CBSE EXAMINATION PAPER-2023

BUSINESS STUDIES

(Solved)

Time allowed : 3 hours | Maximum Marks : 100

General Instructions :

Read the following instructions carefully and follow them :

i. This question paper contains **39 questions.** All questions are **compulsory.**

ii. This question paper is divided into **4 sections.**

iii. **Section A** – questions number **1 to 20** are multiple choice questions

iv. **Section B** – questions number **21 to 25** are short answer type i

v. **Section C** – questions number **26 to 33** are short answer type ii

vi. **Section D** – questions number **34 to 39** are long answer

vii. There is no overall choice given in the question paper. However, an internal choice has been provided in few questions.

viii. Use of calculator is NOT allowed.

Section A

Question 1. _____ is a standing plan.

[1 Marks]

(A) Programme

(B) Strategy

(C) Budget

(D) Rule

Explanation: A standing plan is a type of plan that is used repeatedly over a long period of time. Among the options, a rule serves as a standing plan because it provides a specific guideline or instruction that must be followed consistently. Budget, strategy, and programme are generally considered single-use or short-term plans, not standing plans.

Question 2. Which of the following consumer rights under Consumer Protection Act, 2019 gives the freedom to consumers to access variety of products at competitive prices ?

[1 Marks]

(A) Right to be assured/Right to choose

(B) Right to be heard

(C) Right to be informed

(D) Right to consumer education

Explanation: The Right to Choose under the Consumer Protection Act, 2019 ensures that consumers have the freedom to select from a variety of goods and services at competitive prices. This right empowers consumers to make informed decisions and encourages fair competition among sellers, thus providing access to a wide range of products.

Question 3. From 2003, all transactions in securities are to be settled within two days after the trade date. This system is known as :

[1 Marks]

(A) Rotational settlement system

(B) Rolling settlement system

(C) Mutual settlement system

(D) Automatic settlement system

Explanation: The rolling settlement system is a procedure where securities transactions are settled within a fixed number of days after the trade date, typically two days (T+2). Implemented from 2003, this method ensures timely and efficient settlement of trades, reducing the risk of default. Hence, the system where all transactions in securities are settled within two days after the trade date is called the rolling settlement system.

Question 4. Which of the following is not a disadvantage of functional structure of organisation ?

[1 Marks]

(A) Less emphasis on overall enterprise objectives than the objectives pursued by a functional head.

(B) May lead to increase in costs since there may be duplication of activities across products.

(C) It may lead to problems in coordination as information has to be exchanged across functionally differentiated departments.

(D) A conflict of interests may arise when the interests of two or more departments are not compatible.

Explanation: The functional structure of an organisation groups employees based on the functions they perform, such as marketing, production, finance, etc. The disadvantages include conflicts of interest between departments, problems in coordination due to information exchange across departments, and less emphasis on overall enterprise objectives as functional heads focus on their specific areas. However, duplication of activities across products is more commonly associated with divisional structures rather than functional structures. Therefore, the option stating 'May lead to increase in costs since there may be duplication of activities across products.' is not a typical disadvantage of the functional structure.

Question 5.

Ashita works in a company where her basic task is to integrate diverse elements and co-ordinate the activities of different departments according to the overall objectives of the organisation. At which level of management is Ashita working ?

[1 Marks]

(A) Supervisory level management

(B) Both (b) and (c)

(C) Top level management

(D) Middle level management

Explanation:

Ashita's role involves integrating diverse elements and coordinating activities of different departments to achieve the overall objectives of the organisation. This is the primary responsibility of top level management, who focus on setting objectives and integrating activities across the whole company. Middle level and supervisory levels typically focus on implementing strategies within specific departments or supervising day-to-day operations.

Question 6.

Statement I : Financial planning is essentially the preparation of financial blueprint of an organisation's future operations.

Statement II : Financial planning is done only for long-term and focuses on capital expenditure programmes only.

Choose the correct option from the options given below :

[1 Marks]

(A) Both the statements are true.

(B) Statement I is true and Statement II is false.

(C) Statement II is true and Statement I is false.

