in the right quantity and at the right time is:
a) Product b)Price c)Promotion d)Place.
- 3 Radhika was a student of Business Studies of Class XII. Her father was a farmer who grew different varieties of rice and was well-versed in the various aspects of rice cultivation. He was also selected by the government for a pilot-project on rice cultivation. As a project work in Business Studies, she decided to study the feasibility of marketing good quality rice at a reasonable price. Her father suggested her to use the Internet to gather customers’ views and opinions. She found that there was a huge demand for packaged organic rice. She knew that there were no predetermined specifications in case of rice because of which it was difficult to achieve uniformity in the output. To differentiate the product from its competitors, she gave it the name of ‘Malabari Organic Rice’ and classified it into three different varieties, namely — Popular, Classic and Supreme, based on the quality. She felt that these names would help her in product differentiation.

- I) Radhika has given a special name to her product, what does this name refer to?
 - a) Brand name
 - b) Brand Mark
 - c) Generic name
 - d) Trade mark
 - II) **Radhika** has classified her product into different varieties, which function of marketing has been performed by Radhika in this step?
 - a) Gathering and analysing marketing information
 - b) Standardisation and Grading
 - c) Product designing and development
 - d) None of these
 - III) Radhika's father suggested her to use internet for acquiring information about people's taste and preferences. Why is it necessary to know about taste and preferences of customers in marketing
 - a) It is essence of marketing
 - b) Customers are required for profit making.
 - c) Customer is called king of market
 - d) Customer satisfaction is main objective of marketing.
- 4 Haryaram is a famous chain selling a large variety of products in the Indian market. Their products include chips, biscuits, sweets and squashes. It charges a comparatively higher price than its competitors as it sells quality products. Besides, it offers regular discounts to its customers and easy credit terms to its retailers. It has five of its own retail shops. It also sells its products through various grocery stores so that the products are made available to customers at the right place, in the right quantity and at the right time. It regularly uses different communication tools to increase its sales.
- I) Which type of products are sold by Haryaram?
 - a) Consumer goods
 - b) Producer goods
 - c) Services
 - d) None of the above.
 - II) Which philosophy of marketing management is being used by Haryaram?
 - a) Production concept
 - b) Product concept
 - c) Selling concept
 - d) Marketing concept
 - III) Which promotional tool is being used by offering discounts to customers ?
 - a) Advertising
 - b) Personal selling
 - c) Sales promotion
 - d) Public relations
 - IV) Haryaram is selling goods through grocery store, which channel of distribution is being used by Haryaram?
 - a) Direct channel
 - b) One level
 - c) Two level
 - d) None of these

- 5 As a project work in Business Studies, the Commerce students of Himachal Public School, Himachal Pradesh thought of preparing apple jam from the apples grown in their school premises and sell it in the school annual fete. They approached the Principal who not only appreciated the students but also gave her consent for the same. The school decided to donate 50% of the revenue generated from the sale to a nearby orphanage. After the school fete, the school also decided to extend this project by providing employment to visually challenged and disadvantaged sections of society on regular basis

I) Product-related decisions which the students had to take to identify product in the market:

A) Branding

B) labelling

C) packaging

D) None of these

II) Label of jam should be:

a) Brand label

b) Grade label

c) Descriptive label

d) None of the above

- 6 Unilever has found a new way to make ice creams by using an ingredient called 'ice structuring protein' which is widely found in nature especially, in fishes which allows them to survive in freezing arctic waters. Combining ISP with stabiliser technology allows to make ice creams that don't melt so easily thereby making it more convenient for small children and consumers in hot countries.

In the context of above case:

I) The component of marketing mix being taken into consideration by the company.

a) Product b) price c) place d) promotion.

II) The function of marketing highlighted here.

a) Gathering and analysing marketing information

b) Marketing planning

c) Product designing and development

d) Branding.

- 7 As the number of people making online purchases has increased manifolds, there is a growing concern about the disposal and management of packaging waste. Every item bought is delivered with excess packaging and sometimes even non-biodegradable materials are used.

In the context of above case:

I) Name the levels of packaging that the marketers uses for extra protection besides the immediate package.

