

CBSE Board Examination – 2024
BUSINESS STUDIES
Class-12th
(Solved)
(Delhi & Outside Delhi Sets)

Time : 3 Hours

Max. Marks : 80

General Instructions:

Read the following instructions carefully and follow them:

- (i) This question paper contains 34 questions. All questions are compulsory.
- (ii) Marks are indicated against each question.
- (iii) Answer should be brief and to the point.
- (iv) Answer to the questions carrying 3 marks may be from 50 to 75 words.
- (v) Answer to the questions carrying 4 marks may be in about 150 words.
- (vi) Answer to the questions carrying 6 marks may be in about 200 words.
- (vii) Attempt all parts of a question together.

Delhi Set-1

66/5/1

1. 'Vanguard Inc', a company manufacturing footwear for men, women and children has been earning consistent profits for the last many years. It has a democratic style of working. Workers are encouraged to develop and carry out plans for improvement in the organisation. Varun who is working in the production department gave a suggestion which resulted in 10% ' - reduction in the cost of production of shoes. He was rewarded for his suggestion. Identify the principle of management followed by 'Vanguard . Inc.' in the above case: 1
(A) Esprit De Corps
(B) Subordination of Individual Interest to General Interest
(C) Initiative
(D) Equity
2. 'Child-O' is a garment manufacturing company which makes clothes with unique and stylish designs for children. Naisha was working as the Human Resource Manager with 'Child-O'. In spite of good pay and many other benefits offered, the company is facing problem of high turnover of its employees. Naisha tried to find out the reason but could not. She appointed a person with the permission of the Chief Executive Officer to find out the reason. It was found that other organisations were giving more autonomy and authority to their employees which made them feel that their jobs were important. This was attracting the employees of 'Child-O' to other organisations. The incentive which attracted the employees Of 'Child-O' to other organisations is: 1
(A) Employee Recognition Programmes
(B) Employee Participation
(C) Career Advancement Opportunity
(D) Employee Empowerment
3. 'Since business environment consists of numerous interrelated and dynamic conditions or forces which -arise from different sources, it becomes difficult to comprehend at once what exactly constitutes a given environment'. Thus it is relatively easier to understand the environment in parts but difficult to grasp in its totality. Identify the feature of business environment highlighted above : 1
(A) Uncertainty (B) Complexity
(C) Relativity (D) Dynamic nature
4. Naman and Vineet were childhood friends and both were working in : 'Sunshine Crockery.' Naman was working as the Chief Executive Officer - while Vineet was the Production Manager. They would generally discuss company related issues over lunch-time or while travelling together. The company had recently received an order for supply of 5,000 dinner sets from Shaurya Hotel. It was an unexpected order and would increase the revenue of the company. This order was communicated by Naman to Vineet over intercom. Vineet executed the order within the given time period. For this, he was appreciated by Naman. The type of communication used by Naman to communicate the order to Vineet was : 1
(A) Formal Communication
(B) Informal Communication
(C) Online Communication
(D) Visual Communication
5. **Statement-I** : The basic function of a Stock Exchange is the creation of a continuous market where securities are bought and sold.
Statement-II : The Stock Exchange provides both liquidity and easy marketability to already existing securities in the market.

- Choose the correct option from the following : 1
- (A) Statement-I is true and Statement-II is false.
 (B) Statement-II is true and Statement-I is false.
 (C) Both the Statements are true.
 (D) Both the Statements are false.
6. As per Plastic Waste: Management Rule 2022, single use plastic items were prohibited in Delhi from 1st July, 2022. The dimension of business environment referred to here is 1
- (A) Economic environment
 (B) Legal environment
 (C) Technological environment
 (D) Political environment
7. Statement-I : Motivation can be either positive or negative
 Statement-II : Motivation is a complex process as the individuals are heterogeneous in their expectations, perceptions and reactions.
 Choose the correct option from the following : 1
- (A) Statement-I is true and Statement-II is false
 (B) Statement-II is true and Statement-I is false
 (C) Both the Statements are true.
 (D) Both the Statements are false
8. Navya went to a supermarket for grocery shopping. She bought one kg of bajra flour from the supermarket. On reaching home when she opened the packet she found worms inside it. She was disappointed and told her son about the same. Her son asked her to check the label. When she checked the label of the packet, she found that bajra flour was stale and beyond the expiry date. She approached the sales-person at the supermarket who replaced the bajra flour immediately. When she thanked the sales-person, she was told that it was the policy of the supermarket to satisfy the customers. He further told that satisfied customers not only lead to repeat sales but they also provide good feedback to prospective customers which helps in increasing the customer base of business. Identify the point of importance of consumer protection from the point of view of the supermarket which is helping them to increase the customer base: 1
- (A) Long term interest of the business
 (B) Moral justification
 (C) Social responsibility
 (D) Government intervention
9. Which of the following is not an element of social environment ? 1
- (A) Composition of family
 (B) Consumption habits
 (C) Rates of saving and investment
 (D) Educational system and literacy rates
10. Read the following statements :
- Assertion (A) and Reason (R). Choose the correct alternative from those given below :
- Assertion (A) :** Availability of leasing facilities may reduce the funds required to be invested in fixed assets thereby reducing the fixed capital requirements.

Reason (R) : When an asset is taken on lease, the firm pays lease rentals to use it and avoids to invest huge sums required to purchase it. 1

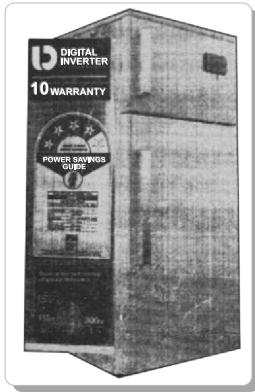
- (A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
 (B) Both Assertion (A) and Reason (R) are true but Reason (R) is not the correct explanation of Assertion (A).
 (C) Assertion (A) is true but Reason (R) is false.
 (D) Assertion (A) is false but Reason (R) is true.
11. Match the terms given in Column-I with their meaning in Column-II.

	Column-I		Column-II
a.	Trademark	(i)	A name, term, sign, symbol, design or some combination of them used to identify the products and differentiate them from the competitors
b.	Brand name	(ii)	A brand or a part of the brand that is given legal protection.
c.	Brand	(iii)	That part of the brand which can be recognised but which is not utterable.
d.	Brand mark	(iv)	That part of the brand which can be spoken.

Choose the correct option from the following : 1

- a b c d
- (A) (i) (ii) (iii) (iv)
 (B) (ii) (iii) (i) (iv)
 (C) (ii) (iv) (i) (iii)
 (D) (ii) (i) (iv) (iii)
12. 'Kanand Ltd.' is an Automobile manufacturing company started in 2014 under 'Make in India' initiative of the Government of India. Expecting higher growth in future, it developed higher capacity in the current year taking advantage of the subsidies provided by the government. This would enable 'Kanand Ltd.' to meet anticipated higher demand quickly. For this, 'Kanand Ltd.' invested large amounts in fixed assets leading to higher requirements of fixed capital. Identify the factor affecting fixed capital requirements which 'Kanand Ltd.' kept in mind to meet higher anticipated demand quicker. 1
- (A) Scale of operations (B) Nature of business
 (C) Diversification (D) Growth prospects
13. Many reputed business organisations keep a database of unsolicited applicants in their offices. Such job seekers can be a valuable source of manpower. A list of such job seekers can be prepared and can be screened to fill the vacancies as they arise.

- The source of recruitment discussed above is : 1
 (A) Direct recruitment (B) Casual callers
 (C) Labour contractors (D) Campus recruitment
14. Identify from the following — what is shown in the picture of refrigerator given below ? 1



- (A) Brand name (B) Brand mark
 (C) Trademark (D) Label
15. Which of the following is NOT a factor affecting 'financing decision' ? 1
 (A) Fixed operating costs
 (B) Cash flow position
 (C) Control considerations
 (D) Diversification
16. For holding securities in an electronic form, the investor has to open a demat account with an organisation called..... 1
 (A) Depository
 (B) Securities and Exchange Board of India
 (C) Stock Exchange
 (D) Mutual Fund
17. means doing the task correctly and with minimum cost. 1
 (A) Efficiency (B) Effectiveness
 (C) Management (D) Coordination
18. Which of the following is the function of Top level management? 1
 (A) They ensure that their department has the necessary personnel.
 (B) They interact with the actual work force and pass on instructions of the middle management to the workers
 (C) They co-operate with other departments for smooth functioning of the organisation.
 (D) They analyse the business environment and its implications or the survival of the firm.
19. The activities involved in managing the enterprise are common to all organisations whether economic, political or social. Identify the feature of management: 1
 (A) Management is multidimensional.
 (B) Management is all pervasive.
 (C) Management is a continuous process
 (D) Management is a dynamic function

20. Choose the incorrect statement about 'Money market': 1
 (A) The main instruments traded in this market are Treasury bills, Trade bills, Commercial paper and Certificates of deposit.
 (B) In this market, transactions entail huge sums of money as the instruments are quite expensive.
 (C) Participation in this market is by and large undertaken by institutional participants such as the Reserve Bank of India, banks, financial institutions and finance companies.
 (D) It deals in medium and long term securities.
21. 'Cortico Fabrics' was started by Ashish in 2001 to sell bed sheets, towels, comforters, pillows, cushions, bath mats etc. It is now a famous name and its branches are across India. To manage the work all over India, it has eight teams-two each for North, South, East and West India. Ashish spends a considerable amount of time to develop an orderly pattern of group efforts among different teams and to secure unity of action in pursuit of a common purpose.
 To ensure suitable allocation of tasks to the various members of the teams and to see that the tasks are performed with harmony among the members, he tries to balance the different teams at different locations.
 (a) Identify and explain the concept of management discussed in the above para.
 (b) Also, explain any one point of importance of the concept identified in (a) above. 3
22. State any three points of importance of staffing function of management. 3
23. 'Caro', a car manufacturing company was manufacturing high cost, good quality luxury cars. For the last few years, the company was not earning good profits as the demand for the cars was very low.
 Chief Executive Officer of the company, Piyush had a meeting with the Production and Sales Managers to discuss how to increase the revenue of the company. They found that nowadays instead of purchasing luxury cars people prefer to have such cars on rental basis. So they decided to start 'Car rental service'. The Production Manager also suggested that as these cars were sophisticated and each spare part was very costly it would be better to provide these cars for rental service along with trained drivers so that there would be less wear and tear. Piyush agreed and a training unit was started. Two of the available cars were used for training the drivers. People were very happy as they were getting these cars on rental basis with trained drivers. The idea was a big hit and the company was able to surpass its profit targets of the last 20 years
 (a) Identify and explain the method of training given by 'Caro' to its drivers.
 (a) Also, state any two advantages the drivers will get after this training. 3