(D) Both the statements are false.

Explanation:

Statement I is correct because financial planning involves preparing a financial blueprint that outlines an organization's future financial operations to achieve its objectives. Statement II is incorrect because financial planning is not done only for the long-term nor does it focus solely on capital expenditure; it includes both short-term and long-term planning and covers various aspects like working capital, capital expenditures, and other financial needs.

Question 7.

_____ are detailed statements about a project which outline the objectives, policies, procedures, rules, tasks, budgets, etc. to implement any course of action.

[1 Marks]

(A) Methods

(B) Procedures

(C) Budgets

(D) Programmes

Explanation:

Programmes are comprehensive plans or detailed statements working as a framework for a project, which include objectives, policies, procedures, rules, tasks, budgets, and other elements to implement any course of action effectively. Other options like Procedures and Methods refer to specific sets of steps or techniques, while Budgets are only related to financial planning.

Question 8.

Project 'Nanhi Kali' run by Shivam and Sohan Ltd. was started in 1988 and is one of the largest programmes that enables underprivileged girls to complete 10 years of schooling. The project has impacted the lives of over 5 lakh girls from low income group families across the country.

The objective achieved by Shivam and Sohan Ltd. by doing so is :

[1 Marks]

(A) Both (a) and (c)

(B) Social objective

(C) Organizational objective

(D) Personal objective

Explanation:

The project 'Nanhi Kali' reflects an organizational objective because it is run by Shivam and Sohan Ltd., indicating the company's aim to contribute positively to society. It also fulfills a social objective because it helps underprivileged girls complete their education, thereby promoting social welfare and development. Hence, both organizational and social objectives are achieved.

Question 9.

From the following, identify the Incorrect Statement as per Consumer Protection Act, 2019 :

[1 Marks]

(A) National Commission has territorial jurisdiction over the whole country for consumer protection.

(B) Appeal against District Commission are set by the State Governments.

(C) District Commission and State Commission are set by the State Governments.

(D) Appeal against District Commission order can be filed in National Commission.

Explanation:

According to the Consumer Protection Act, 2019, the District Commission and State Commission are constituted by the Central Government in consultation with the State Government, not solely by the State Governments. Therefore, the statement that they are set by the State Governments is incorrect. All other statements are correct: the National Commission has territorial jurisdiction over the whole country, appeal against District Commission orders can be filed in the National Commission, and appeal mechanisms are properly outlined.

Question 10. From the following, identify the statement which is correct about capital budgeting decision :

[1 Marks]

(A) These decisions include committing huge amounts of finance on a long-term basis, therefore need to be taken with utmost care.

(B) These decisions are reversible.

(C) Size of assets, profitability and competitiveness are not affected by capital budgeting decisions.

(D) These decisions do not affect the earning capacity of the business in the long run.

Explanation: Capital budgeting decisions involve allocating significant financial resources for long-term investments such as purchasing fixed assets or expanding operations. These decisions are important because they impact the company's future and require careful evaluation. They are generally irreversible and significantly affect the size of assets, profitability, and competitiveness of the business in the long run. Therefore, the option stating that these decisions include committing huge amounts of finance on a long-term basis and need to be taken with utmost care is correct.

Question 11. Which of the following statements is Incorrect with respect to Autocratic Leadership style ?

[1 Marks]

(A) Subordinates are expected to obey the orders of the leader.

(B) Quick decision-making is facilitated.

(C) Subordinates are given high degree of independence.

(D) An autocratic leader does not wish to be contradicted.

Explanation: In an autocratic leadership style, the leader has complete control and makes decisions unilaterally. Subordinates are expected to obey orders without questioning, and quick decision-making is facilitated because the leader does not seek input from others. Additionally, an autocratic leader does not wish to be contradicted. Therefore, the statement that subordinates are given a high degree of independence is incorrect because autocratic leadership centralizes authority and restricts subordinate autonomy.

Question 12.

Providing job security and pension plan, etc. will satisfy which of the following needs of employees ?