A) Primary packaging

B) Secondary packaging

C) Transportation packaging

D) None of these

- 8 Suraj is a small entrepreneur involved in the manufacturing of hair wax. He finds that cost of production of 100 gm of hair wax is Rs. 250. He has decided to keep a margin of 15% as profit. Moreover, he has assessed that there is a free competition in this product segment. In the context of above case:

- I) Identify the function of marketing being performed by Suraj.
- a) Pricing
 - b) Branding
 - c) Labelling
 - d) Promotion

9. In today's world, through social media, news spread in a flash. Moreover, if it is bad news, it acquires a speed that is virtually impossible to stop. Hence, all corporates are more susceptible to a tarnished image today than in any other day and age. The loss of goodwill may lead to decreased revenue, loss of clients or suppliers and fall in market share. Over the years, therefore, most of the companies have set up a separate department to manage the public opinions about them. The department works in close coordination with the various interest groups like consumers, government, suppliers etc. and strives to handle effectively if any controversies arise.

In the context of above case:

- I) Identify the element of promotion mix being referred to in the above lines.
- a) Advertising
 - b) Publicity
 - c) Personal selling
 - d) Public relations
- II) Which department is formed for this promotional tool?
- a) Marketing department
 - b) Finance department
 - c) Human resource department
 - d) Public relations department.

10. An automobile company is a leading manufacturing company in its segment. The company has decided to launch fully solar charged vehicles. This technology will cost the company ₹2000 crores annually. When the relationship manager of the company was asked about the reason of bearing so much extra cost he replied that the company considered environmental friendly techniques as the only solution to increasing pollution. The company feels by bearing extra cost it is fulfilling its responsibility. Which concept of marketing management is being followed?

- a) production concept
- b) product concept
- c) selling concept
- d) social marketing concept.

Reasoning Assertion based questions

1. Assertion (A) Exchange mechanism is known as essence of marketing.

Reasoning (R) Customer receives goods and services and producer receives price for product through process of exchange.

- a) Both are correct and (R) is the correct explanation of (A)
- b) Both are correct but (R) is not the correct explanation of (A)
- c) Both statements are incorrect
- d) (A) is correct but (R) is incorrect.

2. Assertion (A) the purpose of marketing is to generate customer value at a profit

Reasoning (R) Marketing is the process of satisfying needs and wants of customers through the process of exchange

- a) Both are correct and (R) is the correct explanation of (A)
- b) Both are correct but (R) is not the correct explanation of (A)
- c) Both statements are incorrect
- d) (A) is correct but (R) is incorrect

3. Assertion (A) Selling focuses on profit maximization through maximization of sales

Reasoning (R) Selling is considered as a part of marketing.

- a) Both are correct and (R) is the correct explanation of (A)
- b) Both are correct but (R) is not the correct explanation of (A)
- c) Both statements are incorrect
- d) (A) is correct but (R) is incorrect

4. Assertion (A) Production concept focuses on increasing scale of production to reduce price of products.

Reasoning (R) Production concept is used where demand is more than supply.

- a) Both are correct and (R) is the correct explanation of (A)
- b) Both are correct but (R) is not the correct explanation of (A)
- c) Both statements are incorrect
- d) (A) is correct but (R) is incorrect

5. Assertion (A) Social marketing concept is followed generally by marketers in present time.

Reasoning (R) Social responsibility is considered as an important aspect to get success in the business.

- a) Both are correct and (R) is the correct explanation of (A)
- b) Both are correct but (R) is not the correct explanation of (A)
- c) Both statements are incorrect
- d) (A) is correct but (R) is incorrect

6. Assertion (A) Production mix is the combination of all decisions taken by marketers regarding product.

Reasoning (R) Product mix covers only tangible attributes of products.

- a) Both are correct and (R) is the correct explanation of (A)
- b) Both are correct but (R) is not the correct explanation of (A)
- c) Both statements are incorrect
- d) (A) is correct but (R) is incorrect

7. Assertion (A) Brand is used to identify a product in market by customers.

Reasoning (R) Brand provides a specific name to a product.

- a) Both are correct and (R) is the correct explanation of (A)
- b) Both are correct but (R) is not the correct explanation of (A)
- c) Both statements are incorrect
- d) (A) is correct but (R) is incorrect

8. Assertion (A) Packaging is known as a silent salesman.

Reasoning (R) Attractive and innovative package can attract a lot of customers to purchase the product.

- a) Both are correct and (R) is the correct explanation of (A)
- b) Both are correct but (R) is not the correct explanation of (A)
- c) Both statements are incorrect
- d) (A) is correct but (R) is incorrect

9. Assertion (A) A firm sets lower price per unit to increase profit in long run.

Reasoning (R) Lower price increases demand for the product and market area to earn greater profit through sales .