24. State any three protective functions of 'Securities and Exchange Board of India'. 3
25. Kewalram started a Pri shop 'Karamati Sweets' in 1950. The sweets were famous all over India for their good quality and people would come from far and wide to purchase sweets from him. As he grew old, he could no longer run the shop. So, he sold the shop to one of his neighbours 'Bholaram'. After a few months, to further increase the revenue, 'Bholaram' started engaging in unfair trade practices like using adulterated khoya and paneer. He thought that no one would know about it as 'Karamati Sweets' had a good image in the eyes of the people. Slowly, people started falling sick after consuming sweets purchased from 'Karamati Sweets' but they did not know where to go and to whom to complain. Raghav, a resident of the village had recently completed his studies. He was also a member of a non-governmental organisation. 'Meri Voice'. He felt that the villagers should be made aware about the rights and reliefs available to them. He started creating awareness about consumer rights among the villagers to protect their interest through a series of talks and presentations in the village.
- (a) Identify and explain the consumer right discussed in the above para. 4
- (b) Also, identify and explain the consumer right violated by 'Bholaram' in the above case. 4
26. A Business Process Outsourcing centre, 'Chromosome' which deals in conversion of voice reports dictated by physicians and other healthcare providers into text format has 40 employees. They ensure that their employees are well versed in at least one foreign language one Indian language. The employees are given the required training to ensure that the reports are processed correctly as they are the backbone of the patients' medical history. On frequent complaints about some of its employees, it was observed that they were facing problems in decoding the message as they were not very proficient with the language in which the voice message was received. As a result, they would make mistakes causing different meaning to the message. Not only this, sometimes there were technical words used in voice reports, the actual meaning of which was also not understood by the employees. Due to this, 'Chromosome' was slowly losing its business to competitors. The above case highlights two communication barriers. Identify and explain these barriers. 4
27. (a) State any four limitations of planning. 4
- OR**
- (b) Explain the following types of plans : 4
- (i) Strategy
- (ii) Procedure
28. Differentiate between 'Production concept' and 'Marketing concept' of marketing management philosophies on the basis of : 4
- (a) Meaning (b) Main focus
- (c) Means (d) Ends
29. Inspired by the success of Chandrayaan-3, the Chief Scientist at 'Space B Rover' a private research group, decided to send some innovative ideas regarding the mission to the Chief Scientist of Chandrayaan-8. The Chief Scientist at 'Space Rover' formed four groups for the same. As it was an intellectual activity of thinking rather than doing, these four groups started interacting with each other and friendships developed. On the basis of their interaction and friendship, some members from each group formed 'Entertainment Through Reading' group which showed conformity in terms of their interest. 'Entertainment Through Reading' group had no written rules, was unstable in form and scope and had no fixed lines of communication. The members of this group enhanced the morale of each other, enjoyed drinking coffee together, read books, served different issues of their work areas and provided support to each other. Ultimately this group developed some innovative ideas which were sent by 'Space Rover' to the Chief Scientist of Chandrayaan-3. Though this group was formed for recreation but it contributed towards fulfillment of organisational objectives. 4
- (a) Identify and explain the type of organization which emerged as 'Entertainment Through Reading'. 4
- (b) State any three advantages of the type of organisation identified in (a) above. 4
30. (a) Explain the following functions of marketing : 4
- (i) Product Designing and Development.
- (ii) Standardisation and grading
- OR**
- (b) Explain the four important elements of marketing mix. 4
31. (a) Explain the following characteristics of Principles of Management : 6
- (i) General guidelines
- (ii) Flexible
- (iii) Cause and effect relationship
- OR**
- (b) Explain the following techniques of Scientific Management : 6
- (i) Method Study
- (ii) Differential Piece Wage System
- (iii) Fatigue Study
32. (a) Explain the following factors affecting the working capital requirements of a business : 6
- (i) Operating efficiency
- (ii) Credit availed
- (iii) Level of competition
- OR**
- (b) Explain the following factors the dividend decision of a company : 6
- (i) Stability of dividends
- (ii) Contractual constraints
- (iii) Stock market

33. The G20 Summit was organised in India. The government left no stone unturned to make G20 summit a success.

At the higher level, the work to be performed was identified and grouped to enable people to work most effectively together for accomplishing objectives. This involved building infrastructure, beautification of the city, hospitality, security arrangements etc. Duties were assigned to different job positions which led to establishment of clear relationships. This helped in creating a hierarchical structure and in co-ordination amongst all working for the summit

- (a) Identify and explain the function of management discussed in the above para.
 (b) Explain any four points of importance of the function identified in (a) above. 6
34. 'Memo Builders' was constructing a five star hotel for a leading hotel chain. The hotel had to be given possession by next year but the construction of the

hotel was running six months behind schedule. The Chief Executive Officer of 'Memo Builders' was concerned as Memo Builders was known for its quality and timely completion of projects. He asked Nitin, the senior of the Project Head for a thorough investigation. Nitin investigated and reported to the Chief Executive Officer that in spite of huge absenteeism of workers, additional workers were not called. Nitin also reported to the Chief Executive Officer that three of the ten machines being used by the workers were defective. Nitin ordered for repair of the machines and asked the Project Head to appoint additional workers with attractive wages to ensure that the deadline is met. 6

- (a) Identify the function of management. Quoting the lines from the above para, explain the steps of the process of the function of management discussed.
 (b) Also explain any two points of importance of the function of management identified in (a) above.

Delhi Set-2

66/5/2

Note: Except these, all other questions have been given in Delhi Set-1

27. (b) Explain the following types of plans :
 (i) Objective
 (ii) Programme 4
28. Differentiate between 'Product Concept' and 'Societal Marketing Concept' of marketing management philosophies on the basis of : 4
 (a) Meaning
 (b) Main focus
 (c) Means
 (d) Ends
30. (a) Explain the following functions of marketing :
 (i) Customer support services
 (ii) Physical distribution 4
- OR**
- (b) State any four factors which affect the fixation of price of a product. 4
31. (a) Explain the following characteristics of principles of management :

- (i) Universal applicability
 (ii) Formed by practice and experimentation
 (iii) Contingent 6

OR

- (b) Explain the following principles of management:
 (i) Division of work
 (ii) Order
 (iii) Unity of command 6
32. (a) Explain the following factors affecting the working capital requirements of a business :
 (i) Inflation
 (ii) Business cycle
 (iii) Nature of business 6
- OR**
- (b) Explain the following factors affecting the dividend decision of a company :
 (i) Access to capital market
 (ii) Legal constraints
 (iii) Taxation policy 6

Delhi Set-3

66/5/3

Note: Except these, all other questions have been given in Delhi Set-1&2

27. (a) State any four characteristics of planning. 4
- OR**
- (b) Explain the following types of plans:
 (i) Policy
 (ii) Budget 4
28. Differentiate between 'Selling Concept' and 'Production Concept' of marketing management philosophies on the basis of: 4
 (a) Meaning
 (b) Main focus
 (c) Means
 (d) Ends

30. (a) Explain the following functions of marketing:
 (i) Gathering and Analysing Market Information
 (ii) Marketing Planning 4
- OR**
- (b) State the four major components of physical distribution. 4
31. (a) Explain the following points of significance of principles of management:
 (i) Providing managers with useful insights into reality.
 (ii) Meeting changing environment requirements.
 (iii) Scientific decisions 6

OR

- (b) Explain the following principles of management:
- Unity of direction
 - Remuneration to employees
 - Equity
- 6
32. (a) Explain the following factors affecting the working capital requirements of a business:
- Credit allowed

(ii) Production cycle

(iii) Availability of raw material

6

OR

- (b) Explain the following factors affecting the dividend decision of a company:
- Growth opportunities
 - Cash flow position
 - Shareholders' preference
- 6

Outside Delhi Set-1

66/4/1

1. A multinational sweets and snacks company had been into catering business for the last many years. To add to its prospects and to grow in the long run, it wants to increase its sales volume, the number of products and capital investment.

The organisational objective of management it seeks to achieve is: 1

- Survival
 - Profit
 - Growth
 - Corporate Social responsibility
2. With respect to levels of management choose the incorrect statement from the following: 1
- Operational level management is responsible for maintaining safety standards in the organisations.
 - At middle level management, managers ensure that their department has the necessary personnel.
 - Chief Executive officer at Top Level management is responsible for all activities of first line managers.
 - Top level management is responsible for all the activities of the business and for its impact on the society.
3. 'Merely allocating work is not enough. Each individual should also know who he has to take orders from and to whom he is accountable'.

The above statement is related to one of the steps of organising process. Identify the step from the following: 1

- Identification and division of work
 - Departmentalisation
 - Assignment of duties
 - Establishing authority and reporting relationship
4. is the step in the controlling process where standards may have to be revised in case the deviation can not be corrected through managerial action. 1
- Setting Performance Standards
 - Measurement of Actual performance
 - Comparing Actual Performance with standards and analysing deviations
 - Taking corrective action
5. Read the following statements Assertion (A) and Reason (R). Choose the correct option from the given options. 1

Assertion (A): Amount of Earnings is a major determinant of the decision about dividend.

Reason (R): Dividends are paid out of current and past earnings.

- Both Assertion (A) and Reason (R) are true and Reason (R) is correct explanation of Assertion (A).
- Both Assertion (A) and Reason (R) are true but Reason (R) is not the correct explanation of Assertion (A).
- Assertion (A) is true but Reason (R) is false.
- Assertion (A) is false but Reason (R) is true.

6. 'It is a process that allocates or directs funds available for investment into their most productive instrument opportunity'. 1

This is known as:

- Financial planning
 - Financial Intermediation
 - Allocative function
 - Capital budgeting
7. Which of the following is NOT a feature of 'Directing' function of management? 1
- Direction initiates Action.
 - Directing takes place at every level of management.
 - Directing ensures that activities are performed as per plans.
 - Directing flows from top to bottom.
8. Which of the following is an advantage of Informal organisation? 1
- It provides stability to the organisation because behaviour of employees can be fairly predicted since there are specific rules to guide them.
 - It leads to effective accomplishment of goals by providing a framework for the operations to be performed.
 - It enhances the employee's job satisfaction since it gives them a sense of belongings in the organisation and allows them to find like minded people.
 - It helps in avoiding duplication of efforts as there is no ambiguity in the role that each member has to play.
9. 'Marbury biscuits' launched its new range of oat cookies in three varieties. They decided to distribute free samples of their biscuits in schools as a part of their promotional campaign. Identify the tool of promotion used by 'Marbury Biscuits': 1

- (A) Advertising
(B) Personal Selling
(C) Sales Promotion
(D) Public Relations
10. is the process by which a manager synchronises the activities of different departments.
(A) Management 1
(B) Planning
(C) Co-ordination
(D) Directing
11. Match the functions of Securities and Exchange board of India given in Column-I with their headings given in Column-II:

	Column-I		Column-II
A.	Training of intermediaries of securities markets	(i)	Regulatory function
B.	Regulation of takeover bids by companies	(ii)	Protective function
C.	Controlling insider trading and imposing penalties for such practices	(iii)	Development function

- Choose the correct alternative: 1
- (A) A(ii); B(iii); C(i)
(B) A(i); B(ii); C(iii)
(C) A(iii); B(i); C(ii)
(D) A(iii); B(ii); C(i)
12. Lyka Ltd. launched its new range of herbal shampoos at the beginning of the year. As per legal framework, Lyka Ltd. provided the name and address of the manufacturer, the weight, manufacturing date, expiry date, maximum retail price etc. on the package and label of the herbal shampoo. 1
- The consumer right highlighted above is:
(A) Right to choose
(B) Right to be informed
(C) Right to consumer education
(D) Right to safety
13. **Statement-I:** Business Environment is dynamic as it differs from country to country.
Statement-II: Business Environment is largely uncertain as it is very difficult to predict future happenings. 1
- Choose the correct option from the following.
(A) Statement I is true and Statement II is false.
(B) Statement II is true and Statement I is false.
(C) Both the statements are true.
(D) Both the statements are false.
14. Which of the following is NOT a feature of demonetization? 1
(A) It leads to creation of a less-cash or cash-less (free) economy i.e. channelling more savings through the formal financial system and improving tax compliance.