[1 Marks]

(A) Esteem needs

(B) Belongingness needs

(C) Basic physiological needs

(D) Safety/Security needs

Explanation:

Job security and pension plans are related to the employees' need to feel safe and secure in their employment and future. These fall under Safety or Security needs, which include protection from danger, risk, or deprivation such as job security and financial security after retirement. Belongingness needs are about social connections, Esteem needs are about recognition and respect, and Basic physiological needs relate to fundamental survival requirements such as food and shelter.

Question 13. Which of the following is not a factor affecting price of a product or service ?

[1 Marks]

(A) Extent of competition in the market

(B) Government and legal regulations

(C) Product cost

(D) Standardization and Grading

Explanation: Standardization and Grading refer to the process of classifying products based on quality and characteristics, which primarily affects how products are categorized and perceived, but does not directly influence the determination of the price. On the other hand, extent of competition in the market, government and legal regulations, and product cost are direct factors that impact the pricing decisions of a product or service.

Question 14. Match the features of planning given in Column I with their respective explanation given in Column II.

[1 Marks]

	Column I		*Column II*
A.	Planning is a mental exercise	(i)	Planning involves thorough examination and evaluation of each alternative and choosing the most appropriate one
B.	Planning is all-pervasive	(ii)	Planning is required at all levels of management as well as in all departments of the organisation
C.	Planning involves decision-making	(iii)	Planning requires logical and systematic thinking rather than guess work or wishful thinking

(A) A-(iii), B-(ii), C-(i)

(B) A-(i), B-(ii), C-(iii)

(C) A-(i), B-(iii), C-(ii)

(D) A-(ii), B-(iii), C-(i)

Explanation: The correct matching is A-(i), B-(ii), C-(iii) because feature A corresponds to explanation (i), feature B corresponds to explanation (ii), and feature C corresponds to explanation (iii) as per the definitions provided in the context of planning features. This correct matching ensures each feature is paired with its appropriate explanation, reflecting a clear understanding of the planning process.

Question 15.

With rising pollution levels, consumers are becoming conscious about the harmful effects of polluted air, so the demand for home air-purifiers is increasing day-by-day. Which dimension of business environment is discussed here ?

[1 Marks]

(A) Social Environment

(B) Economic Environment

(C) Political Environment

(D) Technological Environment

Explanation:

The question highlights that consumers' awareness and concern about pollution and its effects on health is influencing their buying behavior, leading to increased demand for air-purifiers. This reflects

changes in social factors such as lifestyle, attitudes, and values, which are part of the social environment in business. Hence, the correct dimension discussed is the Social Environment.

Question 16.

In advertising 'there is no direct face-to-face contact between the prospect and the advertiser'. The feature of advertising stated here is:

[1 Marks]

(A) Impersonality

(B) Paid form

(C) Identified sponsor

(D) Economical

Explanation: The feature described indicates that advertising does not involve direct, personal interaction between the advertiser and the potential customer. This characteristic is known as impersonality, meaning the communication is not face-to-face and is intended for a wide audience rather than individualized contact.

Question 17. In organising process, which of the following step is performed just before establishing reporting relationship between individuals ?

[1 Marks]

(A) Departmentalization

(B) Assignment of duties

(C) Imparting training to employees

(D) Identification and division of work

Explanation: In the organising process, first the work is identified and divided (Identification and division of work), then similar activities are grouped together in departments (Departmentalization). After departmentalization, reporting relationships between individuals are established to ensure clear authority and responsibility. Therefore, the step just before establishing reporting relationships is Departmentalization.

Question 18. Which of the following functions of management completes one cycle of management process and improves planning in the next cycle ?

[1 Marks]

(A) Directing

(B) Organising

(C) Controlling

(D) Staffing

Explanation: Controlling is the function of management that completes one cycle of the management process by measuring actual performance, comparing it with planned performance, and identifying deviations. It helps in correcting errors and provides feedback that is essential for improving planning in the next cycle. Without controlling, management would not know whether the objectives are being met or if plans need adjustment.

Question 19.

The picture given below depicts important information related to a decision that a marketer has to take in the area of product.