- a) Both are correct and (R) is the correct explanation of (A)
- b) Both are correct but (R) is not the correct explanation of (A)
- c) Both statements are incorrect
- d) (A) is correct but (R) is incorrect

10. Assertion (A) There should be a balance in level of inventory maintained in warehouse.

Reasoning (R) Higher level will increase the cost of carrying inventory and lower level will make difficult to fulfill demand.

- a) Both are correct and (R) is the correct explanation of (A)
- b) Both are correct but (R) is not the correct explanation of (A)
- c) Both statements are incorrect
- d) (A) is correct but (R) is incorrect

11. Assertion (A) Advertising is called paid form of impersonal communication.

Reasoning (R) Advertising covers a large market area with low cost.

- a) Both are correct and (R) is the correct explanation of (A)
- b) Both are correct but (R) is not the correct explanation of (A)
- c) Both statements are incorrect
- d) (A) is correct but (R) is incorrect

12. Assertion (A) Personal selling is called a dialogue.

Reasoning (R) Personal selling is possible through face to face contact and communication with customers.

- a) Both are correct and (R) is the correct explanation of (A)
- b) Both are correct but (R) is not the correct explanation of (A)
- c) Both statements are incorrect
- d) (A) is correct but (R) is incorrect

13. Assertion (A) Sales promotion activities are occasionally used.

Reasoning (R) Sales promotion activities are short term incentives offered to customers for making immediate purchase.

- a) Both are correct and (R) is the correct explanation of (A)
- b) Both are correct but (R) is not the correct explanation of (A)
- c) Both statements are incorrect
- d) (A) is correct but (R) is incorrect

14. Assertion (A) Expenditure on advertisement is not a waste but a profitable investment.

Reasoning (R) Advertisements increases sales of products in the long run and increases profit for the business.

- a) Both are correct and (R) is the correct explanation of (A)
- b) Both are correct but (R) is not the correct explanation of (A)
- c) Both statements are incorrect
- d) (A) is correct but (R) is incorrect

15. Assertion (A) Industrial products are easily sold through personal selling.

Reasoning (R) Queries of customers can be easily solved in personal selling.

- a) Both are correct and (R) is the correct explanation of (A)
- b) Both are correct but (R) is not the correct explanation of (A)
- c) Both statements are incorrect
- d) (A) is correct but (R) is incorrect

Matching based questions

1.

Statement	Marketing concept
1.Scale of production	a) Product concept
2.Quality of product	b) Selling concept
3.Promotional activities	c) production concept
4.Customer satisfaction	d) Marketing concept.

- a) 1-a, 2-b, 3-d, 4-c
- b) 1-a, 2-c, 3-d, 4-b
- c) 1-c, 2-a, 3-b, 4-d
- d) 1-c, 2-a, 3-d, 4-b

2.

Statement	Marketing mix
1.Combination of tangible and intangible attributes of products	A) Place mux
2.It is related to deciding about pricing of product	B) promotion mix
3.It is related to providing information and persuading customer	C) price mix.
4.Providing product to customer at the right time, at the right quantity and at the right place.	D) product mix.

- a) 1-A, 2-C, 3-D, 4-B
- b) 1-D, 2-C, 3-B, 4-A
- c) 1-C, 2-D, 3-B, 4-A
- d) None of the above.

3.

Statement	Components of product mix
1.Process of preparing a name, sign or symbol for a product	a) Packaging
2.Process of preparing an wrapper or container for product	b) labelling
3.Procees of preparing a slip used to describe information about product	c) branding

- a) 1-b, 2-a, 3-c
- b) 1-c, 2-a, 3-b
- c) 1-a, 2-c, 3-b
- d) 1-c, 2-b, 3-c

4.

Statement	Elements of promotion mix
1.It is paid form of personal communication	a) advertising
2.It is made through identified sponsor	b) sales promotion
3.These are short term incentives	c) personal selling
4.It is non sale communication	d) public relations

- a) 1-c, 2-a, 3-b, 4-d
- b) 1-b, 2-c, 3-b, 4-d
- c) 1-c, 2-a, 3-d, 4-b
- d) 1-d, 2-b, 3-a, 4-d.