- (B) It is interpreted as a shift on the part of the government indicating that tax evasion will no longer be tolerated or accepted.
(C) It is viewed as a tax administration measure.
(D) It led to tax administration channelising savings away from the formal financial system.
15. Samaira and her friend, Sana wanted to watch a movie over the weekend. They booked the movie tickets online and chose the seats as per their preference at the click of a button at the desired movie hall. Now going to theatre for booking of tickets is no longer required.
The dimension of business environment reflected in the above para is: 1
(A) Political environment
(B) Social environment
(C) Legal environment
(D) Technological environment
16. Payal was working in a Multinational company. Her father gifted her a smart phone worth ₹40,500 on her birthday. The mobile phone was purchased by her father from his friend's shop. After few months, the mobile phone started creating problems. Payal tried to contact the manufacturer many times but he did not respond. Ultimately Payal decided to file a complaint against the manufacturer. The appropriate grievance redressal machinery where Payal can file a complaints is: 1
(A) District Forum/Commission
(B) State Commission
(C) National Commission
(D) Supreme Court
17. is the process of holding securities in electronic form. 1
(A) Financial Intermediation
(B) Dematerialisation
(C) Allocative function
(D) Mobilisation of securities
18. Rajat was carrying on a business of manufacturing plastic disposable like plastic plates, plastic cups and plastic straws. He heard about the upcoming ban on single use plastics. He was able to identify this external environmental trend which could hinder his firm's performance. So he took action and shifted to manufacturing the plates, cups and straws from bamboo and palm leaves. As a result, his business not only survived but was able to generate profit.
The point of importance of Business Environment highlighted above is: 1
(A) It enables the firm to identify opportunities and getting the first mover advantage.
(B) It helps the firm to identify threats and early warning signals.
(C) It helps in tapping useful resources.
(D) It helps in assisting in planning and policy formulation
19. **Statement I:** That part of a brand which can be spoken is called a brand name.

Statement II: That part of the brand which is given legal protection is called Trademark.

Choose the correct option from the following: 1

- (A) Statement I is true and Statement II is false.
 (B) Statement II IS true and Statement I is false.
 (C) Both the statement are true.
 (D) Both the statements are false.

20. The picture given below is the package of a perfume bottle:



Identify the level of packaging of the box shown above: 1

- (A) Primary package
 (B) Secondary packaging
 (C) Transportation packaging
 (D) Both (A) and (B)
21. Three friends, Aman, Ashish and Ashi after completing their MBA from a reputed management institute, formed a start up named 'Solutions'. The goal of the start up was to make a social and environmental impact through its services. 'Solutions' supports social business ideas to improve living conditions in slums of Mumbai. As all the three friends are specialised in social work, they adopted three different slums of Mumbai and started education the slum dwellers in their own creative manner. Aman used 'playway method', Ashish used 'music' as a method of learning while Ashi used 'activity based method of learning'. They used basic knowledge in their unique manner and were able to educate the slum dwellers.
- It implies that skillful and personal application of acquired knowledge varies from individual to individual in achieving desired results. 3
- (a) Identify and state the nature of management discussed in the above case.
 (b) Quoting lines from the above para, state any two features of nature of management identified in (a) above.
22. (a) Explain the following as factors affecting 'Financing Decision': 3
 (i) Fixed operating costs and
 (ii) Cash flow position of the company
- OR**
- (b) State any three points of difference between 'Primary Market' and 'Secondary Market'. 3

23. The rapid changes having taken place in the society have created pressure on organisations to readapt its products, type of jobs required and type of skills necessary to complete these jobs. To keep up pace with the rapid changes in the business environment, 'Suzon cars', a company manufacturing automobiles for the last thirty years decided to start manufacturing electric cars with Artificial Intelligence technology. With the introduction of Artificial Intelligence, the company had to improve the knowledge and skills of its employees. The wanted that all their employees improve their performance on the current job and are prepared for any intended job in future. This way they would not only be able to increase their knowledge and skills but would also improve their performance. By doing this, the organisation too would get various benefits. 3

(a) Identify the concept discussed above which would help the employees to do the job in a better way using Artificial Intelligence Technology.

(b) State any five benefits of the concept identified in (a) above to the organisation.

24. (a) 'Planning and controlling are inseparable twins of management'. Explain with the help of any three points. 3

OR

(b) Explain 'Critical point control' and 'Management by exception' as discussed in the controlling process. 3

25. (a) State any four features of directing function of management. 4

OR

(b) Explain the following 'Semantic barriers' to communication: 4

- (i) Technical jargon
 (ii) Body language and gesture decoding

26. (a) Explain the following steps of the selection process: 4

- (i) Selection Tests
 (ii) Employment Interview

OR

(b) State any four points of importance of 'Staffing' function of management. 4

27. 'Shanta Enterprises' was in the business of manufacturing solar panels for the last fifteen years. With their expertise now they were able to manufacture good quality solar panels at lower cost. As a result 'Shanta Enterprises' was flooded with orders and was able to generate a good profit margin.

To motivate the employees the company decided to compensate some of them for their hard work. Arvind and Yogesh, who were working on contract basis, were absorbed permanently in the company. Both were happy as now there was stability about their future income. Ekta, a regular employee of the company, working as Research and Development Head, was awarded the 'Best Employee of the year Award'. 4

- (a) Identify and explain the incentives given by Shanta Enterprises to its employees.
- (b) State the needs of the employees being met by such incentives as per Maslow's Need Hierarchy Theory.
28. Explain the following factors affecting the working capital requirements of a company: 4
 (a) Level of competition
 (b) Inflation
29. Nishi had gone to a grocery store to make routine purchases. On reaching home, as she took out Binx tomato chips packet from the bag to give it to her son, she felt that it was underweight. She checked its weight on the kitchen weighing scale and found that it weighed 60 grams whereas the label on the chips packet mentioned the weight of the packet as 100 grams. She approached the manufacturer and complained about it. The manufacturer offered her a gift hamper and requested her not to disclose this to anyone. Nishi refused to accept the gift hamper and took the issue to a redressal agency. 4
 (a) State two responsibilities discharged by Nishi, as a consumer, in the above case.
 (b) State any two reliefs which can be granted to Nishi, if the consumer court is satisfied with the genuineness of the complaint.
30. Kaysons Ltd. was a reputed company manufacturing automotive parts for electric vehicles. As the demand for the electric vehicles grew, Kaysons Ltd. needed more capital to keep up with the demand for automotive parts. Atul, the Finance Manager of Kaysons Ltd. suggested that the company should raise funds through a public issue of shares as the stock market was bullish. The chief Executive Officer fully understood that this process of raising funds would not only reduce the managements' holding in the company but would also require considerable expenditure. Even then he agreed with the Finance Manager and the public issue of shares was made complying with the guidelines of Securities and Exchange Board of India.
 Identify and state four factors affecting choice of capital structure being discussed above. 4
31. (a) Explain the following types of plans:
 (i) Strategy
 (ii) Method
 (i) Budget 6
 OR
 (b) Explain the following limitations of planning function of management:
 (i) Planning may not work in a dynamic environment
 (ii) Planning leads to rigidity
 (i) Planning is time consuming. 6
32. Ankur Sachdeva did his MBA from ITB University. He decided to apply his knowledge of scientific management in the fast food restaurant chain 'Coffee Bean' set up by him. This restaurant was providing burgers, fries, shakes etc. as a part of its menu. Now a days people are quality conscious, so he was using standardised raw materials, processes, methods, working conditions, machinery etc. The objective was not only able to reduce the cost but was also able to provide new varieties of burgers, fries and shakes leading to increased turnover. Ankur Sachdeva also believed that there was only one best method to maximise efficiency. As a result he developed best way of grilling burgers, cooking fries and preparing shakes. His main objective was to maximise the satisfaction of customers, which he was able to achieve.
 Not only to learn the best way of doing a job, but to perform their tasks efficiently, 'Coffee Bean' regularly invests in training and development programmes to equip employees with the necessary skill and knowledge. 'Coffee Bean' believed that efficient employees will produce more and earn more. This will ensure their greatest efficiency and prosperity for both company and workers. 6
 The above case highlights the use of Scientific principles and techniques by 'Coffee Bean'. Explain any one such principle and two techniques.
33. (a) Explain the following functions of marketing:
 (i) Marketing Planning
 (ii) Branding
 (i) Pricing 6
 OR
 (b) Explain 'Advertising', 'Sales Promotion' and 'Public Relations' as elements of promotion mix. 6
34. Preeti started her own cooking channel on Youtube 'Mood Art'. As her subscribers increased, she was not in a position to manage everything on her own. She hired Rahul and Riya to help her with filming, editing, lighting and content research. She granted authority to them to operate within prescribed limits. She was thus, able to use her time on high priority activities like developing new recipes and content development etc. As a result, Rahul and Riya were given opportunities to develop and exercise initiative. Preeti was now able to focus on objectives and meet the target of achieving a subscriber base of one million in six months. 6
 (a) Identify the concept of management used by Preeti to focus on objectives of her business and meet her targets.
 (b) Explain any five point of importance of the concept identified in (a) above.

Outside Delhi Set-2

66/4/2

Note: Except these, all other questions have been given in Outside Delhi Set-1

2. Choose the incorrect statement with respect to levels of management from the following: 1
 (A) Operational level management is responsible for maintaining quality of output.

- (B) At middle level management, managers carry out the plans formulated by the top level managers.
 (C) At top level management, the managers are responsible for all the activities of the business and its impact on the society.

