



COMMON PRE-BOARD EXAMINATION 2024-25

Subject: BUSINESS STUDIES (054)



CLASS: XII

Date: 07/12/24


TIME: 3 HOURS

Max. Marks: 80

General Instructions:

1. This question paper contains 34 questions. All questions are compulsory.
2. Marks are indicated against each question.
3. Answers should be brief and to the point.
4. Answers to the questions carrying 3 marks may be from 50 to 75 words.
5. Answers to the questions carrying 4 marks may be about 150 words.
6. Answers to the questions carrying 6 marks may be about 200 words.
7. Attempt all the parts of the questions together

S. No	Questions	Marks
1	Which of the following is not considered as an advantage of Functional Structure? A. occupational specialization B. Minimum duplication of efforts C. Easy to fix responsibility for poor performance D. Increases Managerial and operational efficiency	1
2	Sukanya Club, kolkata organized “Fitness and Healthy Week” for its members. It had a very positive effect on its members. After that, members became more careful about their health than earlier. Not only this, the members also acquainted the people outside the club and take advantage out of it. The changing attitude of the people towards health was visible in the market also. Now a great demand for sugar free products, fat free cooking oil and diet coke rose up in the market. The manufacturers had to immediately increase their production. Sukanya Food producers, Kolkata launched these products in the market for the first time and earned huge profits. The feature of business environment discussed here is A. Dynamic Nature B. Inter-relatedness C. Totality of External forces D. Specific and General forces	1
3	At _____ level of management, the managers are responsible for implementing and controlling the plans and strategies of the organization. A. Top Level management B. Middle level management C. Lower level management D. None of the above	1

4	<p>Identify the type of plan illustrated in the given picture</p>  <p>A. Policy B. Rule C. Budget D. Method</p>	1
5	<p>A company's earnings before interest and tax is Rs. 7 lakhs. It pays 10% interest on its debt. Total investment of company is Rs. 50 lakhs. What is the favourable method of funding option</p> <p>A. Equity B. Debt C. Both D. None of the above</p>	1
6	<p>Which of the following is not the benefit of Demonetization</p> <p>A. Control over corruption B. Counterfeiting the use of high denomination notes for illegal activities C. Control on black money D. More demanding customers</p>	1
7	<p>Sneha runs a factory wherein she manufactures shoes. The business has been doing well and she intended to expand by diversifying into the leather bags as well as western formal wears thereby making her company a complete provider of a corporate wear. This will enable her to market her business unit as the one stop for working women. The type of organization structure adopted by Sneha is</p> <p>A. Divisional Structure B. Functional structure C. Lateral structure D. Matrix organisation</p>	1
8	<p>Identify the correct sequence of steps involved in the selection process</p> <p>A. Medical Examination, contract of employment, reference and background checking, selection decision and job offer B. Reference and Background checking, Selection Decision, Contract of Employment, Medical examination, job offer C. Job offer, Reference and Background checking, Selection decisions, Medical Examination, Contract of employment D. Reference and Background checking, Selection Decision, Medical examination, Job offer, Contract of Employment</p>	1

9	<p>Mr. Shyam is working as a leading employee at the low- level management in coco private limited. According to one plan, he has to prepare 1000 units of high quality of one item in a day and every unit should not cost more than Rs.700. when the work actually started, it was learnt that the desired goods could be prepared within a day, but due to sudden inflation in the raw material, every unit was to cost Rs. 750. Now Mr. Shyam is confused what to do and what not to do?</p> <p>It deals with _____, limitation of planning</p> <p>A. Planning leads to rigidity</p> <p>B. Planning may not work in a dynamic environment</p> <p>C. Planning reduces creativity</p> <p>D. Planning involves huge cost</p>	1								
10	<p>Match the various “Selection Tests” in Column I with their respective statements in Column II:</p> <table><tr><th>Column I</th><th>Column II</th></tr><tr><td>1. Aptitude Test</td><td>(i) It is an indicator of a person’s learning ability or the ability to make decisions and judgement</td></tr><tr><td>2. Trade Test</td><td>(ii) It is used to measure the existing skills of the individual</td></tr><tr><td>3. Intelligence Test</td><td>(iii) It indicates the person’s capacity to develop</td></tr></table> <p>Choose the correct option from the following:</p> <p>(A) 1-(i), 2-(ii), 3-(iii),</p> <p>(B) 1-(ii), 2-(iii), 3-(i),</p> <p>I 1-(iii), 2-(ii), 3-(i),</p> <p>(D) 1-(ii), 2-(i), 3-(iii),</p>	Column I	Column II	1. Aptitude Test	(i) It is an indicator of a person’s learning ability or the ability to make decisions and judgement	2. Trade Test	(ii) It is used to measure the existing skills of the individual	3. Intelligence Test	(iii) It indicates the person’s capacity to develop	1
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11	<p>Read the following statements: Assertion (A) and Reason (R). Choose the correct alternative from the options given below:</p> <p>Assertion (A): In Decentralisation, there are more chances of information getting distorted.</p> <p>Reason (R): During Decentralisation, information has to go through shorter channels.</p> <p>Choose the correct option from the following</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, but 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								
12	<p>Miss Nishita, a manager in Ram oil Mills Ltd. is performing her duty very successfully. She does not believe in the use of power unless it is absolutely essential. Because of such type of thinking all the employees working under her are very happy</p> <p>Identify the Leadership style Miss Nishita is following.</p> <p>A. Autocratic</p>	1								