5.Make the correct order of following marketing functions

- I) Market planning
- II) Gathering and analysing marketing information
- III) Standardisation and grading
- IV) Product designing and development
- a) I, II, IV, III
- b) I, IV, II, III
- c) II, I, IV, III
- d) IV, I, II, III

Answers of Questions Bank(Marketing Management)

Prepared by Shubham Chaudhary PGT Commerce KVJagdalpur

Concept based questions

- 1.(b) As exchange is known as essence of marketing.
- 2.(a) Social marketing concept
- 3.(d) As production process is not included in marketing mix.
- 4.(b) As marketing is a social process.
- 5.(c) Advertising is a paid form of impersonal communication used to inform customers and persuading them to purchase the product.

CCT based questions

- 6.. (c) As Hena is involving two intermediaries for distribution.
- 7. (c) As public relations activities focus on social welfare
- 8.(d) As product, price and place mix have been discussed in the paragraph
 - Product-Qualities of product
 - Price-Pricing of product
 - Place-Providing product at door step of customers.
- 9.(c) As prestige is a unique name for product.
- 10.(c) As company is increasing utility in the service to increase customer value.
- 11.(a) As company is increasing quality of product.

- 12.(c) As aggressive sales promotion efforts are being made by company.
- 13.(c) As needs and wants of the students are being identified and focused.
- 14.(b) As pragati limited is planning for different aspects of marketing.
- 15.(c) As image is showing that symbol is registered.
- 16.(a) As it is initial layer of packaging.
- 17.(b) In this way, packaging is making promotion of product.
- 18.(d) As it is providing additional information to attract customers.
- 19.(c) As extra offer is being shown on the label.
- 20.(c) As company has hired salespersons for promotion of product.

Case studies based questions

- 1.(I) a) All activities are related to functions of marketing.
(II) d) As public relations is used to develop good relations.
- 2.(I) a) As information is being collected about needs and wants of customers
(II) a) As large area is to be covered.
(III) d) Place mix refers to provide products to customers at the right place, at the right time and at the right quantity.
- 3.(I) a) As the name will be used to launch and identify product in the market.
(II) b) As product is being classified into varieties.
(III) d) As it is main objective of marketing.
- 4.(I) a) As products of company are finally consumed.
(II) b) As company is focusing to improve quality.
(III) c) As short term incentives are being offered
(IV) b) As one intermediary (Retailer) is involved.
- 5.(I) a) As it is used to identify product
(II) c) As it is a food product so description is required.
- 6.(I) a) As product features are being discussed.
(II) c) As product designing is being improved.
- 7.b) As it is providing extra layers of packaging.
- 8.a) As price of product with profit margin has been decided
- 9.(I) d) As public relations is used to improve image in society.
(II) d) Public relations department.
- 10.d) As company is taking step to check pollution.

Reasoning and assertion based questions

- 1.a) As exchange is the process of providing goods and services to customers and price of Product to producer.
- 2.b) Reason is not correct explanation. As marketing generate customer value at profit because customer satisfaction is the main objective of marketing
- 3.b) Reason is not correct explanation. As selling focuses on profit maximization through sales because it is process of converting good into cash.
- 4.b) Reason is not the correct explanation of assertion as production concept focuses on increasing scale of production to increase demand of product in the market.
- 5.a) As social responsibility of business is main reason of following social marketing concept.
- 6.d) As product mix covers tangible and intangible attributes both.
- 7.a) Brand provides a specific name to a product for identification.
- 8.a) Packaging is a silent salesman as it can attract consumer, if it is innovative and attractive.
- 9.a) Lower price increases number of customers.
- 10.a) Balanced level of inventory will cover demand and carrying cost both.
- 11.b) Reason is not the correct explanation as advertising is called a paid form of impersonal communication because amount is to be paid for advertising and it is done through means of communication.

- 12.a) Personal selling is possible with face to face communication
13.a) Sales promotion activities are short term incentives so occasionally used.
14.a) Expenditure on advertisement is not waste but profitable investment because it increases sales and profits for many years.
15.a) Industrial products are easily sold through personal selling because quarries can be easily solved in personal selling.