- (D) At top level management, the managers co-operate with other departments for smooth functioning of the organisation.
22. (a) Distinguish between 'Capital Market' and 'Money Market' on the basis of: 3
 (i) Participants
 (ii) Investment Outlay
 (iii) Expected Return
- OR**
- (b) Explain the following as factors affecting Long-Term Investment decision: 3
 (i) Cash flows of the project and
 (ii) The investment criteria involved
25. (a) State any four points that highlight the importance of directing function of management. 4
- OR**
- (b) Explain the following as 'Semantic barriers to communication': 4
 (i) Badly Expressed message
 (ii) Symbols with different meanings
28. Explain the following factors affecting the working capital requirements of a company: 4
- (a) Production cycle
 (b) Seasonal factors
31. (a) Explain the following as types of plans: 6
 (i) Objectives
 (ii) Policy
 (iii) Programme
- OR**
- (b) Explain the following limitations of planning function of management: 6
 (i) Planning reduces creativity.
 (ii) Planning involves huge costs.
 (iii) Planning does not guarantee success.
33. (a) Explain the following as functions of marketing: 6
 (i) Gathering and Analysing Market Information
 (ii) Standardisation and Grading
 (iii) Consumer Support Service
- OR**
- (b) Explain the components of Physical distribution. 6

Outside Delhi Set-3

66/4/3

Note: Except these, all other questions have been given in Outside Delhi Set-1&2

2. Choose the incorrect statement with respect to levels of management from the following: 1
 (A) Operational level management is responsible for implementing and controlling plans and strategies developed by top management.
 (B) At middle level management, managers interpret the policies framed by top management.
 (C) At operational level management with the efforts supervisors wastage of materials is minimised.
 (D) Employee Empowerment
22. (a) Distinguish between 'Capital Market' and 'Money Market' on the basis of: 3
 (i) Instruments
 (ii) Liquidity
 (ii) Safety
- OR**
- (b) Explain the following as factors affecting financing decision: 3
 (i) Fixed operating costs
 (ii) State of Capital Market
25. (a) Give the meaning of 'Leadership' and 'Communication' as elements of directing function of management. 4
- OR**
- (b) Explain the following as 'semantic barriers to communication': 4
 (i) Faulty translation
 (ii) Unclarified assumptions
28. Explain the following factors affecting the working capital requirements of a company: 4
 (a) Operating Efficiency
 (b) Availability of Raw material
31. (a) Explain the following as features of planning function of management: 6
 (i) Planning focuses on achieving objectives.
 (ii) Planning is futuristic.
 (ii) Planning involves decision making.
- OR**
- (b) Explain the following steps in the process of planning: 6
 (i) Setting objectives
 (ii) Developing Premises
 (ii) Identifying alternative courses of action



ANSWERS

Delhi Set-1

66/5/1

1. Option (C) is correct.

Explanation: Varun, an employee in the production department, was encouraged to develop and implement a plan for improvement in the organisation, which resulted in a significant reduction in production costs. Additionally, he was rewarded for his suggestion, which further reflects the company's support for employee initiatives and innovative ideas.

2. Option (D) is correct.

Explanation: The incentive that attracted employees of 'Child-O' to other organisations is Employee Empowerment, which involves giving employees more autonomy and authority over their work, making them feel their jobs are important.

3. Option (B) is correct.

Explanation: The feature of the business environment highlighted in the statement is Complexity, which refers to the difficult and interconnected nature of various factors, making it challenging to understand the environment in its entirety at once.

4. Option (B) is correct.

Explanation: The communication used by Naman to communicate the order to Vineet was Informal Communication, indicated by the casual and spontaneous nature of their interaction over the intercom during non-official times.

5. Option (C) is correct.

Explanation: In Statement-I highlights the basic function of a stock exchange as creating a continuous market for buying and selling securities, while Statement-II emphasizes how stock exchanges provide liquidity and marketability to existing securities.

6. Option (B) is correct.

Explanation: The dimension of the business environment being discussed in this context is the legal environment, which includes laws, regulations, and policies that impact businesses and their operations.

7. Option (C) is correct.

Explanation: Motivation may come from rewards, recognition, and opportunities for growth, as well as negative factors like fear of failure, consequences, or punishment. Motivation can be complex since people have varied expectations, perceptions, and responses to the same factors. Different people are motivated by different things.

8. Option (A) is correct.

Explanation: Consumer protection for the supermarket, helping them increase the customer base, is the long-term interest of the business. This is achieved by satisfying customers, ensuring repeat sales, and receiving positive feedback that attracts new customers.

9. Option (C) is correct.

Explanation: The rate of saving and investment is more related to the economic environment rather than the social environment, which typically includes aspects like family composition, consumption habits, and educational system.

10. Option (A) is correct.

Explanation: Leasing facilities can reduce the funds required for fixed assets because instead of purchasing the asset outright, a firm can use leasing arrangements to pay lease rentals, which can be more manageable than the initial investment needed for ownership.

11. Option (C) is correct.

Explanation: Trademark refers to a brand or a part of the brand that is given legal protection. Brand name involves that part of the brand which can be spoken. Brand means a name, term, sign, symbol, design or some combination of them used to identify the products and differentiate them from the competitors. Brand mark includes that part of the brand which can be recognised but which is not utterable.

12. Option (D) is correct.

Explanation: Kanand Ltd. invested in the capacity to fulfil expected demand quickly, showing a prospective for growth. Future company development forecasts affect fixed asset investment choices to enable increasing production capacity and fulfil future demand.

13. Option (B) is correct.

Explanation: Casual callers are unsolicited candidates seeking job possibilities at a company's office. Casual callers may be used as a source of personnel by maintaining a database and screening them for employment openings.

14. Option (D) is correct.

Explanation: Labels on refrigerators provide information that helps consumers make informed decisions, use the appliance safely, and comply with regulations.

15. Option (D) is correct.

Explanation: A stronger cash flow position makes debt financing more viable than funding through equity.

If a business has high fixed operating costs, for example: rent, insurance premium, etc., it should opt for less fixed financing cost (interest) by using less debt financing. Similarly, if fixed operating cost is less, more debt financing can be done.

Issue of more equity may lead to dilution of management control over the business. Companies which may be afraid of a takeover bid may prefer debt to equity.

16. Option (A) is correct.

Explanation: A depository is an institution that, at the investors' request and via a registered depository participant, maintains securities in electronic format.

17. Option (A) is correct.

Explanation: Efficiency emphasises resource utilization and job completion at a low cost. It's different from effectiveness, which seeks objectives at any cost, and management, which plans and organises resources.

18. Option (D) is correct.

Explanation: Top management makes strategic decisions and directs the company. Top management must assess the business climate and its effects on the firm's survival and performance.

19. Option (B) is correct.

Explanation: Management activities are common and applicable to all types of organizations, regardless of their economic, political, or social nature. Any company, regardless of kind or goal, needs management concepts and practices to perform well.

20. Option (D) is correct.

Explanation: Short-term debt instruments and securities like Treasury bills, Trade bills, Commercial paper, Certificates of deposit, etc. dominate the money market. Money market transactions are usually short-term lending and borrowing using short-term instruments.

21. (a) The concept of management discussed in the paragraph is "coordination." Coordination involves organizing and synchronizing the activities of different individuals or groups within an organization to achieve a common goal effectively and efficiently.

(b) One point of importance of the concept of coordination is: Coordination improves management productivity and efficiency. When team members are assigned jobs and perform in unity, it lowers duplication, disagreements, and resource waste. Smoother operations, higher productivity, and better organization performance result.

22. The following three points emphasise its importance:

- 1. Talent Acquisition:** Staffing entails finding, recruiting, and employing qualified candidates for company positions. This boosts the company's success and competitiveness.
- 2. Skill Development:** Staffing comprises staff training and development. This boosts productivity, creativity, and company agility.
- 3. Employee Engagement and Retention:** Good staffing methods prioritize create a happy work atmosphere, create development opportunities, and recognize employee efforts to retain top talent, decrease turnover, and establish a strong, cohesive team.

23. (a) Vestibule Training: Vestibule Training is a method of training which is conducted on the equipments and machines employees will be using, away from the actual place of work.

It is generally used where the employees are required to handle sophisticated machinery.

(b) Two advantages the drivers will get after this training are:

1. Employees can concentrate solely on learning without worrying about errors affecting the manufacturing process.
2. Employees can overcome nervousness about working in the real environment by familiarizing themselves with the simulated work environment during training.

24. SEBI is vital to investor protection and securities market integrity. SEBI has three protective functions:

- 1. Investor Protection:** SEBI protects investors' interests. It governs brokers, stock exchanges, and listed firms to promote securities market openness, fairness, and integrity. SEBI facilitates investor education and awareness to inform investors of their rights, dangers, and duties.
- 2. Market surveillance:** SEBI monitors trade to identify market manipulation, insider trading, and other misconduct. SEBI detects fraudulent transactions and takes immediate regulatory action to protect investors and market efficiency.
- 3. Regulation Enforcement:** SEBI enforces industry ethics and securities law compliance. It punishes regulatory violators with fines and disciplinary actions to deter misconduct and ensure securities market accountability.

25. (a) Right to Consumer Education: The consumer has a right to acquire knowledge and to be a well informed consumer throughout life. He should be aware about his rights and the reliefs available to him in case of a product or service falling short of his expectations. Many consumer organisations and some enlightened businesses are taking an active part in educating consumers in this respect.

(b) The consumer right violated by 'Bholaram' in the above case is the right to safety. This right protects consumers against damaging goods and services. In 'Karamati Sweets,' 'Bholaram' used contaminated khoya and paneer, which made customers ill. This right-to-safety breach shows the significance of product quality and safety to safeguard customers' health and well-being.

26. The case of 'Chromosome' highlights two significant communication barriers in their business process outsourcing (BPO) centre:

- 1. Faulty Translations:** One of the communication barriers is related to the employees' proficiency in different languages. The organisation requires its staff to speak at least one foreign and one Indian language, however, some may not be fluent. Lack of expertise might make it difficult to decode audio messages in multiple languages, leading to interpretation errors.
- 2. Technical Jargons:** The second barrier is the employees' understanding of technical vocabulary used in the voice reports. Technical language in

medical reports requires expertise to comprehend. Lack of training or familiarity with technical vocabulary may cause staff to misinterpret words or phrases, resulting in report transcription mistakes.

27. (a) Here are four planning limitations:

1. **Change and Uncertainty:** Current facts and future assumptions influence plans. However, market dynamics, technology advances, and legislative changes make the future unpredictable. It might be hard to develop proper preparations with this uncertainty.
2. **Time and Cost:** Planning takes time, resources, and effort to acquire, evaluate, and develop plans. This may be time-consuming and expensive for intricate or long-term strategies. Unexpected delays or financial restrictions might also affect planning and execution.
3. **Change Resistance:** Organisational stakeholders may reject planned changes owing to fear of the unknown, job security concerns, or disagreement with recommended tactics. This resistance might hamper plan execution and take more work to overcome.
4. **Planning is overemphasized:** Plan-focused businesses might suffer from analysis paralysis or bureaucracy. Too much preparation without execution and adaptability may lead to lost opportunities, inefficiencies, and inability to change rapidly.

OR

- (b) (i) **Strategy:** Strategies are high-level plans to accomplish an organisation's long-term aims. This entails studying the competitive environment, finding opportunities and challenges, and creating a strategy to acquire an edge. Top management develops strategies for directing the organisation's direction and resource allocation. They are forward-looking and focus on positioning the organisation for success in the future.
- (ii) **Procedure:** A procedure is a detailed step-by-step sequence of activities or actions that individuals or teams must follow to accomplish a specific task or achieve a particular goal. Procedures are often documented in manuals, guides, or standard operating procedures to ensure consistency, efficiency, and compliance with organisational standards and policies.

28.

Basis	Production Concept	Marketing Concept
Meaning	Focuses on mass production and efficiency in manufacturing.	Emphasises identifying and satisfying customer needs and wants.

Main Focus	Production efficiency and cost reduction.	Customer satisfaction and creating customer value.
Means	Efficient production processes, and economies of scale.	Market research, customer segmentation, and product differentiation.
Ends	Selling what is produced (product-centric).	Meeting customer demands (customer-centric).