Identify from the following the correct option :

[1 Marks]

<table>
<tr><td>Manufacturing Date : 10/3/23</td><td rowspan="3">Organic Honey :
</td><td>Quantity : 500 ml</td></tr>
<tr><td>Expiry Date : 10/3/25</td><td>No added sugar 100% pure</td></tr>
<tr><td>Max. Retail Price : ₹ 500</td><td>Manufacturer : Organic Agro products
---------- Uttarakhand</td></tr>
</table>

(A) Packaging

(B) Branding

(C) None of the above

(D) Labelling

Explanation:

Labelling involves providing important information on the product, which is a crucial decision for marketers in the product area. It helps consumers understand the product details, such as its usage, ingredients, and other necessary information. This distinguishes it from branding and packaging, which focus more on product identity and protection rather than conveying information.

Question 20.

'Managing public opinion of an organisation is an important task performed by the marketing department. It is included under which of the following element of marketing mix ?

[1 Marks]

(A) Place mix

(B) Promotion mix

(C) Price mix

(D) Product mix

Explanation:

Managing public opinion involves activities such as advertising, public relations, and communication with customers to create a positive image of the organisation. These activities are part of the Promotion mix, which focuses on informing and persuading customers about the product or organisation. Therefore, managing public opinion falls under the Promotion mix element of the marketing mix.

Section B

Question 21.

'Burgers and Fudge' was among the first fast food chains in India which pioneered the concept of family-style restaurants. However, over the years it started losing business to multinational food chains like McDonalds and Pizza Hut, etc. and soon had to shut down.

The reason to shut down was the inability of managers to identify, understand, evaluate and to react to the forces external to their firm.

In the light of the above situation, explain with the help of any two points, how understanding of business environment is important for managers.

[3 Marks]

Answer: Understanding business environment is important for managers because:
(a) **Helps in identifying opportunities and threats:** By understanding the external environment, managers can identify new opportunities for growth and be alert to threats that may harm the business. For example, multinational chains like McDonalds understood changing consumer preferences and adapted quickly, which Burgers and Fudge failed to do.
(b) **Facilitates effective decision making:** Knowledge of the business environment enables managers to make informed and timely decisions. It helps them react appropriately to changes such

as new competitors entering the market or changes in customer tastes. Lack of this understanding can lead to poor strategies and business failure, as with Burgers and Fudge.

Key Points: Identifying opportunities and threats - Facilitating informed decision making - Reacting effectively to external changes

Question 22.

Explain any two points that highlight the importance of 'controlling' function of management.

[3 Marks]

Answer: Importance of Controlling Function of Management:
(a) **Helps to Achieve Organizational Goals:** Controlling ensures that activities are aligned with the planned objectives. It helps in monitoring progress and correcting deviations to achieve goals efficiently.
(b) **Improves Efficiency and Reduces Errors:** Through controlling, managers can identify any errors or problems early, take corrective actions, and improve the overall efficiency of the organization by avoiding wastage of resources.

Key Points: Helps to achieve organizational goals - Improves efficiency and reduces errors

Question 23.

Explain 'Supervision' and 'Communication' as elements of 'directing' function of management.

[3 Marks]

Answer: Supervision: It is the process of overseeing the work of employees to ensure that tasks are performed as per plans and standards. A supervisor guides, monitors, and helps subordinates to improve their performance and solve work-related problems, ensuring effective implementation of plans.
Communication: It is the exchange of information and ideas between managers and employees. Effective communication ensures that instructions and feedback are clearly conveyed and understood, which motivates employees, reduces confusion, and coordinates activities for achieving organizational goals. Both supervision and communication are essential to direct employees and achieve desired results efficiently.

Key Points: Supervision involves overseeing and guiding employees - Communication is exchange of information between managers and employees - Both are crucial for effective directing

Question 24.

Ananta Ltd. is a firm manufacturing electronic goods. To increase its sales and earn profits, its General Manager, Kamal is thinking in advance what to do and how to do it. He is also preparing forecasts to reduce the risk of uncertainty and to achieve its targets.

By doing so Kamal is performing an important function of management.