	B. Democratic C. Free-rein D. Both A and B	
13	Financial planning arrives at: A. minimising the external borrowing by resorting to equity issues B. entering that the firm always have significantly more funds than required so that there is no paucity of funds C. ensuring that the firm faces neither a shortage nor a glut of unusable funds D. doing only what is possible with the funds that the firms has at its disposal	1
14	While fixing the price of the product, the upper limit is decided by the Marketer on _____ basis A. Utility B. Cost C. Competition D. Inflation	1
15	Rashi bought a packet of chips from a local shop keeper and found that the ingredients given on the label were not legible. He complained about it to the company. The company sent a written apology stating that they will make sure that existing packets are withdrawn from the market and new packets with legible labels are soon made available. Identify the Right of Consumer violated by the company A. Right to be heard B. Right to Choose C. Right to inform D. Right to Safety	1
16	The document prepared as one of the steps of trading procedure on a stock exchange that is legally enforceable and helps to settle disputes between the investor and the broker. A. Contract Note B. Order Confirmation slip C. Broker-Client Agreement D. Demat account	1
17	Companies with higher growth patterns are likely to pay _____ A. Higher dividends B. Lower Dividends C. Dividend decisions remain unaffected by the growth considerations D. None of the above	1
18	Which of the following is not the function of SEBI? A. Registration of all the players in the security market B. Opening of Demat account C. Training of intermediaries of the securities market D. Controlling Insider Trading	1
19	Arun Halwai is a renowned name for quality sweets since 1948. Arun the owner of the halwai was worried as the sales had declined during the last three months. When he enquired from the sales manager, he informed that there were some complaints about the quality of sweets. Therefore, Arun ordered for sample checking of sweets. Identify the step taken by Harsh which is related to one of the functions of management.	1

	<p>A. Setting performance standards</p> <p>B. Measurement of actual performance</p> <p>C. Analyzing deviations</p> <p>D. Taking Corrective actions</p>	
20	<p>Neeraj, the sales representative of “Onida Ltd.” has changed seven jobs in the last one year. He is a hard working person but is not able to finalise deals with the customers due to his inadequate vocabulary and omission of needed words. Sometimes he uses wrong words because of which intended meaning is not conveyed. All this created a misunderstanding between him and his clients.</p> <p>Identify the communication barrier discussed above</p> <p>A. Semantic Barrier</p> <p>B. Psychological Barrier</p> <p>C. Organisational Barrier</p> <p>D. Personal Barrier</p>	1
21(A)	<p>Axis Ltd. is a company engaged in Merchant banking in India. It is planning to diversify into share trading. Lately, the government of India has allowed the private sector to gain entry in the share Trading. For companies dealing with share trading are required to get registered with the stock exchange and functions as per the regulation of “Securities and exchange Board of India “. Axis Ltd. plans to recruit high quality employees and Stock brokers to deal with the various securities</p> <p>i) What financial and non-financial incentives can the company use for employees and agents separately to motivate them?</p> <p>i) To the employees, the company can give pay and allowances, bonus, retirement benefits, perquisites (e.g., car allowance), recognition, promotion, job security etc. to motivate them for higher performance. To the agents, the company can give the following incentives: Profit sharing Stock option (i.e., giving company’s share at a price less than market price) Productivity linked salary (i.e., higher salary for getting more insurance business) Participation in decision – making.</p> <p>ii) How can the company ensure that higher order needs i.e., esteem and self-actualization as specified by Maslow are met?</p> <p>By giving recognition, autonomy status, etc. and providing growth and self-fulfillment opportunities, the company ensures that higher order needs-esteem and self-actualization needs are met.</p> <p>(OR)</p> <p>“Directing is considered as the essence of Management.” Do you agree? Give any three reasons in support of your answer.</p> <p>Yes, Directing is considered as the essence of management because of the following reasons:</p> <p>Importance of Directing:</p> <p>(i) Directing helps to initiate action by people in the organisation towards attainment of desired objectives. For example, if a supervisor guides his subordinates and clarifies their doubts in performing a task, it will help the worker to achieve work targets given to him.</p> <p>(ii) Directing integrates employees’ efforts in the organisation in such a way that every individual effort contributes to the organisational performance. Thus, it ensures that the individuals work for organisational goals.</p> <p>(iii) Directing guides employees to fully realise their potential and capabilities by motivating and providing effective leadership. A good leader can always identify the potential of his employees and motivate them to extract work up to their full potential.</p>	3
21(B)		3