29. (a) The type of organisation that emerged as "Entertainment Through Reading" can be identified as an informal organisation. An informal organisation spontaneously forms inside a formal organisation via social contacts, similar interests, and personal ties. Here, 'Space Rover' members from various groups met informally because they liked reading and playing.
- (b) Three advantages of the informal organisation identified in (a) above are:
1. **Improved Morale and Engagement:** Informal gatherings like 'Entertainment Through Reading' may enhance morale and engagement. Social connections, shared activities, and mutual support help members feel more connected to each other.
 2. **Creativity and Innovation:** Informal groupings encourages creativity and innovation. In the instance of 'Entertainment Through Reading,' individuals from varied backgrounds and experience discussed, shared ideas, and developed unique solutions or proposals that helped the organisation's goals.
 3. **Flexibility and Adaptability:** Informal groups adapt to changing conditions. They can quickly form, evolve, or dissolve based on members' interests and needs. This flexibility promotes spontaneous cooperation, problem-solving, and information exchange.
30. (a) (i) **Product Designing and Development:** Marketing creates and improves goods and services to fulfil client demands. Using market research and customer input, product designers develop concepts and features. It comprises aesthetics, utility, usefulness, and innovation to set the product apart and attract customers. However, development involves prototyping, testing, and improving the planned product.
- (ii) **Standardization and Grading:** This marketing strategy ensures product and service quality and specifications across markets and manufacturing batches. Standardizing goods, processes, and services ensures uniformity in performance, appearance, safety, and other aspects. This boosts brand recognition, lowers manufacturing costs, and simplifies market

entry. However, grading classifies things by quality, size, colour, or performance. Pricing differences and informed client choice are possible with it.

OR

- (b) The marketing mix consists of four important elements, also known as the 4Ps:
1. **Product:** This element refers to the goods or services offered by a company to meet customer needs and wants. It covers product characteristics, quality, design, branding, packaging, and after-sales assistance.
 2. **Price:** The price customers pay for the product or service. Pricing tactics, discounts, payment conditions, and competitive and perceived value pricing structures are involved.
 3. **Place:** Place, also known as distribution, involves the channels and methods used to make the product or service available to customers. Distribution, logistics, warehousing, transportation, and retail choices are included.
 4. **Promotion:** Promotion involves communicating and promoting the product or service to the target market. It includes advertising, sales promotions, PR, direct marketing, social media marketing, and personal selling.
31. (a) (i) **General Guidelines:** Principles of management provide general guidelines or fundamental rules that guide managerial decision-making and actions within an organisation. Observations, experiences, and research on managing behaviours across sectors and situations influence these concepts. They help managers use planning, organising, leading, and regulating ideas.
- (ii) **Flexible:** The principle of management is flexible. The situation, objectives, and operational environment may affect these concepts. This allows managers to creatively adapt principles to business culture, industry developments, technology, and market dynamics. When managers adapt while following management principles, the company may be creative, agile, and responsive.
- (iii) **Cause and Effect Relationship:** Principles of management often describe cause-and-effect relationships between managerial actions and organisational outcomes. They assist managers in understanding how actions and behaviours affect employee motivation, productivity, job satisfaction, and performance. Management improves with rigorous and analytical problem-solving and decision-making under this cause-and-effect relationship.

OR

- (b) (i) **Method Study:** Method Study is a systematic approach used to analyse and improve work methods and processes within an organisation. It includes dividing jobs into smaller parts and examining their sequencing, time, and resources. By identifying process inefficiencies, redundancies, and bottlenecks, method study standardizes, simplifies, and optimizes work processes to boost productivity, decrease waste, and improve organisational performance.
- (ii) **Differential Piece Wage System:** The Differential Piece Wage System pays workers differently per unit of output based on performance. Productivity increases earnings, whereas lesser productivity decreases them. The approach encourages workers to work harder, increasing production and lowering expenses.
- (iii) **Fatigue Study:** The Fatigue Study focuses on understanding and mitigating the physical and mental fatigue experienced by workers during their tasks. Organisations may enhance worker well-being, safety, and performance by understanding and managing tiredness.
32. (a) (i) **Operating Efficiency:** Operating efficiency refers to how effectively a company manages its resources and processes to generate revenue and control costs. It affects inventories, receivables, and payables management, which affects working capital. A firm with great operational efficiency may manage inventory levels, reduce stockouts and inventory expenses, increase sales cash flow, and negotiate advantageous supplier credit terms.
- (ii) **Credit Availed:** The credit availed by a business, including short-term loans, lines of credit, and trade credit from suppliers, affects its working capital requirements significantly. Credit can fund everyday operations, cash flow volatility, and corporate development. However, excessive credit use increases interest and debt service costs, increasing working capital demands. Effective credit management, prompt repayment, and smart credit use may maximise working capital use and alleviate the financial burden on the organisation.
- (iii) **Level of Competition:** The level of competition in the industry or market where a business operates influences its working capital requirements. Competitive pricing, lengthier receivables collection times, and aggressive marketing and promotional costs might occur. These characteristics may boost working capital for sales growth, inventory management, and customer satisfaction.

OR

- (b) (i) **Stability of dividends:** This refers to the consistency and predictability of dividend payments over time. Companies often aim for a stable dividend policy to signal financial strength and attract investors who prefer regular income. Income stability, cash flow predictability, and future investment possibilities affect the company's dividend payout ratio.
- (ii) **Contractual constraints:** Companies may have contractual obligations, such as loan covenants or agreements with preferred shareholders, that dictate dividend payments. The company's payout amount and frequency may be limited by these factors. Legal or financial consequences might result from dividend non-payment.
- (iii) **Stock market reaction:** The stock market's reaction to dividend announcements or changes can influence a company's dividend decisions. Investor confidence and support for the company's dividend policy may be shown by a stock price gain following larger distributions. Conversely, negative market reactions may prompt a re-evaluation of dividend policies to align with investor expectations and market sentiment.
33. (a) The function of management discussed in the paragraph is "Organising." Organising involves arranging resources, tasks, and people in a structured manner to achieve organisational goals efficiently.
- (b) The importance of organising in the context of the G20 Summit preparations includes:
1. **Efficiency:** Organising ensures that resources are allocated effectively, tasks are streamlined, and responsibilities are clearly defined. This boosts summit infrastructure, beautification, hospitality, and security efficiency.
 2. **Coordinating:** Organising clarifies relationships and hierarchies, making summit preparations easier for departments, teams, and individuals. The coordination promotes easy communication, cooperation, and integration of activities toward shared goals.
 3. **Resource Optimisation:** Sorting activities and responsibilities helps management maximise people, materials, and cash. This avoids duplication, and waste, and optimizes production from limited resources, making it cost-effective.
 4. **Goal Alignment:** Organising helps match tasks and responsibilities to G20 Summit goals. This helps team members understand their roles in the bigger picture, gives them purpose and direction, and boosts motivation and commitment.
34. (a) The function of management identified in the scenario is controlling. Controlling is monitoring performance, comparing it to goals, and correcting as needed to meet goals efficiently.

1. **Comparing Actual Performance with Standards:** **Line:** 'The hotel had to be given possession by next year but the construction of the hotel was running six months behind schedule.'

This step involves comparison of actual performance with the standard. Such comparison will reveal the deviation between actual and desired results.

2. **Analysing Deviations:** **Line:** 'Nitin investigated and reported to the Chief Executive Officer that in spite of huge absenteeism of workers, additional workers were not called. Nitin also reported to the Chief Executive Officer that three of the ten machines being used by the workers were defective.'

After identifying the deviations that demand managerial attention, these deviations need to be analysed for their causes. Deviations may have multiple

3. **Taking Corrective Action:** **Line:** 'Nitin ordered for repair of the machines and asked the Project Head to appoint additional workers with attractive wages to ensure that the deadline is met.'

This is the last step of Controlling process. By comparing actual performance with established standards, deviations are revealed. The remedial or corrective action is to be taken to remove deficiencies. Here, it involves change in working methods, material, machines, policies and procedures.

(b) **Importance of controlling:**

- (i) **Accomplishing organisational goals:** The controlling function measures progress towards the organisational goals and brings to light the deviations, if any, and indicates corrective action.
- (ii) **Judging accuracy of standards:** A good control system enables management to verify whether the standards set are accurate and objective.
- (iii) **Making efficient use of resources:** By exercising control, a manager seeks to reduce wastage and spoilage of resources. Each activity is performed in accordance with predetermined standards and norms.
- (iv) **Improving employee motivation:** A good control system ensures that employees know well in advance what they are expected to do and what are the standards of performance on the basis of which they are appraised. (Any two)

1. **On-Time Completion:** Effective control assures project completion. Identifying and fixing absenteeism and malfunctioning machinery helps the hotel fulfill its possession deadline.

2. **Maintaining Quality Standards:** Controlling is essential to quality. Despite project problems, Memo Builders can maintain its excellent building reputation by repairing broken machinery and guaranteeing adequate staff.

Note: Except these, all other questions have been given in Delhi Set-1

27. (b) (i) **Objectives:** Objectives are the desired outcomes or targets, an organisation aims to achieve within a limited time frame. These are the guiding principles which provide direction, purpose, and a sense of focus to the organisation's activities. Objectives serve as a roadmap for decision-making and resource allocation, guiding individuals and departments towards the desired goals. Objectives can be categorized on various criteria, such as time frame, scope, and nature. Examples of objectives include increasing market share, improving customer satisfaction, enhancing product quality, and maximising profitability.

(ii) **Programme:** Programmes are detailed action plans or sequences of activities designed to achieve specific objectives or goals. They provide a structured framework for implementing strategies, coordinating resources, and monitoring progress toward desired outcomes. Programmes break down objectives into manageable tasks, allocate responsibilities, set timelines, and define performance metrics to track results. They help organisations translate strategic intent into actionable steps, ensuring alignment between planning and execution. Programmes often involve multiple projects or initiatives coordinated to achieve a common objective. They may include various elements, such as project plans, budgets, resource allocations, milestones, and risk management strategies. Examples of programmes include marketing campaigns, product launches, process improvement initiatives, and organisational development projects.

28. (a) **Meaning:**

Product Concept: It revolves around the belief that consumers will favour those products that offer the most in quality, performance, and features.

Societal Marketing Concept: It focus on meeting the needs and wants of consumers in a way that also benefits society as a whole.

(b) **Main focus:**

Product Concept: The main focus of the product concept is on the product itself. It helps on developing and offering high-quality products with superior features and attributes.

Societal Marketing Concept: The societal marketing concept's main focus is on simultaneously meeting customer needs and societal welfare. Organisations following this concept aim to create value for customers while also contributing to the well-being of society and the environment.

(c) **Means:**

Product Concept: The means of implementing the product concept involve continuous product development, innovation, and improvement. Organisations invest in research and development (R&D).

Societal Marketing Concept: The means of implementing the societal marketing concept involve integrating social and environmental considerations into business practices and marketing strategies. Organisations adopt ethical business practices, environmental sustainability initiatives, and Corporate Social Responsibility (CSR) programmes.

(d) **Ends:**

Product Concept: The ends or objectives of the product concept are to achieve market success and profitability by offering superior products that meet or exceed customer expectations.

Societal Marketing Concept: The ends or objectives of the societal marketing concept are two folded: first to meet customer needs and wants effectively and other to contribute to the overall well-being of society and the environment.

30. (a) (i) **Customer Support Services:** Customer support services involve providing assistance, guidance, and solutions to customers before, during, and after the purchase process to enhance customer satisfaction, loyalty, and retention. These services play a crucial role in facilitating post-purchase interactions with the customers and focus on building a strong relationship and addressing their needs and concerns effectively.