Identify and state the function of management highlighted above. Also state any two points of importance of this function.

[3 Marks]

Answer: (a) Function of Management: The function of management highlighted here is **Planning**.
(b) Explanation: Planning involves thinking in advance about what to do and how to do it. It helps to set objectives and prepare forecasts to reduce uncertainty and take necessary steps to achieve the targets.
(c) Importance of Planning: 1. Planning helps in reducing risks and uncertainties by making forecasts and preparing for future challenges.
2. It provides direction to all the activities, helping the organization to focus on its goals and use resources efficiently.

> **Key Points: Function identified as Planning - Planning helps reduce uncertainty - Planning provides direction to activities**

Question 25.

State any three benefits of staffing function of management to the organisation.

[3 Marks]

Answer: The staffing function of management provides several benefits to an organisation. (a) It ensures the availability of qualified and skilled personnel in the organisation, which helps in achieving organisational goals efficiently. (b) Staffing helps in placing the right person at the right job, increasing productivity and reducing employee turnover. (c) It also motivates employees by providing them opportunities for growth and development, leading to better job satisfaction and organisational performance.

> **Key Points: ensures availability of skilled personnel - right person at right job - motivates employees and enhances job satisfaction**

Section C

Question 26.

Srijan, after completing his bechelor's degree in culinary arts from a reputed institute, took over his family restaurant specialising in South Indian dishes. This business was promoted by his grandfather many years back in the form of a company. Now he wants to get the restaurant renovated to open a special section for bakery products. It is estimated

that an investment of ₹ 5 crore will be required to execute this plan. At present the cash flow position of the company is not strong and fixed operating costs of business are also high.

Keeping in view the above situation, name with two reasons, the source of finance which Srijan should choose for modernization and expansion of his business. Also explain one more factor, apart from those stated above which Srijan should keep in mind while taking this decision.

[4 Marks]

Answer: (a) Srijan should choose **equity shares** as the source of finance for modernization and expansion of his business.
(b) Two reasons for choosing equity shares are:
1. Since the cash flow position is weak, equity shares do not require fixed interest payments, so there is less financial burden.
2. Equity shares help in raising a large amount of capital which is suitable for investment less than 5 crore.
(c) Another factor Srijan should keep in mind is the impact on control of the company. Issuing equity shares may dilute the ownership and control of existing shareholders, so he must consider how much control he is willing to share.

> **Key Points: Source of finance - Equity shares - Reasons: no fixed interest, large amount of capital - Factor: control dilution**

Question 27.

Ankush bought a high end microwave on Diwali from a leading electronic store. The microwave had ISI mark and Ankush diligently went through the instruction manual so that he could use it properly. However, due to faulty wiring there was a short-circuit in the microwave. He called up the consumer helpline of the company many times but no solution was provided by the company. Ankush now decided to file a case in the consumer court.

(a) Identify and explain the right which Ankush will exercise.

(b) State two responsibilities which Ankush had fulfilled while purchasing and using the microwave.

[4 Marks]

Answer: (a) Ankush will exercise his **Right to seek redressal**. This means if a consumer faces any problem like defective goods or poor service, he/she has the right to complain and get the issue

resolved through the consumer court or other authorities.
(b) The two responsibilities Ankush fulfilled are:
1. He checked for the **ISI mark**, which ensures the product's quality and safety.
2. He read the **instruction manual** carefully to use the microwave properly and safely.

Key Points: Right to seek redressal - Checking ISI mark - Reading and following instruction manual

Question 28.

Explain the following as factors affecting the fixed capital requirements of a business :

(i) Nature of business

(ii) Choice of technique

[4 Marks]

Answer: (i) **Nature of business**: The type of business determines the fixed capital needed because different businesses require different levels of investment in fixed assets. For example, a manufacturing business requires heavy investment in machinery, equipment, and factory buildings, leading to high fixed capital requirements. In contrast, a trading business may need less fixed capital as it mainly requires shops or warehouses. Thus, businesses engaged in production and industrial activities require more fixed capital than service or trading businesses.
(ii) **Choice of technique**: The technology or production technique chosen by a business also affects its fixed capital needs. Modern techniques often involve the use of expensive machinery and automation, which increase fixed capital investment. On the other hand, traditional or labor-intensive techniques require less fixed capital but more working capital. Therefore, the decision to adopt capital-intensive or labor-intensive techniques directly influences the amount of fixed capital required in the business.