Matching based questions

- 1.c) Production concept focuses on scale of production
Product concept focuses on quality of products
Selling concept focuses on promotional activities
Marketing concept focuses on customer satisfaction
2.b) Product mix is combination of tangible and intangible attributes of products
Price mix is related to deciding about pricing of product.
Place mix refers to provide products to customers at the right time, at the right place at the right quantity.
Promotion mix refers to provide information to customers about product
3.b) Packaging is the process of preparing a wrapper or container for product
Branding is the process of preparing a name, sign or symbol for identification of products in the market.
Labelling is the process of preparing a slip used to describe contents of products.
4.a) Advertising is done through identified sponsor.
Personal selling is paid form of personal communication
Sales promotion activities are short term incentives offered to customers.
Public relations is a non sales communication.
5.c) Procees of marketing
1. Gathering and analysing marketing information
2. Marketing planning
3. Product designing and development
4. Standardisation and Grading of products.

KENDRIYA VIDYALAYA SANGATHAN RAIPUR REGION
SAMPLE QUESTION PAPER
BUSINESS STUDIES (054)

Time :90 minutes

CLASS XII TERM I 2021-22

MM : 40

1. Gabbar is a wholesaler of food grains. He categorises his stock into different groups on the basis of their quality and also fixes up the prices accordingly. Identify the type of marketing function being mentioned in the given line.

- (a) Physical distribution
- (b) Transportation
- (c) Warehousing
- (d) Standardisation and grading

2. According to the modern marketing concept, which of the following statements is true?

- (a) It refers to the group of people who do not have the ability but willingness to buy a particular product.
- (b) It refers to only the set of people who have the purchasing power to buy a particular product.
- (c) It refers to the set of actual and potential buyers for a product.
- (d) It refers only to the people who show interest in a particular product.

3. According to Taylor, “even a small production activity like loading figures of iron into boxes can be scientifically planned and managed. This can result in tremendous savings of human energy as well as wastage of time and materials.” Identify the related principle of scientific management.

- (a) Harmony, not discord
- (b) Science, not rule of thumb
- (c) Development of each and every person to get his/her greatest efficiency and prosperity
- (d) None of the above

4. This technique of scientific management aims to determine the amount and frequency of rest intervals that should be provided to the employees during working hours.

- (a) Time study
- (b) Method study
- (c) Motion study
- (d) None of the above

5. ‘Twinkle Stars’ is a well-known resort for organising parties, especially for children. However, in past 6 months its popularity has reduced considerably as a new resort with better ambience and facilities has opened within its vicinity. Name the related feature of business environment which has influenced the business of ‘Twinkle Stars’ adversely.

- (a) Totality of external forces
- (b) Dynamic nature
- (c) Interrelatedness
- (d) Uncertainty

6. Agile Limited has launched a new range of air conditioners in order to add value to the usability of the product. The new range of air conditioners have an inbuilt air purifier and are available in attractive colours. Identify the type of marketing philosophy being described in the above lines.

- (a) Product concept
- (b) Production concept
- (c) Marketing concept
- (d) Societal marketing concept

7. Which of the following is the correct matching pair-

- | | | |
|--|-----|---------------------|
| (a) Helps in product protection | --- | Branding |
| (b) Helps in product designing | --- | Packaging |
| (c) Helps in identifying the product | --- | Product Development |
| (d) Helps in providing information to the customer | --- | Labelling Packaging |

8. Which principle of general management advocates that, "Employee turnover should be minimised to maintain organisational efficiency."?

- (a) Stability of personnel
- (b) Remuneration of employees
- (c) Equity
- (d) Esprit De Corps

9. Make the correct order of following marketing functions

- I) Market planning
 - II) Gathering and analysing marketing information
 - III) Standardisation and grading
 - IV) Product designing and development
- a) I, II, IV, III
 - b) I, IV, II, III
 - c) II, I, IV, III
 - d) IV, I, II, III

10. DigiLocker is the country's first secured cloud-based platform for the storage, issuance and verification of documents with the Driving Licence & Vehicle Registration System of the Road Transport Ministry. The integration of a government department with DigiLocker since its launch last year is one of the biggest of its kind. It will spare 1 people the trouble of carrying licences & vehicle papers, which can be accessed on phones using the DigiLocker app. Identify the related dimension of business environment.

- (a) Ecoriomic dimension
- (b) Technological dimension
- (c) Social dimension
- (d) Political dimension

11. Management is equally important to run a political organisation as it is to run an economic organisation. Which feature of management is being reflected in the given statement?

- (a) Management is goal oriented
- (b) Management is multidimensional
- (c) Management is all pervasive
- (d) Management is a group activity

12. (I) Delegation of authority is inevitable and decentralisation is voluntary.