(ii) **Physical Distribution:** Physical distribution, also known as logistics or distribution management, involves the planning, implementation, and control of the flow of goods and services from the point of production to the point of consumption. It encompasses various activities and functions aimed at efficiently and effectively managing the movement and storage of products throughout the supply chain. The key components of physical distribution include order processing, inventory management and warehousing and storage.

OR

(b) The following are the factors that affect the fixation of the price of a product:

Cost of Production: The cost of production, including raw materials, labour, overhead expenses, and manufacturing costs, influences the pricing decisions of a product.

Competition: The level of competition in the market affects the pricing strategy of a product. Companies need to consider the prices charged

by competitors for similar products and adjust their prices accordingly to remain competitive and attract maximum customers.

Demand and Supply: The demand and supply dynamics in the market influence pricing decisions. Higher demand relative to supply allows companies to charge higher prices, while lower demand may require companies to lower prices to stimulate sales. Pricing decisions need to balance demand and supply to maximize revenue and profitability.

Market Conditions: Companies need to assess market conditions and adjust their prices accordingly to reflect changes in consumer behaviour and market trends.

31. (a) The following characteristics of principles of management are explained below:

(i) **Universal Applicability:** Universal applicability refers to the idea that principles of management are applicable in all types of organisations, at all levels and at all time. It means that these principles are relevant and can be applied in various organisational settings, regardless of industry, size, location, or cultural context. They are based on fundamental truths about human behaviour, organisational dynamics, and effective management practices, which transcend specific circumstances or environments. For example, principles such as unity of direction, equity, and division of work are universally applicable concepts.

(ii) **Formed by Practice and Experimentation:** Principles of management are developed through practice, observation, and experimentation over time. They emerge from the experiences, insights, and lessons learned by managers and theorists as they navigate through the challenges and complexities of managing organisations. These principles are not static or immutable but evolve and adapt in response to changing business environments, technological advancements, and societal trends. For example, Henry Fayol's principles of management, derived from his observations and experiences as a manager in a mining company, emphasize concepts such as division of work, scalar chain, and discipline.

(iii) **Contingent:** The contingency perspective suggests that principles of management are contingent upon various factors such as organizational context, goals, objectives, external environment, and internal capabilities. Different situations may require different approaches or principles to be effective. Managers must assess the specific circumstances and adapt their management practices accordingly to achieve desired outcomes. For example, the principle of

delegation may be effective in empowering employees and fostering decision-making autonomy in certain organisations with a flat organisational structure.

OR

(b) The following principles of management are explained below:

(i) **Division of Work:** The principle of division of work, also known as specialisation, states that total task should be divided into smaller jobs or activities and assigned to different individuals based on their skills, abilities, and expertise so they concentrate on only one type of work. By dividing work into specialized tasks, organisations can increase efficiency, productivity, and quality of output. Specialisation allows individuals to focus on specific tasks, develop expertise and perform their work more efficiently, leading to economies of scale and improved overall performance.

(ii) **Order:** The principle of order emphasises the importance of arranging resources, materials, equipment, and personnel in a systematic and orderly manner to achieve organisational objectives efficiently. Orderliness involves organising resources in such a way that facilitates smooth workflow, minimizes waste, and maximizes productivity. By maintaining order, organisations can streamline operations, reduce errors and delays, and optimise resource utilization. For example, implementing standardised procedures for inventory management and workflow processes helps maintain orderliness in manufacturing operations.

(iii) **Unity of Command:** The principle of unity of command states that each employee should receive instructions and guidance from only one superior or manager, and must be accountable to them only. This principle helps avoid confusion, conflicts, and set priorities by ensuring clear lines of authority and accountability within the organisation. When employees report to multiple supervisors or managers, it can lead to ambiguity, inconsistency, and inefficiency in decision-making and coordination. For example, in a military organisation, soldiers report to their immediate superior officer, ensuring unity of command and coordination of operations on the battlefield.

32. (a) The following are the factors affecting the working capital requirements of a business:

(i) **Inflation:** Inflation refers to the general and persistent rise in prices of goods and services over time. Inflation affects the working capital requirements of a business in several ways:

- (a) Inflation leads to higher costs of raw materials, labour, and other inputs required for production. As a result, businesses need to invest more working capital to maintain adequate inventory levels and cover the increased production costs.
- (b) Inflation leads to delays in receiving payments from customers as they seek extended credit terms to cope with the increased prices. This delay in cash inflows can strain working capital and increase the need for short-term financing to cover operating expenses.
- (ii) **Business Cycle:** The business cycle refers to the recurring pattern of expansion and contraction in economic activities over time. It consists of four phases: expansion, peak, contraction (recession), and trough. The business cycle influences the working capital requirements of a business as follows:
- (a) **During Expansion:** In the expansion phase of the business cycle, economic activities grow, and demand for goods and services is high. Businesses may need to increase their working capital to finance higher levels of production.
- (b) **During Contraction:** In the contraction phase, economic activities slow down, and the demand for goods and services declines. Businesses may experience reduced sales, excess inventory, and liquidity challenges. To cope with reduced cash flows and tighter credit conditions, businesses may need to reduce their working capital requirements.
- (iii) **Nature of Business:** The nature of the business, including its industry, size, operating cycle, and seasonality, influences its working capital requirements:
- (a) **Industry Characteristics:** Different industries have varying working capital requirements based on their business models, production processes, and sales cycles.
- (b) **Seasonality:** Seasonal businesses experience fluctuations in demand and cash flows throughout the year based on

seasonal trends or consumer preferences. These businesses may require higher working capital during peak seasons to finance increased production, inventory build-up, and marketing efforts to capitalize on seasonal demand.

OR

- (b) The following are the factors affecting the dividend decision of the company:
- (i) **Access to Capital Market:** The availability and cost of external financing options influence the dividend decision of a company. Companies with easy access to capital markets, such as equity and debt markets may be more inclined to retain earnings and reinvest them in growth opportunities rather than distributing dividends to shareholders. On the other hand, companies facing limited access to capital markets or higher financing costs may prioritize dividend payments to attract and retain investors and maintain shareholder confidence.
- (ii) **Legal Constraints:** Legal constraints, including corporate laws, regulations, and contractual obligations, may restrict a company's ability to pay dividends. Companies must comply with legal requirements and restrictions regarding dividend payments, including solvency tests, capital maintenance rules, and restrictions on dividend payouts specified in loan agreements or bond covenants. Failure to comply with legal constraints can lead to legal liabilities, financial penalties, and reputational damage.
- (iii) **Taxation Policy:** Taxation policies, including corporate tax rates, dividend tax rates, and tax treatment of dividends, influence the dividend decision of a company. Higher corporate tax rates may incentivise companies to retain earnings rather than distribute dividends to shareholders to minimise tax liabilities. Similarly, tax policies that favour dividend income over capital gains may encourage companies to distribute dividends to shareholders. Companies must consider the tax implications of dividend payments for both the company and its shareholders when making dividend.

Delhi Set-3

66/5/3

Note: Except these, all other questions have been given in Delhi Set-1 & 2.

27. (a) The following are the characteristics of planning:
- (i) **Goal-oriented:** Planning involves setting specific goals, objectives, and targets that the organisation aims to achieve within a defined time frame. Planning predetermines

the goals of a business organisation and provide a clear direction and purpose for the organisation's activities.

- (ii) **Forward-looking:** Planning is future-oriented as it is carried out to achieve some objectives in the future. It focuses on anticipating and preparing for future opportunities, challenges, and uncertainties.

(iii) **Flexible:** Planning should be flexible and adaptable to changes in the internal and external environment. As conditions evolve and new information becomes available, plans may need to be revised, adjusted, or realigned to remain relevant and effective.

(iv) **Continuous:** Planning is a never-ending process as it is an ongoing and iterative process that evolves over time. After the plan is made, the organisation has to be in touch with the changing environment and must constantly adapt to the changing internal and external conditions.

OR

(b) (i) **Policy:** A policy is a general guideline or principle that provides a framework for decision-making and action within an organisation.

Characteristics of policies include:

Broad Scope: Policies address broad areas of organisational activities and apply to multiple situations or scenarios.

Long-term Orientation: Policies are formulated with a long-term perspective and are intended to provide consistent guidance over time.

(ii) **Budget:** A budget is a quantitative financial plan that allocates resources, such as funds, time, and manpower, to specific activities, projects, or departments within an organisation.

Characteristics of budgets include:

Quantitative: Budgets involve numerical estimates and allocations of resources, such as revenues, expenses, and expenditures, expressed in monetary terms.

Time-bound: Budgets cover a specific period, such as a fiscal year, quarter, or month, and outline the planned inflows and outflows of financial resources over that period.

28. The following are the differences between the Selling Concept and Production Concept of Marketing Management Philosophies:

(a) **Meaning:**

Selling Concept: It emphasizes aggressive selling and promotional efforts to persuade customers to buy a company's products or services.

Production Concept: The production concept of marketing management philosophy focuses on maximizing production efficiency and output.

(b) **Main Focus:**

Selling Concept: The main focus of the selling concept is on maximizing sales transactions and

persuading customers to buy existing products, regardless of their actual needs or wants.

Production Concept: The main focus of the production concept is on production efficiency and maximising output. Companies prioritize increasing production capacity, reducing production costs, and achieving economies of scale.

(c) **Means:**

Selling Concept: The means employed under the selling concept include aggressive sales and promotional strategies such as personal selling, advertising, sales promotions, and direct marketing.

Production Concept: The means employed under the production concept include investments in production technology, process optimisation, and supply chain management to maximise production efficiency and output.

(d) **Ends:**

Selling Concept: The end goal of the selling concept is to generate sales revenue by persuading customers to buy existing products through aggressive selling and promotional efforts.

Production Concept: The end goal of the production concept is to maximise production efficiency and output to meet existing demand for standardised products.

30. (a) The following are the functions of marketing:

(i) **Gathering and Analysing Market Information:**

This involves collecting, processing, and interpreting data related to market trends, customer preferences, competitor activities, and other relevant factors. This function serves several purposes such as:

(1) Understanding customer needs

(2) Monitoring competitor strategies

(ii) **Marketing Planning:**

Marketing planning is the process of developing comprehensive marketing strategies and action plans to achieve organisational objectives and goals. This function involves several key activities:

- **Setting Objectives:** Marketing planning begins with setting clear and measurable marketing objectives. Like increasing market share, launching new products, expanding into new markets, or enhancing brand awareness and reputation.

- **Market Research:** It involves a systematic gathering, analysis, and interpretation of data. It provides insights into market dynamics, customer behaviour and other factors that influence business decisions.