Key Points: Nature of business influences fixed capital based on type of business - Manufacturing needs more fixed capital than trading - Choice of technique impacts fixed capital depending on capital or labor intensity - Capital-intensive techniques require higher fixed capital investment

Question 29.

Differentiate between 'Capital Market' and 'Money Market' on the basis of following:

(i) Instruments

(ii) Investment outlay

(iii) Duration

(iv) Liquidity

[4 Marks]

Answer: (i) Instruments: Capital Market deals with long-term instruments like shares, debentures, bonds while Money Market deals with short-term instruments like treasury bills, commercial papers, certificates of deposit.
(ii) Investment outlay: Capital Market requires a high investment outlay as it involves buying of shares and bonds with larger amounts. Money Market generally requires a lower investment amount since the instruments are short-term and usually safer.
(iii) Duration: Capital Market instruments have a long duration, usually more than one year. Money Market instruments have a short duration, typically less than one year.
(iv) Liquidity: Money Market instruments are highly liquid and easily convertible into cash. Capital Market instruments are less liquid and may take time to sell or convert into cash.

Key Points: Capital Market deals with long-term instruments - Money Market deals with short-term instruments - Capital Market requires high investment - Money Market requires low investment - Capital Market instruments have long duration - Money Market instruments have short duration - Money Market is highly liquid - Capital Market is less liquid

Question 30.

State any four regulatory functions of 'Securities and Exchange Board of India'.

[4 Marks]

Answer: Four regulatory functions of Securities and Exchange Board of India (SEBI) are:
(a) **Protecting the Interests of Investors:** SEBI ensures that investors are not cheated by companies or brokers and provides guidelines for fair practices.
(b) **Regulating Stock Exchanges and Intermediaries:** SEBI regulates and supervises stock exchanges, brokers, and other intermediaries to maintain transparency and integrity in the securities market.
(c) **Prohibiting Fraudulent and Unfair Practices:** SEBI takes action against insider trading, price rigging, and other fraudulent activities to maintain a fair market.
(d) **Promoting Development of Securities Market:** SEBI helps in developing the securities market by introducing new rules, creating awareness among investors, and encouraging new financial instruments and technology adoption.

Key Points: Protecting investors interests - Regulating stock exchanges and intermediaries - Preventing fraudulent and unfair practices - Promoting securities market development

Question 31.

Explain any two features of 'motivation' as an element of directing function of management.

[4 Marks]

Answer: Motivation is an important element of the directing function of management. It encourages employees to perform their best. Two key features of motivation are:
(a) **Psychological Process**: Motivation is a psychological process that stimulates a person to act in a particular way. It arises from the needs and desires of individuals which push them to achieve goals.
(b) **Goal-Oriented Behavior**: Motivation directs the behavior of employees towards achieving organizational goals. It helps align individual goals with organizational objectives, resulting in increased productivity and job satisfaction.

Key Points: Motivation is a psychological process - Motivation encourages goal-oriented behavior - It aligns individual and organizational objectives

Question 32.

Explain the following as elements of communication process :

(i) Message

(ii) Encoding

(iii) Media

(iv) Decoding

[4 Marks]

Answer: (i) **Message**: It is the information, idea or thought that the sender wants to communicate to the receiver.
(ii) **Encoding**: It is the process of converting the message into symbols, words, pictures or gestures so that it can be sent to the receiver.
(iii) **Media**: It is the channel or medium through which the encoded message is transmitted from sender to receiver, like telephone, internet, print media, or face-to-face communication.
(iv) **Decoding**: It is the process by which the receiver interprets or understands the encoded message sent by the sender.

Key Points: Message is the information to communicate - Encoding means converting message into symbols - Media is the channel of communication - Decoding is interpreting the message by receiver

Question 33.