	<p>(iv) Directing facilitates introduction of needed changes in the organisation. Generally, people tend to resist changes in the organisation. Effective directing through motivation, communication and leadership helps to reduce such resistance and develop required cooperation in introducing changes in the organization</p> <p>(v) Effective directing helps to bring stability and balance in the organisation since it fosters cooperation and commitment among the people and helps to achieve balance among various groups, activities and the departments.</p> <p>(Any three points each carries 1M)</p>	
22	<p>“Prakash limited” is a company manufacturing electrical goods. Mr. Bala jhingan is its production Manager. He has planned to accomplish successfully all the functions of his department. Big tasks were divided into small activities. Competent persons were appointed to carry out each small activity. Mr. Bala also guided his subordinates from time to time. Despite doing this, his department did not reach the expected level of performance. He was worried about the performance of his department. After due consideration he concluded that it was all because of his own shortcomings. He never bothered to ensure whether the work was being done according to his plans. This negligence on his part, put the company in difficult situation.</p> <p>i) Identify the function of management that has been neglected in the above case</p> <p>ii) on the basis of the identified function, Write any two points regarding its importance</p> <p>i. Controlling</p> <p>ii. Improving employee Motivation-Explain</p> <p>Making efficient use of resources-Explain</p> <p>(OR)</p> <p>Planning and Controlling are considered as both forward-looking and backward-looking functions of management. Explain the relationship existing between the two.</p> <p>Plans are prepared for the future and are based on forecasts about future conditions. Therefore, planning involves looking ahead and is called a forward-looking function. On the contrary, controlling is like a postmortem of past activities to find out deviations from the standards. In that sense, controlling is a backward-looking function. However, planning is guided by past experiences and the corrective action initiated by the control function aims to improve future performance. Thus, planning and controlling are both backward-looking as well as a forward-looking function.</p>	3
23	<p>Tushar Agarwal is working as the managing director in Aggarwal Infotech Limited. There are four departments in Agarwal company. They are Marketing, production, Finance and Personnel. The marketing department of the company has fixed high objectives of sales. All the sales executives are working hard day-in and day-out to achieve the objectives. On the other hand, the manager of the production department has started the repair work in the factory at a large scale. Consequently, it has not been possible to supply sales orders.</p> <p>It was beyond everybody's understanding how the two departments working under the so highly experienced Managing Director made such a mistake.</p> <p>i) Identify the concept of management being ignored here</p> <p>There has been a “Lack of Coordination” between the Marketing and Production Department</p>	3