OR

(b) The following are the major components of the physical distribution:

- (i) **Order Processing:** Order processing involves receiving, recording, and processing customer orders, as well as coordinating order fulfillment and delivery. This component includes activities such as order entry, order verification, order picking, packing, and invoicing.
- (ii) **Inventory Management:** Inventory management focuses on planning, controlling, and optimising inventory levels to meet customer demand while minimising holding costs and stockouts. This component includes inventory planning, replenishment, stock-keeping, inventory tracking, and inventory control measures.
- (iii) **Warehousing and Storage:** Warehousing and storage involve the storage, handling, and management of goods within distribution centers or warehouses. This component includes activities such as receiving incoming shipments, storing inventory, managing warehouse layouts, organising stock, and facilitating order picking and packing.
- (iv) **Transportation:** Transportation refers to the movement of goods from production facilities to distribution centers and ultimately to customers using various modes of transportation such as road, rail, air, and sea.
31. (a) The following are the points of significance of principles of management:
- (i) **Providing Managers with Useful Insights into Reality:** Principles of management provide managers with valuable insights into the realities of organisational dynamics, human behaviour, and effective management practices. By studying and understanding these principles, managers gain deeper insights into how organisations function, how people behave within the organisations and what managerial approaches are most effective in achieving organisational goals. Principles such as division of work, unity of command, and scalar chain offer practical guidelines for managers to structure organisations, assign responsibilities, and coordinate activities effectively.
- (ii) **Meeting Changing Environmental Requirements:** Principles of management serve as flexible guidelines that can be adapted to meet changing environmental requirements and challenges. In today's dynamic and uncertain business environment, organisations face constant changes in technology, market conditions, competitive landscapes, regulatory frameworks, and societal expectations. Principles such as flexibility, adaptation, and contingency planning help managers anticipate and respond to these changes effectively.
- (iii) **Scientific Decision-making:** Principles of management promote scientific decision-making by providing a systematic and rational framework for analysing problems, evaluating alternatives, and making informed choices. Management principles such as unity of command, discipline, and orderliness emphasise the importance of logical reasoning, evidence-based analysis, and data-driven decision-making. By applying these principles, managers can assess the costs and benefits of different courses of action, weigh trade-offs, and select the most effective solutions to organizational challenges.
- OR**
- (b) (i) **Unity of Direction:** Unity of direction is a principle of management that emphasises the importance of aligning organisational activities and efforts toward common objectives and goals. Each group of activities should be under the control of one superior only. Unity of direction helps avoid conflicting priorities, duplication of efforts, and wastage of resources by ensuring that everyone works towards shared organizational goals.
- (ii) **Remuneration to Employees:** The principle of Remuneration to Employees highlights the importance of providing fair and equitable compensation to employees, reasonable and satisfactory to both employees and employers. According to this principle, employees should receive compensation and rewards commensurate with their skills, efforts, and performance to motivate and retain them. Remuneration includes various forms of financial and non-financial rewards such as wages, salaries, bonuses, incentives, benefits, and recognition. By aligning employee rewards with organizational goals and performance expectations, managers can incentivise desired behaviours, foster a positive work culture, and drive employee engagement and performance.
- (iii) **Equity:** The principle of equity emphasizes fairness, justice, and impartiality in the treatment of employees within the organization. According to this principle, managers should treat their employees with justice and kindness. They must ensure that policies, practices, and decisions are applied

fairly and consistently to all employees, without discrimination or favouritism.. By promoting equity, managers create a supportive and inclusive work environment where employees feel valued, respected, and treated fairly. Equity fosters trust, collaboration, and teamwork among employees, leading to higher levels of satisfaction, commitment, and performance.

32. (a) The factors affecting the working capital requirements of a business are:

- (i) **Credit Allowed:** The credit allowed by suppliers and the credit terms negotiated with creditors significantly impact the working capital requirements of a business. When suppliers offer favourable credit terms, such as extended payment periods or trade credit, it reduces the immediate cash outflow required to purchase raw materials or inventory. This allows the business to conserve its cash reserves and use them for other operational needs.
- (ii) **Production Cycle:** The production cycle, which encompasses the time required to convert raw materials into finished goods and sell them to customers, influences the working capital requirements of a business. Longer production cycles typically require higher levels of working capital to finance inventory holding costs, labor expenses, and overheads during the production process. Businesses with extended production cycles may need to maintain larger inventories to ensure uninterrupted production and meet customer demand.
- (iii) **Availability of Raw Material:** The availability and accessibility of raw materials necessary for production affect the working capital requirements of a business. If raw materials are readily available from reliable suppliers at competitive prices, it reduces the need for excess inventory and working capital tied up in stockpiling materials. Conversely, if raw materials are scarce, subject to price volatility, or sourced from distant suppliers, it may necessitate higher inventory levels and working capital to ensure uninterrupted production and mitigate supply chain risks.

OR

(b) The following are the factors affecting the dividend decision of a company:

- (i) **Growth Opportunities:** The availability of growth opportunities influences the dividend decision of a company. If the company has promising investment opportunities that offer potential for profitable growth and expansion, management may choose to retain earnings rather than distribute them as dividends. Retaining earnings allows the company to reinvest capital into new projects, research and development, acquisitions, or market expansion initiatives that can generate higher returns and enhance shareholder value over the long term.
- (ii) **Cash Flow Position:** Companies with strong cash flow generation and liquidity reserves may have greater flexibility to pay dividends to shareholders without jeopardising their operational and investment needs. Management evaluates the company's cash flow position, projected cash needs, and financial obligations when determining the amount and timing of dividend payments to shareholders.
- (iii) **Shareholders' Preference:** The preferences and expectations of shareholders regarding dividend payments influence the dividend decision of a company. Some shareholders, such as income-oriented investors or retirees, may prioritize receiving regular dividend income as a source of passive income and capital preservation. In contrast, other shareholders, such as growth-oriented investors or institutional investors, may prioritize capital appreciation and reinvestment of earnings to maximise long-term returns. Management considers shareholders' preferences, communication channels, and feedback mechanisms to strike a balance between dividend payouts and retained earnings that align with shareholder interests and expectations.

Outside Delhi Set-1

66/4/1

1. **Option (C) is correct.**

Explanation: Growth is an organisational objective which involves the increase in work and prospects of the business.

2. **Option (C) is correct.**

Explanation: The middle level management is responsible for the activities of the first line managers.

3. **Option (D) is correct.**

Explanation: Merely allocation of work is not enough. The establishment of reporting relationships

is important to establish hierarchal structure and create coordination.

4. **Option (D) is correct.**

Explanation: By comparing actual performance with established standards, deviations are revealed. The remedial or corrective action is to be taken to remove deficiencies. Here, it involves change in working methods, material, machines, policies and procedures. It may also require improvement in the motivation, supervision and modifications in the business plans.

- 5. Option (A) is correct.**
Explanation: The dividends are declared by the companies based on the earnings- past or present.
- 6. Option (C) is correct.**
Explanation: A financial market helps to link the savers and the investors by mobilizing funds between them. In doing so it performs what is known as an allocative function.
- 7. Option (C) is correct.**
Explanation: Directing focuses on guiding and motivating employees to achieve organizational goals, but it does not directly ensure that activities are performed as per plans. That responsibility typically falls under the planning function of management
- 8. Option (C) is correct.**
Explanation: Interaction among people at work gives rise to a 'network of social relationships among employees' called the informal organisation. It provides them a sense of belongings.
- 9. Option (C) is correct.**
Explanation: Sales promotion refers to short-term incentives, offered to encourage immediate sale of the product.
- 10. Option (C) is correct.**
Explanation: Coordination is a process by which a manager synchronises the activities of different departments to achieve the common organisational goals. It is the force that binds all the other functions of management.
- 11. Option (C) is correct.**
Explanation: The protective function deals with protecting the interest of investors and other financial entities. The regulatory function of SEBI includes making rules and regulations for financial entities, including intermediaries and corporates. The development function of the SEBI deals with the steps taken by SEBI to provide the knowledge of the trading and the market functions to the investors.
- 12. Option (B) is correct.**
Explanation: The consumer has a right to have complete information about the product he intends to buy including its ingredients, date of manufacture, price, quantity, directions for use, etc.
- 13. Option (B) is correct.**
Explanation: Business environment is relative because it varies from country to country. It is dynamic because it keeps on changing.
- 14. Option (D) is correct.**
Explanation: Demonetisation leads to channelising the savings into formal system.
- 15. Option (D) is correct.**
Explanation: Technological Environment of business includes forces relating to scientific improvements and innovations which provide new ways of producing goods and services and new methods and techniques of operating a business.
- 16. Option (A) is correct.**
Explanation: For complaints below ₹1 crore, consumers can go to district commission.
- 17. Option (B) is correct.**
Explanation: The process where securities held by the investor in the physical form are cancelled and the investor is given an electronic entry or number so that she/he can hold it as an electronic balance in an account. This process of holding securities in an electronic form is called dematerialisation.
- 18. Option (B) is correct.**
Explanation: Threats refer to the external environment trends and changes that will hinder a firm's performance. Besides opportunities, environment happens to be the source of many threats. Environmental awareness can help managers to identify various threats on time and serve as an early warning signal.
- 19. Option (C) is correct.**
Explanation: Brand name is the verbal component of the brand. A brand or part of a brand that is given legal protection is called trademark.
- 20. Option (B) is correct.**
Explanation: Secondary packaging refers to additional layers of protection that are kept till the product is ready for use
- 21. (a) Management as an art**
(b) The nature of management as an art is:
- Personalised application: The use of knowledge is different for different people. Art is a personalised concept. He studies critical situations and formulates his own theories for use in a given situation.
Lines "They used basic knowledge in their unique manner."
 - Based on practice and creativity: Art is practical and involves the creative practice of the existing theoretical knowledge. Managers apply the principles based on how creative they are.
Lines "As all the friends are specialised in social work, they adopted three different slums of Mumbai and started educating the slum dwellers in their own creative manner."
- 22. (a) (i) Fixed operating costs:** Costs like building rent, insurance premium, salaries, etc. which have to be incurred irrespective of the production level are called fixed operating costs. If a business has high fixed operating costs, it should opt for less fixed financing cost (interest) by using less debt financing. Similarly, if fixed operating cost is less, more debt financing can be done.
- (ii) Cash flow position of the company:** A stronger cash flow position makes debt financing more viable than funding through equity according to marks. Could add A company's cash flow position is its cash inflows and outflows over a period. This shows how suc-

cessfully an organization manages its cash to handle its financial obligations and encourage activities. Positive cash flow indicates healthy financial management, while negative cash flow may signal potential challenges

- (b) The difference between primary market and secondary market is:

Basis	Primary Market	Secondary Market
Securities traded	There is sale of securities by new companies for further (new) issues of securities by existing companies to investors.	There is trading of existing securities only.
Instruments	Securities are sold by the company to the investor directly (or through an intermediary)	Ownership of existing securities is exchanged between investors. The company is not involved at all.
Capital formation	The flow of funds is from savers to investors, i.e. the primary market directly promotes capital formation.	Enhances encashability (liquidity) of securities, i.e., the secondary market indirectly promotes capital formation.
Buying/Selling	Only buying of securities takes place in the primary market. Securities cannot be sold by the investors.	Both the buying and the selling of securities can take place on the stock exchange.
Price determination	Prices are determined and decided by the management of the company.	Prices are determined by demand and supply of the securities.
Location	There is no fixed geographical location.	Located at specified places.

[Any three]

23. (a) Training and Development

- (b) Five benefits of training and development to Suzon Cars are:

- Systematic learning prevents wastage of efforts and money of the organisation.
- Enhances employee's productivity leading to higher profits for the firm.
- Enables employee to become managers in future.
- Increases employee morale and reduces employee turnover.

- Obtains better response to the dynamic environment.

