



INDIAN SCHOOL AL WADI AL KABIR
UNIT TEST-XII 2025-26
BUSINESS STUDIES (054)

Date: 22 /05/2025


Time: 1hour

Marks: 30

GENERAL INSTRUCTION:

- 1) All questions in both the sections are compulsory.***
- 2) Marks for questions are indicated each.***
- 3) All parts of a question should be answered at one place.***

Q. NO	QUESTIONS	MARKS
1	<p>Identify the reason which makes management important in the light of the fact that it is generally seen that individuals in an organization resist change, as a change often means moving from a familiar, secure environment into a newer and a more challenging one.</p> <p>A. Management helps in achieving group goals B. Management creates a dynamic organization C. Management increases efficiency D. Management helps in the development of society</p>	1
2	<p>The newly appointed Production Manager of Saheb Ltd., a firm manufacturing toys, Mr Ahrawat noticed that the workers in the factory were not giving their best as the physical conditions in the factory were not good. He conducted an experiment to see the effect of improvement in the physical conditions in the factory on the performance of the workers, by providing adequate ventilation and water facilities. He observed that the fatigue level of the workers reduced. The</p>	1

	<p>nature of management being highlighted in the above case is:</p> <p>A. Management as science B. Management as profession C. Management as art D. Both A. and C.</p>	
3	<p>Also a mobility platform is in the process of laying off 400-500 employees in a move aimed at driving cost efficiency. Which objective of management will the firm not be able to achieve by carrying out this process.</p> <p>A. Efficiency B. Social C. Profit D. Survival</p>	1
4	 <p>Identify the point of significance of management illustrated in the picture.</p> <p>A. Management helps in achieving group goals B. Management helps in achieving personal objectives C. Management helps in development of society D. Management increases efficiency</p>	1

5	<p>Read the following statements: Assertion (A) and Reason(R). Choose the correct alternative from those given below:</p> <p>ASSERTION (A): Management is concerned with efficient use of resources.</p> <p>REASONING (R): For management both efficiency and effectiveness need to be balanced.</p> <p>Alternatives:</p> <p>A. Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).</p> <p>B. Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A)</p> <p>C. Assertion (A) is true but Reason (R) is False</p> <p>D. Assertion (A) is False but Reason (R) is True</p>	1
6	<p>From the following which is not a relevant feature of management as science:</p> <p>A. Principles are based on the basis of experimentation</p> <p>B. Systematized body of knowledge</p> <p>C. Based on practice and creativity</p> <p>D. Universal Validity</p>	1
7	<p>Name the principle of management given by Fayol which when applied would mean that the workers and management both honour their commitments without any prejudice towards one another.</p> <p>A. Discipline</p> <p>B. Mental Revolution</p> <p>C. Remuneration of employees</p> <p>D. Scalar chain</p>	1
8	<p>The purchase, production and sales managers at Sharda Ltd, a firm manufacturing readymade garments</p>	1

	<p>are generally at a conflict, as they have their own objectives. Usually each thinks that only they are qualified to evaluate, judge and decide on any matter, according to their professional criteria. Name the concept which will be required by the CEO Mr. Raman, to reconcile the differences in approach, interest or opinion in the organisation.</p> <p>Coordination.</p>	
9	<p>_____ ensures that the subordinate performs tasks on behalf of the manager thereby reducing his workload and providing him with more time to concentrate on important matters.</p> <p>A. Decentralization B. Delegation of authority C. Authority D. Accountability</p>	1
10	<p>Taylor believed that there was only one best method to maximise efficiency. This method can be developed through study and analysis. Identify the principle of Scientific management being discussed above:</p> <p>A. Harmony not discord B. Science not rule of thumb C. Development of each and every person to his or her greatest efficiency and prosperity D. Cooperation not individualism</p>	1
11	<p>This technique of scientific management helps in development of the concept of assembly line which is widely used in automobile companies these days as well. Identify the technique.</p> <p>A. Motion study B. Standardisation and simplification of work</p>	1

	C. Method study D. Time study	
12	<p>The principle of _____ suggests that there should be a clear line of authority from top to bottom linking managers at all levels.</p> <p>A. Unity of Command B. Unity of Direction C. Scalar Chain D. Science, not rule of Thumb</p>	1
13	<p>Telco Ltd is manufacturing files and folders from the old clothes to discourage use of plastic files and folders. For this, they employ people from nearby villages where very less job opportunities are available. An employee, Harish, designed a plan for the cost reduction but it was not welcomed by the production manager. Another employee gave some suggestion for improvement in design, but it was also not appreciated by the production manager.</p> <p>State the principle of management described in the above para.</p> <p>INITIATIVE</p>	1
14	<p>Which technique is used by Taylor for distinguishing efficient and inefficient workers?</p> <p>A. Differential piece wage system B. Functional Differentiation C. Standardisation and Simplification of Work D. Method Study</p>	1
15	<p>Two ambitious friends, Sana and Mihir, having passion for creating innovative software applications, established a tech startup named 'Quick Solutions'. Their software was developed in such a way that it caters to the needs of all sections. Since its inception, 'Quick Solutions'</p>	3