	<p>ii) In the light of the above facts, State any two characteristics of the concept identified in A.</p> <p>i) Coordination is the responsibility of all the managers</p> <p>ii) Coordination is a deliberate function</p>	
24	<p>Kanchan purchased a Washing Machine worth Rs. 30,000 from 'Umesh Pvt. Ltd.' Once she started using it, she realized that the Machine was not working properly. Despite many complaints, Umesh Pvt. Ltd have not taken any action in resolving the issue.</p> <p>i) Identify the consumer right that has been violated by Umesh Pvt. Ltd. Right to be heard</p> <p>ii) Suggest the appropriate forum where Kanchan can file her complaint. As the value of goods is less than 1 crore, she can file her complaint against Umesh Pvt. Ltd in District Commission</p> <p>C. Can she appeal to the Supreme Court if she is not satisfied with the order of the appropriate forum? Give reason in support of your answer. No, she cannot appeal to the Supreme Court if she is not satisfied with the order of the appropriate forum as the claims exceeding Rs. 10 crores only are appealable before Supreme Court.</p>	3
25	<p>Explain the objectives and functions of SEBI</p> <p>Following are the objectives of SEBI :</p> <p>1. To regulate stock exchanges and the securities industry to promote their orderly functioning</p> <p>2. To protect the rights and interests of investors, particularly individual investors and to guide and educate them.</p> <p>3. To prevent trading malpractices and achieve a balance between self regulation by the securities industry and its statutory regulation.</p> <p>4. To regulate and develop a code of conduct and fair practices by intermediaries like brokers, merchant bankers etc., with a view to making them competitive and professional. (any two)</p> <p>Following are the functions of stock exchange:</p> <p>(i) Providing liquidity and marketability to existing securities.</p> <p>(ii) Pricing of securities on the stock exchange is determined by the forces of demand and supply.</p> <p>(iii) Safety of transaction is ensured as membership of a stock exchange is well regulated and its dealings are well defined.</p> <p>(iv) Contributes to economic growth through the process of disinvestment and reinvestment. (v) Spreading of equity cult by ensuring wider ownership by way of regulating new issues.</p> <p>(vi) Providing scope for speculation by ensuring speculative activity within the provisions of law for it to take place in a restricted and controlled manner. (any two)</p>	4
26	<p>Neeraj Gupta started a company, XYZ Ltd. With ten employees, to assemble economical computers for the Indian Market. The company did very well in its initial years. As the product was good and marketed well, the demand went up. To increase production, the company decided to recruit additional employees. Neeraj Gupta, who was earlier taking all decisions for the company, had to selectively disperse the authority to the lower level of management. Therefore, the response does not take time. He believed that people were competent, capable and resourceful and could assume</p>	4

	<p>responsibility for effective implementation of their decisions. This paid off and the company was not only able to increase its production, but also expanded its product range with different features:</p> <p>By quoting the lines given above identify and briefly explain the importance of the concept discussed above.</p> <p>Decentralization</p> <p>Importance</p> <p>(i) Develops Initiative among subordinates (the company had to to the lower level of Management)</p> <p>(ii) Quick Decision Making (Therefore, response does not take time)</p> <p>(ii) Develops Managerial Talent for the future (he believed that people..... implementation of decisions)</p> <p>(iv) Facilitates growth (Not only able to increase production But also expands its product range)</p> <p>(Any three)</p> <p style="text-align: center;">(OR)</p> <p>Shanbagh Ltd. is dealing with office furniture. For increasing the growth potential, Company decided to diversify its operations. For diversification, many alternatives were evaluated and discussed with the employees. Rajveer Yadav, the managing director of the company, decided that they should include “Home interiors furnishings” as a new line of business activity</p> <p>i) Suggest the more appropriate organization structure that must be adopted by Shanbagh Ltd.</p> <p>Divisional organization structure</p> <p>In a divisional structure, the organisation structure comprises of separate business units or divisions. Each division is multifunctional because within each division functions like production, marketing, finance, purchase, etc., are performed together to achieve a common goal. Each division is self-contained as it develops expertise in all functions related to a product line.</p> <p>ii) State the merits associated with the identified organization structure.</p> <p>(a) Product specialisation helps in the development of varied skills in a divisional head and this prepares him for higher positions. This is because he gains experience in all functions related to a particular product.</p> <p>(b) Divisional heads are accountable for profits, as revenues and costs related to different departments can be easily identified and assigned to them. This provides a proper basis for performance measurement. It also helps in fixation of responsibility in cases of poor performance of the division and appropriate remedial action can be taken.</p> <p>(c) It promotes flexibility and initiative because each division functions as an autonomous unit which leads to faster decision making.</p> <p>(d) It facilitates expansion and growth as new divisions can be added without interrupting the existing operations by merely adding another divisional head and staff for the new product line.</p>	
27	<p>Mr. Govind is the Divisional Manager of the export Division of “Kopiko Coffee Ltd. Since long time, various restrictions were imposed on the export of coffee. Company’s export business mainly depends on the Government’s policy. Due to change in central Government, the government has removed the trade restrictions of various commodities including export of coffee.</p>	4