(II) Scope of delegation of authority is limited and the scope of decentralisation is broad.

Both the above statements are:

(a) True

(b) False

(c) Statement (I) is True and Statement (II) is False

(d) Statement (I) is False and Statement (II) is True

13. . India continues to be a lower-middle-income country along with 46 others, while Sri Lanka has climbed to the upper-middle-income group for the fiscal year (FY) 2020, according to the World Bank's classification of countries by income levels, released on July 1, 2019. Identify the related dimensions of business environment.

(a) Social dimension

(b) Technological dimension

(c) Economic dimension

(d) Political dimension

14. Which of the following is not a designation related to top level management?

(a) President

(b) Vice-President

(c) Chairman

(d) Production Manager

15. Two friends—Ramesh Singh and Krishan Gopal—are working as managers in different companies. One Sunday, both of them together set off on travelling. Both of them began talking about the activities going on in their respective companies. Mr Ramesh said that during those days he was busy with the job of planning function of management. Also he told that he was planning in such a way that the other managerial functions should be completed under the framework of plans prepared by him. Identify the feature of planning described in the above discussion.

(a) Planning focuses on achieving objectives.

(b) Planning is a primary function of management.

(c) Planning is pervasive.

(d) Planning is continuous.

16. Which of the following is not an element of delegation?

(a) Responsibility

(b) Authority

(c) Accountability

(d) Decentralisation

. Anil is a Managing director in a toy manufacturing company. He decided to set up a new manufacturing unit of his company in a rural area of Bihar where job opportunities are very less. He believes in using environmental friendly methods of production and aims at giving employment opportunities to the disadvantaged section of the community. As a manager he aims at reducing costs and increasing productivity through better planning, organizing, directing staffing and controlling the activities of the organization. Anil considers human resources as the greatest asset of any organization. Getting work done through others is a major task of a manager as per the views of Anil. As a manager Anil believes that his task is to make workers work towards achieving the organizations' goals. On the basis of the above paragraph answer the following questions. On the basis of the above paragraph, answer the following (questions no 17 to 19):

17. Identify the level of management at which Anil is working.

- (a) Top level management
- (b) Middle level management
- (c) Lower level management
- (d) Supervisory level management

18. Identify the objective of management discussed in the given case (Choose the correct alternative)

- (a) Economic objective
- (b) Organizational objective
- (c) Social objective
- (d) Personal objective

19 "As a manager, he aims at reducing costs and increasing productivity". Name the importance of management highlighted in the given statement. (Choose the correct alternative)

- (a) Management helps in achieving group goals.
- (b) Management creates a dynamic organization.
- (c) Management increases efficiency.
- (d) Management helps in achieving personal **objectives**.

20. Mr Sanjiv Gupta decided to double the production of his company. Now he is going to translate his decision into reality. Here, he is also thinking how many additional/extra machines and workers will be required to achieve the production target. His dream will be possible to be realised only after the arrangement for these extra sources is done. Which stage of 'Planning Process' is being completed by Mr Gupta in the above event?

- (a) Evaluating alternative courses
- (b) Selecting an alternative
- (c) Implementing the plan
- (d) Follow-up action

21. Indigo Limited has a staff of 300 people which is grouped into different departments. The organisational structure depicts that 100 people work in Production department, 150 in Finance department, 20 in Technology department and 30 in Human Resource department. Identify the type of organisational structure being followed by the company.

- (a) Functional structure
- (b) Divisional structure
- (c) Informal structure
- (d) None of the above

22. Shaukeen Ahmed is working as a leading employee at the low level management in 'Balaji Udyog Ltd.' According to one plan, he has to prepare 100 units of high quality of one item in a day, and every unit should not cost more than Rs500. When the work actually started, it was learnt that the desired goods could be prepared within a day, but due to the sudden inflation in the raw material, every unit was to cost Rs 550. Now Mr Shaukeen is in a fix what to do and what not to do. Identify the 'limitation of planning' in the event given above.

- (a) Planning leads to rigidity.
- (b) Planning may not work in a dynamic environment.
- (c) Planning reduces creativity.
- (d) Planning involves huge costs

23. Making assumptions for future is called

- (a) Making derivative plans
- (b) Making policy
- (c) Setting planning premises
- (d) All of the above

(c) Number of subordinates under a superior (d) Number of members in top management

d. A is false but R is true.

29. Assertion (A) Marketing Planning helps in collecting informations about consumers, their requirements and expectations.