	<p>was earning enough revenue to cover the costs. They faced countless challenges from competing with large and well-established companies. But they learned from their mistakes and continuously improved their product. Slowly, their software gained recognition for its quality and uniqueness and the company started making profits. It was a big incentive for Sana and Mihir for the continued successful operation of the enterprise. Within two years, the customer base increased manifold. Now, Sana and Mihir decided to make additional capital investment and hired more employees. They invested in research and development and expanded their product line to meet emerging market demands. 'Quick Solutions' ultimately became the industry leader because of the tireless efforts of Sana and Mihir. Quoting lines, identify and state any (2) objectives of management discussed in the above case which 'Quick Solutions' seeks to achieve.</p> <p>Organisational Objectives</p> <p>(i) Survival</p> <p><i>'Since its inception, 'Quick Solutions' was earning enough revenue to cover the costs'</i></p> <ul style="list-style-type: none"> • <input type="checkbox"/> The basic objective of any business is to ensure that it continues to survive and exist in the future. An organisation must earn enough revenue to cover the costs. <p>(ii) Profit</p> <p><i>'Slowly, their software gained recognition for its quality and uniqueness and the company started making profits'</i></p> <ul style="list-style-type: none"> • <input type="checkbox"/> Profit provides a vital incentive for the continued successful operation of the enterprise. Profit is essential for covering costs and risks of the business. <p>(iii) Growth</p> <p><i>'Now, Sana and Mihir decided to make additional capital investment and hired more employees.'</i></p> <p>OR</p>	
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	<p><i>'They invested in research and development and expanded their product line to meet emerging market demand'.</i></p> <ul style="list-style-type: none"> □ Management must exploit the growth potential of the organisation to remain in the industry which can be measured in terms of sales volume, increase in the number of employees. <p>Quoting the lines - ½ mark Identification (Title Point) - ½ mark State (Explanation) - ½ mark</p>													
16	<p>Differentiate between Unity of Command and Unity of Direction on any three basis.</p> <p>Difference between Unity of Command and Unity of Direction</p> <table border="1"> <thead> <tr> <th>Basis</th><th>Unity of Command</th><th>Unity of Direction</th></tr> </thead> <tbody> <tr> <td>1. Meaning</td><td>One subordinate should receive orders from and should be responsible to only one superior.</td><td>Each group of activities having same objective must have one head and one plan.</td></tr> <tr> <td>2. Aim</td><td>It prevents dual subordination.</td><td>It prevents overlapping of activities.</td></tr> <tr> <td>3. Implications</td><td>It affects an individual employee.</td><td>It affects the entire organisation.</td></tr> </tbody> </table>	Basis	Unity of Command	Unity of Direction	1. Meaning	One subordinate should receive orders from and should be responsible to only one superior.	Each group of activities having same objective must have one head and one plan.	2. Aim	It prevents dual subordination.	It prevents overlapping of activities.	3. Implications	It affects an individual employee.	It affects the entire organisation.	3
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17	<p>i. Pakka employment is a company which takes care of the fact that the confidence of the employees should always be at its peak. For this reason, they give surety to their employees for employment for a minimum fixed tenure of time. Which principle of management is followed here?</p> <p>Answer. The principle of management which is followed here is 'Stability of personnel'.</p> <p>ii. Bhatkaav Enterprises is facing huge losses. The owner of the company is an MBA pass out. Even then many things in the organization are happening which are indicative of lack of proper management in the company. First of all, there is no specific sharing of</p>	4												

	<p>work and any time any employee is asked to do anything. This has led to wastage of efforts. Further due to negligence in proper work sharing there has been no specialization development in the nature of the jobs done by the employees.</p> <p>There are no clear and fair agreements between the workers and the management. This has led to a lot of frustration in the workers. Management has quite often been found to be ignorant of not fulfilling promises done by it. There are also no strict rules and regulations binding on the conduct of the workers.</p> <p>The departmental heads who are the middle level managers in the company and hold key positions always favour their relatives. They quite often don't turn up for job on time. They are always looking for special relaxations from the top management. This has led to feeling of resentment among the employees who are also demanding special favours and threatening strike in the coming days.</p> <p>Identify the three principles of Fayol violated in the above case.</p> <p>Answer. In the first paragraph of the case the principle of Fayol which is violated is 'Division of Work'. In the second paragraph of the case the principle of Fayol which is violated is 'Discipline'. In the third paragraph of the case the principle of Fayol which is violated is 'Subordination of individual interests to general interests'.</p>	
18	<p>Kartik joins a garment factory as a plant supervisor in Lucknow. He observes that the output of some workers is very low as compared to the standards set for their performance. On analyzing the reasons for the same, he finds out that a lot of time of the workers is wasted in getting the requisite materials issued from the store. Whereas on asking, the store keeper complains that there is no harmony in the working of the production department as a whole. Every day the workers approach him at the last minute to procure different kinds of threads, laces, mirrors, buttons etc. If it is not</p>	6

	<p>available in the store then he has to place an order with the purchase officer. As a result, a lot of time of the workers is wasted. So, in order to integrate the various production activities, henceforth, Kartik ensures, that the store keeper is informed well three days in advance about the requisite material. Consequently, the store keeper is able to keep the materials ready for the workers every morning in accordance with their requirements.</p> <p>In context of the above case:</p> <p>a. Identify the quality of management that Kartik has introduced in the working of the production department as a corrective measure to control the output of the workers.</p> <p>b. State briefly any (3) points highlighting the significance and any (2) characteristics of the quality of management identified in part (a).</p> <p>a. COORDINATION - (1 MARK) b. SIGNIFICANCE OF COORDINATION (ALL 3)</p> <p>(i) Growth in size: As the organisations grow in size, the number of people in the organisation also increase. Different individuals have different objectives. Coordination is needed to integrate diverse individual objectives with organisational objectives.</p> <p>(ii) Functional differentiation: Different departments in the organisation have their own set of objectives, policies, etc. This creates conflicting situations many a times. Coordination seeks to intergrate the efforts and activities of various departments.</p> <p>(iii) Specialisation : In modern organisations, high level of specialised activities take place, which are performed by specialists. Specialists often consider themselves to be supreme and are not open to suggestions and advice. This brings conflicting situations, which can be resolved by coordination.</p> <p>CHARACTERISTICS OF COORDINATION (ANY 2 with explanation)</p> <p>I. Coordination integrates group efforts</p>	
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