	<p>i) Identify and explain the two dimensions of Business Environment being discussed above (3M)</p> <p>1.Change in Central government- political Environment Political environment includes political conditions such as general stability and peace in the country and specific attitudes that elected government representatives hold towards business. The significance of political conditions in business success lies in the predictability of business activities under stable political conditions</p> <p>2.Change in the policy of export and import- Economic Environment Economic Environment: Interest rates, inflation rates, changes in disposable income of people, changes in the volume of export and import of various items, stock market indices and the value of rupee are some of the economic factors that can affect management practices in a business enterprise.</p> <p>ii) which characteristic of Business Environment is witnessed in the above case and how it is affecting the business of Kopiko Coffee Ltd.(1M)</p> <p>Inter relatedness-Different elements or parts of business environment are closely inter related. Eg. Change in the government brought changes in the export policy thereby removing restrictions on the export of coffee</p> <p>1/2M for identification and 1M for explanation of each factor 1M for identification and explanation of characteristic of BE</p>	
28	<p>Two years ago, Meena completed her degree in food technology. She worked for some-time in a company that manufactured chutneys, pickles and murabbas. She was not happy in the company and decided to have her own organic food processing unit for the same. She set the objectives and the targets and formulated an action plan to achieve the same. One of her objectives was to earn 10% profit on the amount invested in the first year. It was decided that raw materials like fruits, vegetables, spices, etc. will be purchased on three months' credit from farmers cultivating only organic crops. She also decided to follow the steps required for marketing of the products through her own outlets. She appointed Mohan as the Production Manager who decided the exact manner in which the production activities were to be carried out. Mohan also prepared a statement showing the number of workers that will be required in the factory throughout the year. Meena informed Mohan about her area wise sales target for different products for the forthcoming quarter. While working on the production table, a penalty of Rs.100 per day for not wearing caps, gloves and apron was announced.</p> <p>i) Quoting lines from the above paragraph, identify and explain any two types of plans discussed.</p> <p>The different types of plans discussed above are listed below:</p> <p>Objectives: Objectives are the end results of the activities that-an organization seeks to achieve through its existence. All other activities within the organization are directed towards achieving these objectives. "One of her objectives was to earn 10% profit on the amount invested in the first year."</p> <p>Policy: A policy is a set of general guidelines that helps in managerial decision making and action. "It was decided that the raw materials like fruits, vegetables, spices, etc. will be purchased on three months' credit from farmers cultivating only organic crops."</p> <p>Procedure: A procedure contains a series of specific steps to be performed in a chronological order to carry out the routine activities. "She also decided to follow the steps required for marketing of the products through her own outlets."</p>	4

	<p>(Any two-1/2m for identification of plan and ½ M for its explanation for each type of plan (i.e. 1*2=2M)</p> <p>ii) State any two limitations of Planning</p> <ol style="list-style-type: none"> 1. Planning leads to rigidity: In an organisation, a well-defined plan is drawn up with specific goals to be achieved within a specific time frame. These plans then decide the future course of action and managers may not be in a position to change it. This kind of rigidity in plans may create difficulty. 2. Planning may not work in a dynamic environment: The business environment is dynamic, nothing is constant. The environment consists of a number of dimensions, economic, political, physical, legal and social dimensions. The organisation has to constantly adapt itself to changes. It becomes difficult to accurately assess future trends in the environment if economic policies are modified or political conditions in the country are not stable or there is a natural calamity. Planning cannot foresee everything and thus, there may be obstacles to effective planning 3. Planning reduces creativity: Planning is an activity which is done by the top management. Usually the rest of the members just implements these plans. As a consequence, middle management and other decision makers are neither allowed to deviate from plans nor are they permitted to act on their own. Thus, much of the initiative or creativity inherent in them also gets lost or reduced. 4. Planning involves huge costs: When plans are drawn up huge costs are involved in their formulation. These may be in terms of time and money. Detailed plans require scientific calculations to ascertain facts and figures. The costs incurred sometimes may not justify the benefits derived from the plans. 5. Planning is a time-consuming process: Sometimes plans to be drawn up take so much of time that there is not much time left for their implementation. 6. Planning does not guarantee success: The success of an enterprise is possible only when plans are properly drawn up and implemented. Any plan needs to be translated into action or it becomes meaningless. <p>(Any two-half marks for title point and 1/2 M for explanation for each limitation i.e. (½+1/2)2)</p>	
29 A	<p>A company is manufacturing paper plates and bowls. It produces 1,00,000 plates and bowls each day. Due to local festival, it got an urgent order of extra 50,000 plates and bowls.</p> <p>i) Explain the method of recruitment that the company should adopt in the given circumstances to meet the order. Justify with any two reasons .</p> <p>In this case, company needs to recruit unskilled workers to meet the seasonal/Temporary increase in demand of the company's products. Here, "Labour contractors" will be the most suitable method of recruitment because of the following reasons:</p> <ol style="list-style-type: none"> (i) labour contractors maintain close contacts with labourers; (ii) They can provide the required number of unskilled workers at short notice. <p>(identification and explanation-1/2+1/2=1M, Two Reasons-1/2+1/2=1M)</p> <p>ii) State any two Merits of External sources of recruitment</p> <p>Merits of External Sources The advantages of using external sources of recruitment are as follows:</p> <ol style="list-style-type: none"> (i) Qualified Personnel: By using external sources of recruitment, the management can attract qualified and trained people to apply for vacant jobs in the organisation. 	4