Reason (R) These planning are made for increasing the level of production, sales and promotion of products etc.

Codes

- (a) Both A and R are true. R is the correct explanation of A
- (b) Both A and R are true, but R is not the correct explanation of A
- (c) A is correct, but R is incorrect
- (d) A is incorrect, but R is correct

30. Assertion (A): Coordination ensures unity of action.

Reason (R): It gives a common focus to the effort of people with diverse interest.

Find the correct option:

- (a) Both A and R are true and R is the correct explanation of A
- (b) Both A and R are true but R is not the correct explanation of A
- (c) A is true but R is false
- (d) A is false but R is true

31. Which of the following function is performed by the middle-level management?

- (a) Analysis of business environment and its implication for survival of organisation.
- (b) Maintenance of quality output and minimisation of wastage.
- (c) Formulation of organisational goals and strategies.
- (d) Interpretation of the policies framed by the top management.**

32. Assertion (A) Branding is the most important technique in the modern days globalized business.

Reason (R) Companies are decided to sell its products with name of the company or a special brand name to cover a major share in the market.

Codes

- (a) Both A and R are true. R is the correct explanation of A
- (b) Both A and R are true, but R is not the correct explanation of A
- (c) A is correct, but R is incorrect
- (d) A is incorrect, but R is correct

33. The responsibility flows

- (a) In all directions
- (b) Downwards
- (c) Upwards
- (d) None of the above

34. The form of organisation known for giving rise to rumours is called:

- (a) Centralised organisation
- (b) Decentralised organization
- (c) Informal organisation
- (d) Formal organisation

35. Prem Kamboj is working as the top level manager in a business organisation. He has been given the job of preparing the plans for the whole company. Mr Kamboj is an expert in making a correct forecast. At first, he looks for the different options to complete every job, and then on the basis of their evaluation selects the most suitable option. In this way, by taking correct decision and beating his competitors, he is moving forward. To which particular point of the 'importance of planning' is the above event related?

- (a) Planning provides direction.
- (b) Planning promotes innovative ideas.
- (c) Planning establishes standards for controlling.
- (d) Planning facilitates decision making

36. Assertion (A) Packaging ensures safety of the products.

Reason (R) It helps in promoting the product in the market.

Codes

(a) Both A and R are true. R is the correct explanation of A

(b) Both A and R are true, but R is not the correct explanation of A

(c) A is correct, but R is incorrect

(d) A is incorrect, but R is correct

37. Identify the correct sequence of steps to be followed in an organising process.

(a) Departmentalisation, Establishing reporting relationships, Assignment of duties, Identification

and division of work

(b) Identification and division of work, Departmentalisation, Assignment of duties, Establishing

reporting relationships

(c) Identification and division of work, Assignment of duties, Departmentalisation, Establishing

reporting relationships

(d) Identification and division of work, Establishing reporting relationships, Departmentalisation,

Assignment of duties.

38. Which of the following is not a demerit of functional structure?

(a) It places more emphasis on the objectives pursued by a functional head than on overall enterprise objectives.

(b) It may lead to conflict of interests among departments due to varied interests.

(c) It leads to occupational specialisation.

(d) It may lead to difficulty in co-ordination among functionally differentiated departments.

39. Make the correct order of following marketing functions

I) Market planning

II) Gathering and analysing marketing information

III) Standardisation and grading

IV) Product designing and development

a) I, II, IV, III

b) I, IV, II, III

c) II, I, IV, III

d) IV, I, II, III

40. **Assertion (A)** Packaging is known as a silent salesman.

Reasoning (R) Attractive and innovative package can attract a lot of customers to purchase the product.

a) Both are correct and (R) is the correct explanation of (A)

b) Both are correct but (R) is not the correct explanation of (A)

c) Both statements are incorrect

d) (A) is correct but (R) is incorrect

ANSWER KEY : MODEL QUESTION PAPER

1.d), 2. c) , 3.b), 4.d), 5 b), 6 a), 7.d), 8.a), 9.c), 10.b),11c), 12.a), 13.c), 14.d), 15.b),
16.d), 17.a), 18.c), 19.c), 20.c), 21.a), 22.a), 23.c), 24.c), 25.b), 26.a), 27.a), 28.a),
29.d), 30.b), 31.d), 32.a) 33.c), 34.c), 35.d), 36.b), 37.b), 38.c), 39.c), 40.a)