Pallavi started a wedding planner company 'Dreams Unlimited' in 2016 and her target was to be amongst the top 10 companies in this field within the next three years. For this she employed people having different skills. She worked hard and united the efforts of different people to achieve this goal. The requirements of the customers in this industry changed very fast and the company adapted to keep pace with the changing environment. As planned, the company achieved its target within three years. All the employees of the organisation were happy and satisfied and the effect of management was noticeable in the organisation.

The way Pallavi was managing her business highlights some of the features of management. By quoting lines from the above paragraph, explain any two such features.

[3 Marks]

Answer: (a) Management is Goal Oriented: Pallavi "started a wedding planner company 'Dreams Unlimited' in 2016 and her target was to be amongst the top 10 companies in this field within the next three years." This shows management always focuses on achieving specific goals.
(b) Management is a Group Effort: She "employed people having different skills" and "united the efforts of different people to achieve this goal." This indicates management involves coordinating the efforts of many people to reach the objectives effectively.

> **Key Points: Management is goal oriented - Management involves team effort - Management adapts to changing environment**

Section D

Question 34.

Abhishek studied management principles and techniques of Henri Fayol and F.W. Taylor when he was in class XII. Now he is trying to apply his knowledge while doing his business. By using different techniques and scientifically analysing work he found one best way of doing the job. By removing unproductive movements of the workers he reduces the time to complete the job. Not only this, to increase productivity and to regain stamina he started giving more rest intervals to his employees. He followed no discrimination policy on account of sex, religion, caste, etc. in his organisation. He ensured that the compensation should be fair to both, employees and the organisation.

Identify and explain any two techniques of scientific management and two principles of general management adopted by Abhishek.

[4 Marks]

Answer: (a) **Two techniques of Scientific Management used by Abhishek:**
1. **Scientific Work Study:** Abhishek scientifically analysed the work and found the one best way of

doing the job. This means he studied the tasks carefully using time and motion study to improve efficiency.
2. **Standardization and Rest Intervals:** He removed unproductive movements to reduce time and gave more rest intervals to workers to increase their stamina and productivity. This balance helps maintain consistent performance.

(b) **Two principles of General Management adopted by Abhishek:**
1. **Equity:** Abhishek followed a no discrimination policy on the basis of sex, religion, caste, etc. and treated all employees fairly and equally.
2. **Fair Compensation:** He ensured that remuneration was fair for both employees and the organisation which motivates workers and maintains organisational balance.

Thus, Abhishek applied scientific methods to improve work efficiency and followed important management principles to maintain fairness and motivation among employees.

> **Key Points: Scientific work study - Removing unproductive movements - Equity - Fair compensation**

Question 35.

F.M. Tech Ltd. is one of the leading information technology service provider company in Delhi. To enable smooth functioning of the enterprise, job description and rules and procedures related to work processes are laid down. The company specifies clearly the boundaries of authority and responsibility and there is a systematic co-ordination among the various activities to achieve organisational goals.

(a) Identify and explain the 'Type of organisation' discussed above.

(b) State any two advantages and two limitations of the 'Type of organisation' identified in (a) above.

[6 Marks]

Answer: (a) The type of organisation described here is a **Functional Organisation**. In a functional organisation, the company is divided into different departments based on specialized functions such as IT, marketing, finance, human resources, etc. Each department has a clear job description, defined rules and procedures, and clear boundaries of authority and responsibility. Coordination among these departments ensures that the organisational goals are achieved smoothly.

(b) **Advantages of Functional Organisation:**
1. Specialization: Employees become experts in their specific functions, enhancing efficiency and productivity.
2. Clarity: Clear roles, responsibilities, and authority reduce confusion and overlap of work.

Limitations of Functional Organisation:
1. Poor Communication: Departments may work in isolation leading to lack of coordination and delay

in decision making.
2. Rigidity: Strict departmental boundaries may reduce flexibility and cooperation across functions which can hamper innovation and quick response to changes.

> **Key Points: Functional organisation - Clear authority and responsibility - Advantages and limitations explained**

Question 36.