29 B	<p>(ii) Wider Choice: When vacancies are advertised widely, a large number of applicants from outside the organisation apply. The management has a wider choice while selecting the people for employment.</p> <p>(iii) Fresh Talent: The present employees may be insufficient or they may not fulfill the specifications of the jobs to be filled. External recruitment provide wider choice and brings new blood in the organisation. However, it is expensive and time consuming.</p> <p>(iv) Competitive Spirit: If a company taps external sources, the existing staff will have to compete with the outsiders. They will work hard.</p> <p>(Any two merits, Each Merit carries 1M=1*2=2M)</p> <p style="text-align: center;">(OR)</p> <p>Sapphire Ltd. Purchased an automated machine from Japan for manufacturing high quality components in an economical manner. But during the production process, Amit- the manager observed that most of the component parts are not as per the quality standards. On investigation, it was found that there was a lack of knowledge amongst the employees of using such technologically advanced automated machines. For making them aware about the method of using machines, company was frequently calling expert engineers from Japan because of which their overhead charges increased significantly</p> <p>i) Suggest what can be done to develop the skills and abilities of employees for producing high quality products by using these automated machines</p> <p>Through training of the employees</p> <p>ii) Also state how the employees or the organization will be benefitted. (1M)</p> <p>Benefits to the organisation</p> <p>The benefits of training and development to an organisation are as follows: (i) Training is a systematic learning, always better than hit and trial methods which lead to wastage of efforts and money.</p> <p>(ii) It enhances employee productivity both in terms of quantity and quality, leading to higher profits</p> <p>(iii) Training equips the future manager who can take over in case of emergency.</p> <p>(iv) Training increases employee morale and reduces absenteeism and employee turnover.</p> <p>(v) It helps in obtaining effective response to fast changing environment – technological and economic.</p> <p>(Any three)</p>	
30	<p>Airie, a company engaged in marketing “Air purifiers” which were very popular due to their quality and after sales services provided to the customers. The company was a leading company in the market and earning huge profits. Because of huge profits the company ignored the after sales service causing a deteriorating effect on the relationship of company with its customers. This led to a decline in the image of the company. On analysis, The marketing manager found out that ignoring after sales service was its reason. In order to rebuild its image, Marketing manager took all the possible measures to protect and promote its favorable image.</p> <p>i) Name and State the communication tool adopted by the marketing manager to improve the image of its company</p> <p>Public relations-It is a tool used by the marketer to protect and promote its image in the eyes of the public. Public relations include all efforts by a marketer which lead to a favourable opinion about the marketer and its products.</p> <p>(1/2 for title and 1/2M for explanation)</p> <p>ii) Also explain the role of tool identified in A.</p>	4