Explain any four semantic barriers to communication.

[6 Marks]

Answer: Semantic barriers are obstacles in communication caused due to the different meanings people attach to the same words or symbols. These barriers lead to misunderstandings and confusion. Four major semantic barriers are:

(a) **Language Differences:** People speaking different languages or dialects may misinterpret the message because they understand words differently.

(b) **Use of Jargon:** Specialized or technical language used by experts may not be understood by others, causing confusion.

(c) **Ambiguity:** When words or phrases have more than one meaning, the receiver may interpret the message differently from the sender's intention.

(d) **Overuse of Abstractions:** Using abstract words or generalizations that lack specific meaning can make it hard for the receiver to grasp the actual message.

In conclusion, semantic barriers occur when the meaning of words is unclear or interpreted differently, making communication ineffective. To overcome them, clear and simple language should be used and the message must be adapted to the receiver's understanding.

> **Key Points: Language differences - Use of jargon - Ambiguity - Overuse of abstractions**

Question 37.

Explain any four merits of internal sources of recruitment.

[6 Marks]

Answer: Merits of Internal Sources of Recruitment
(a) **Cost-effective:** Recruiting internally saves money on advertising, recruitment agencies, and other expenses related to external recruitment.

(b) **Faster Process:** Internal recruitment is quicker because the organization already knows the candidates and there is no need to conduct lengthy interviews and background checks.
(c) **Boosts Employee Morale:** Providing promotion and transfer opportunities motivates employees, enhances their loyalty, and increases job satisfaction.
(d) **Reduces Induction and Training Time:** Since internal candidates are already familiar with the company culture and processes, the training and orientation period is shorter, leading to faster productivity.

Key Points: Cost-effective - Faster process - Boosts employee morale - Reduces induction and training time

Question 38.

Explain the following marketing philosophies :

(i) Product Philosophy

(ii) Production Philosophy

(iii) Marketing Philosophy

[6 Marks]

Answer: (a) **Product Philosophy**: This philosophy focuses on the quality and features of the product. It assumes that customers prefer products that offer the best quality, performance, and innovative features. Businesses following this approach strive to make superior products believing that customers will automatically choose them. However, it ignores customer needs sometimes and focuses mainly on product improvement.
(b) **Production Philosophy**: This philosophy emphasizes efficient production and wide distribution. It assumes that customers want products that are affordable and easily available. Companies focus on mass production, low costs, and large-scale distribution to achieve higher sales and profits. This approach works well when demand exceeds supply, but it may neglect product quality and customer preferences.
(c) **Marketing Philosophy**: This philosophy centers around understanding customer needs and wants. It focuses on creating and delivering value to customers through products and services that satisfy their requirements better than competitors. Marketing philosophy involves market research, customer feedback, and continuous adaptation to customer expectations. It ensures long-term success by building strong customer relationships and delivering satisfaction.

Key Points: Product Philosophy focuses on product quality and features - Production Philosophy emphasizes efficient production and availability - Marketing Philosophy prioritizes customer needs and delivering value

Question 39.

Explain the following as elements of marketing mix :

(i) Product

(ii) Place

(iii) Price

[6 Marks]

Answer: (a) **Product :** Product is the first element of the marketing mix. It refers to the goods or services that a company offers to its target customers to satisfy their needs and wants. A product can be tangible like a mobile phone or intangible like a service such as banking. The quality, design, features, brand name, and packaging of the product are important aspects to attract customers.
(b) **Place :** Place means the distribution channels through which the product reaches the customers. It involves selecting the right locations, outlets, warehouses, and logistics to ensure the product is available conveniently to the target market. Effective placement helps in making the product accessible, increasing sales and customer satisfaction.
(c) **Price :** Price is the amount of money a customer pays to purchase the product. It is a crucial element as it affects demand, profitability, and perceived value of the product. Factors like cost of production, competition, customer willingness, and market conditions influence pricing decisions. A right price strategy balances attracting customers and earning profit.

Key Points: Product satisfies customer needs - Place ensures product availability and convenience - Price influences demand and profitability