	<p>i. It measures, evaluates, interprets the attitudes of the concerned public, i.e. customers, society</p> <p>ii. It develops, executes and evaluates the programme to earn public understanding</p> <p>iii. It creates a favourable image of the marketer</p> <p>iv. It facilitates launching of the new products</p> <p>v. It stimulates sales force of the firm.</p> <p>(Any three)</p> <p>1M each role</p>	
31	<p>Nandit is the production Manager of “Hard core Steels Ltd.”-a renowned Manufacturers and exporters of steel. Company failed to meet its production targets during the year 2014-15. The company constituted a committee to find out the reasons and give its recommendations so that the production target could be met in the future. The company analysed the production related records and found out that there were problems due to communication. “Hard core steels ltd. had rigid rules and would insist on communication through prescribed channels, which led to delays. The company also had a number of managerial levels causing further delays and distorted communication. Even Nandit doubts the competency of employees and vice versa because of which both the parties don’t understand each other’s message in the original sense.</p> <p>i) Identify and explain the types of communication barriers discussed above</p> <p>Organisational Barrier and Psychological Barrier</p> <p>Organisational Barrier- It refers to those barriers which are related to organizational structure, authority relationships, rules and regulations</p> <p>Psychological Barrier- It refers to those barriers which are concerned with the state of mind of both the sender and the receiver.</p> <p>½ for title and ½ for explanation for each barrier(2M)</p> <p>ii). Quoting lines from the above, state any two communication barriers under each of the types identified in A</p> <p>Organisational Barrier-</p> <p>(i)Rules and Regulations- “Hard Core steels Ltd. Had rigid.....which led to delays</p> <p>(ii)Complexity in organizational structure- “The company also had a number of delay and distorted communication”</p> <p>Psychological Barrier-</p> <p>(i) loss by transmission and poor retention-“the company also had number of managerial levels</p> <p>(ii) Distrust- “Nandit and the workers did not believe.....other’s message in the original sense.</p> <p>½ for title point+1/2 for quoting lines (1M for each barrier) (1+1)</p> <p>C. Suggest any two measures to improve the communication effectiveness(1+1)</p> <p>(i) Be aware of language, tone and content of message</p> <p>(ii) Be a good listener.</p>	6
32 A	<p>Explain the following techniques of Scientific Management:</p> <p>(i) Time study</p> <p>(ii) Method study</p> <p>(iii) Differential piece wage system</p> <p>(i)Time Study</p> <p>A. It determines the standard time taken to perform a well-defined job.</p> <p>B. The objective of time study is to determine the number of workers to be employed; frame suitable incentive schemes and determine labour costs.</p>	<p>6</p> <p>2</p>

32 B	<p>(ii) Method Study:</p> <ul style="list-style-type: none"> - Method study is the study to find out one best way of doing the job. - The objective is to minimise the cost of production and maximise the quality and satisfaction of the customer. <p>(iii) Differential Piece Wage System</p> <ul style="list-style-type: none"> - Differential Piece Wage system is a technique which differentiates between efficient and less efficient workers. It rewards the efficient workers and motivates the less efficient ones to improve their efficiency. - In this plan, there are two piece rates – one for those workers who produce the standard output or more, and the other for those who produce less than the standard output. <p style="text-align: center;">(OR)</p> <p>Explain the following principles of Scientific Management:</p> <p>(i) Science, Not Rule of Thumb</p> <p>(ii) Cooperation, Not Individualism</p> <p>(iii) Development of Each and Every Person to His/Her Greatest Efficiency and Prosperity</p> <p>(i) Science, Not Rule of Thumb</p> <ul style="list-style-type: none"> - It states that there is only one best method to maximise efficiency. This method can be developed through scientific study and analysis of each element of a job and should substitute 'Rule of Thumb'. - The standard method should be followed throughout the organisation. <p>(ii) Cooperation, Not Individualism</p> <ul style="list-style-type: none"> - There should be complete cooperation between the labour and the management instead of individualism. Competition should be replaced by cooperation. - Management should take workers into confidence before making any important decision. At the same time workers should avoid strikes and unreasonable demands. <p>(iii) Development of Each and Every Person to His and Her Greatest Efficiency and Prosperity</p> <ul style="list-style-type: none"> - This principle is concerned with efficiency of employees which could be built in right from the process of employee selection. - The work assigned to employees should suit their capabilities. They should be given the required training to increase their efficiency. Efficient employees would produce more and earn more. 	<p>2</p> <p>2</p> <p>6</p> <p>2</p> <p>2</p> <p>2</p>
33	<p>Amar after conducting Market research wanted to be the leading manufacturer of Aloe Vera products worldwide. He observed that the products were expensive as the demand of the products was more than the supply. He was also keen to promote the methods and practices that were economically viable, environmentally sound and at the same time protecting public health. Amar's main consideration was about the amount of money paid by the consumers in consideration of the purchase of Aloe Vera products. He also thought that competitor's prices and their anticipated reactions must also be considered for this. After gathering and analyzing information and doing correct marketing planning, he came to know that the consumers compare the value of a product to the value of money they are required to pay. The consumers will be ready to</p>	6

	<p>buy a product when they perceived that the value of the product is at least equal to the value of money which they would pay. The above case is related to a concept which is considered to be an effective competitive marketing weapon. In conditions of perfect competition most of the firms compete with each other on this concept in the marketing of goods and services.</p> <p>i. Identify the concept discussed above</p> <p>Pricing</p> <p>ii. Explain briefly any four factors discussed in the above case related to the concept so identified.</p> <p>(b) Factors discussed in the above case are: (Any four)</p> <p>(i) Product Cost</p> <p>(ii) Utility and Demand</p> <p>(iii) Extent of competition</p> <p>(iv) Marketing methods used</p> <p>(v) Pricing objectives</p> <p>C. Name the Marketing philosophy adopted by Ashok</p> <p>Societal Marketing Concept</p>	<p>1</p> <p>4</p> <p>(1+1+1+1)</p> <p>1</p>
34 A	<p>Explain the following factors affecting the requirement of fixed capital of a company: Factors affecting the Requirement of Fixed Capital:</p> <p>(i) Choice of Technique:</p> <p>A capital-intensive organisation requires higher investment in plant and machinery as it relies less on manual labour.</p> <p>Labour intensive organisations on the other hand require less investment in fixed assets. Hence, their fixed capital requirement is lower.</p> <p>(ii) Financing Alternatives:</p> <p>When an asset is taken on lease, the firm pays lease rentals and uses it. By doing so, it avoids huge sums required to purchase it.</p> <p>Availability of leasing facilities, thus, may reduce the funds required to be invested in fixed assets, thereby reducing the fixed capital requirements.</p> <p>iii) Growth Prospects:</p> <p>Higher growth of an organisation generally requires higher investment in fixed assets. When such growth is expected, a company may choose to create higher capacity in order to meet the anticipated higher demand quicker. This entails larger investment in fixed assets and consequently larger fixed capital.</p>	<p>6</p> <p>2</p> <p>2</p> <p>2</p>
34 B	<p>(OR)</p> <p>Rashmi is an entrepreneur who has been running a cafeteria for the past 12 years. She has saved Rs. 50 Lakhs from her business and wanted to expand her business. She shared her plan of expansion with one of her friend Rajeev. He advised her to invest in different options like buying new machinery by replacing the existing one, acquiring altogether new equipment with latest technology, opening a new branch of the cafeteria in another city. As these decisions involve huge some of money, Rashmi needs to analyse all the factors affecting her decision</p> <p>(i) Identify and explain the financial decision which has to be taken by Rashmi.</p> <p>(i) Investment decision/ Capital budgeting decision Investment/ Capital budgeting decision involves deciding about how the funds are invested in different assets so that they are able to earn the highest possible return for their investors.</p> <p>(ii) Also explain briefly any two factors that affect this decision.</p> <p>(a) Cash flows of the project: When a company takes an investment decision involving huge amount it expects to generate some cash flows over a period. These cash flows are in the form of a series of cash receipts and payments over the life of an</p>	<p>2</p>

	<p>investment. The amount of these cash flows should be carefully analysed before considering a capital budgeting decision.</p> <p>(b) Rate of return of the project.</p> <p>The rate of return: The most important criterion is the rate of return of the project. These calculations are based on the expected returns from each proposal and the assessment of the risk involved. Suppose, there are two projects, A and B (with the same risk involved), with a rate of return of 10 per cent and 12 per cent, respectively, then under normal circumstance, project B should be selected.</p> <p>(c) The investment criteria involved: The decision to invest in a particular project involves a number of calculations regarding the amount of investment, interest rate, cash flows and rate of return. There are different techniques to evaluate investment proposals which are known as capital budgeting techniques. These techniques are applied to each proposal before selecting a particular project.</p>	2+2
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