24. (a) Planning and controlling are inseparable twins of management. Planning provides the basis for controlling. The desired standards are set in the process of planning in clear and specific terms. In the process of controlling the actual performance is measured and compared with these standards and the deviations if any are identified and appropriate corrective action is taken. Thus, planning without controlling is meaningless and controlling without planning is blind.

- (b) Planning is prescriptive whereas controlling is evaluative. Planning is an intellectual activity which is concerned with thinking, articulating and analysing various alternative course of actions and prescribing the best possible alternative in order to achieve the desired goals efficiently and effectively. Controlling on the other hand is concerned with ensuring that events conform to plans.

- (c) Planning is looking ahead while controlling is looking back. Plans are prepared for future and are based on forecasts about future conditions.

OR

- (b) (i) **Critical Point Control:** It is neither economical nor easy to keep a check on each and every activity in an organisation. Control should, therefore, focus on key result areas (KRAs) which are critical to the success of an organisation. These KRAs are set as the critical points. If anything goes wrong at the critical points, the entire organisation suffers. For instance, in a manufacturing organisation, an increase of 5 per cent in the labour cost may be more troublesome than a 15 per cent increase in postal charges.

- (ii) **Management by Exception:** Management by exception, which is often referred to as control by exception, is based on the belief that an attempt to control everything results in controlling nothing. Thus, only significant deviations which go beyond the permissible limit should be brought to the notice of management.

25. (a) The features of directing are:

- (i) **Directing initiates action:** Directing is a key managerial function. A manager has to perform this function along with planning, organising, staffing and controlling while discharging his duties in the organisation. While other functions prepare a setting for action, directing initiates action in the organisation.

- (ii) **Directing takes place at every level of management:** Every manager, from top executive to supervisor performs the function of directing. The directing takes place wherever superior – subordinate relations exist.

(iii) **Directing is a continuous process:** Directing is a continuous activity. It takes place throughout the life of the organisation irrespective of people occupying managerial positions. Organisations like Infosys, Tata, BHEL, HLL and the managers may change but the directing process continues because without direction the organisational activities cannot continue further.

(iv) **Directing flows from top to bottom:** Directing is first initiated at top level and flows to the bottom through organisational hierarchy. It means that every manager can direct his immediate subordinate and take instructions from his immediate boss.

OR

(b) The semantic barriers are:

(i) **Technical Jargon:** Many specialists like doctor, engineer, scientist etc. use technical words in their communication which may not be understood by the listeners. This leads to poor communication like patients do not understand the words used by doctors.

(ii) **Body language and gesture decoding:** The information communicated can be misinterpreted if the sender's body movements do not match the verbal communication. If there is no match between what is said and what is expressed in body movements, communications may be wrongly perceived.

26. (a) The steps in the process of selection are:

(i) **Selection tests:** Selection tests measure the aptitude, intelligence, personality etc. of the candidates who have applied for the vacant jobs. They are intended to measure certain characteristics of the individuals.

(ii) **Employment Interview:** It is a formal interaction between the employer and job candidate. It is an in-depth conversation which is conducted to evaluate an applicant's suitability for the position. The interviewer seeks information and the interviewee provides the same. Part b is missing the importance of staffing as management function.

(b) Importance of staffing function of management:

(i) **Competent personnel:** Staffing helps in discovering and obtaining competent personnel for various jobs. To prevent the shortage of technically skilled personnel, staffing is necessary.

(ii) **Better performance:** Staffing ensures better performance by putting right person in the right job. The efficiency of the people increases.

(iii) **Optimum utilisation of the resources:** Efficient human resource is one of the requirements for optimum utilisation of the resources. Staffing ensures optimum amount of workforce in the organisation by indicating shortage of the personnel in advance and avoiding over manning. Thus, it also avoids disruption of work and high labour costs.

(iv) **Improves job satisfaction:** Staffing involves objective assessment, thus result in fair rewarding for employees' contribution. This ultimately improves job satisfaction and morale of the employees.

27. (a) **Non-financial incentives:** It refers to the incentives which are related to psychological, social and emotional factors. Some of the incentives referred in the above case are:

- Job Security, refers to providing stability to the employees about future income and work so that they do not feel worried on these aspects and work with a greater zeal.
- Employee Recognition, which means acknowledgement with a show of appreciation.

(b) **Security or safety needs:** These refer to the needs for physical safety, protection and economic security which include safety of person and property and come into picture only when physiological needs are satisfied.

Esteem needs: These needs refer to factors such as self-respect, independence, status, recognition, appreciation and attention and their satisfaction leads to increased confidence.

28. **The factors affecting working capital requirements are:**

(a) **Level of competition:** The level of competition affects the working capital requirement of the organisation. When the level of competition is high, the firms require larger stocks to meet urgent orders from customers and thus, higher working capital is required. At times, due to competition, the firms have to extend the credit terms as well.

(b) **Inflation:** Inflation increases the prices of the product in the market. Larger amounts are required even to maintain the constant volume of production and sales. As the rate of inflation rises, the working capital requirement of the business increases even at the same level of inventory.

29. (a) **Two responsibilities discharged by Nishi are:**

- Read the labels carefully to get information about the prices, net weight, manufacturing and expiry date of the product.

- File a case in the consumer court in case of deficient services or defective product. Do not fail to take an action even if the amount involved is small.
- (b) **Two reliefs which can be granted to Nishi are:**
- Refund of price and payment of punitive damages.
 - Discontinue unfair trade practices.
30. The factors affecting choice of capital structure discussed over here are:
- **Floatation cost:** The cost of raising the funds is known as floatation cost. They affect the choice of capital structure as higher the floatation cost, less attractive the source of finance.
 - **Control:** The issue of debt does not lead to a dilution of management's control over the business but, the issue of equity reduces the management's holding in the company.
 - **Stock market conditions:** The stock market conditions affect the capital structure. During the boom period, equity shares can be easily issued even at a higher price. During recession, the company may find it difficult to issue equity capital.
 - **Regulatory framework:** Every company has to operate according to the regulatory framework given by the law. Raising funds require fulfilment of certain norms and regulations laid down by SEBI.
31. (a) (i) **Strategy:** A strategy provides the broad contours of an organisation's business. It will also refer to future decisions defining the organisations direction and scope in the long run. Thus, we can say a strategy is a comprehensive plan for accomplishing an organisation's objectives.
- (ii) **Method:** Methods provide the prescribed ways or manner in which a task has to be performed considering the objective. The selection of proper method saves time, money and effort which increases the efficiency.
- (iii) **Budget:** A budget is a statement of expected results expressed in numerical terms. It is a plan which quantifies future facts and figures. A budget is a useful tool for planning and controlling. Making a budget involves forecasting.

OR

- (b) **The limitations of planning are:**
- (i) **Planning may not work in dynamic environment:** The business environment is dynamic, nothing is constant. 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. In such situations, the plans can fail.

(ii) **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. Managers need to be given some flexibility to be able to cope with the changed circumstances. Following a pre-decided plan, when circumstances have changed, may not turn out to be in the organisations interest.

(iii) **Planning is time consuming:** Sometimes plans to be drawn up take so much of time that there is not much time left for their implementation. Planning is a lengthy process which might lead to delay. The collection, analysis and interpretation of data takes a lot of time. It can also lead to delay in decisions and action.

32. **The techniques used are:**

- (a) **Standardisation and simplification:** Standardisation refers to the process of setting standards for every business activity. Simplification refers to eliminating unnecessary diversity of the products.
- (b) **Method Study:** Method study refers to finding out the 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. To determine the best way there are several parameters. Right from procurement of raw materials till the final product is delivered to the customer every activity is part of method study. Taylor devised the concept of assembly line by using method study.

The principle used here is:

Development of each and every person to his or her greatest efficiency and prosperity: Worker training is essential to learn the 'best method' developed as a consequence of the scientific approach. Taylor was of the view that the concern for efficiency could be built in right from the process of employee selection. Each person should be scientifically selected. Then, work assigned should suit her/his physical, mental and intellectual capabilities. To increase efficiency, they should be given required training. Efficient employees would produce more and earn more.

33. (a) **The functions of marketing are:**

- (i) **Marketing planning:** The goal of marketer is to develop appropriate marketing plan so that the marketing objectives of the organisation could be achieved. A complete marketing plan will include important aspects like increasing the level of production, promotion of the products, etc.

(ii) **Branding:** It is the process of creating a name or symbol or combination of both to differentiate the product of the company from the competitors. A marketer has to decide whether to sell the product under the generic name or with a brand name. Brand name helps in creating product differentiation, i.e., providing basis for distinguishing the product of a firm with that of the competitor, which in turn, helps in building customer's loyalty and in promoting its sale.

(iii) **Pricing:** Price of product refers to the amount of money customers have to pay to obtain a product. Price is an important factor affecting the success or failure of a product in the market. The demand for the product is related to its price. The lower the price, higher will be the demand for the product and vice-versa.

OR

Promotion mix refers to a combination of tools used to communicate with potential customers to inform them about a product and persuading them to buy it.

Advertising: It is an impersonal form of communication which is paid by the marketers to promote goods or services. Advertising is a medium through which a large number of people can be reached over a vast geographical area. For example, an advertisement message placed in a national daily reaches lakh of its subscribers. Advertising is less flexible as the message is standardised and is not tailor made to the requirements of the different customer groups.

Sales Promotion: It refers to short-term incentives, offered to encourage immediate sale of the product. The companies use the sales promotion techniques for tradesmen and middlemen also. The various sales promotion techniques are rebates, discount, refunds etc.

Public Relations: It involves activities required to promote and protect the image of a company or its product. Public relations programmes help in building corporate image that affects favourably on the products.

34. (a) Preeti has used 'Delegation'. The delegation of authority refers to the division of labour and decision-making responsibility to an individual that reports to a manager.

(b) **Importance of delegation:**

(i) **Effective management:** By empowering the employees, the managers are able to function more efficiently as they get more time to concentrate on important matters.

(ii) **Employee development:** Delegation empowers the employees by providing them with the chance to use their skills, gain experience and develop themselves for higher positions.

(iii) **Motivation of employees:** Superior's trust improves employee's self-esteem and confidence. When a superior entrusts a subordinate with a task, it is not merely the sharing of work but involves trust on the superior's part and commitment on the part of the subordinate.

(iv) **Facilitation of growth:** Delegation helps in the expansion of an organisation by providing a ready workforce to take up leading positions in new ventures.

(v) **Basis of management hierarchy:** Delegation of authority establishes superior-subordinate relationships, which are the basis of hierarchy of management.

(vi) **Better co-ordination:** Clarity in reporting relationships help in developing and maintaining effective coordination amongst the departments, levels and functions of management.

(Any five)

Outside Delhi Set-2

66/4/2

Note: Except these, all other questions have been given in Outside Delhi Set-1.

2. Option (C) is correct.

Explanation: This statement is incorrect. While top-level managers are responsible for overseeing the overall direction and strategy of the business, they typically do not handle all activities of the business directly. They are responsible for setting the overall direction of the organisation and make sure that the desired goals are achieved. Additionally, while they may consider the societal impact of their decisions, it's not solely their responsibility. Societal impact is often a concern across all levels of management.

22. (a) The following are the differences between the capital market and money market based on following:

(i) **Participants:**

Capital Market: Participants in the capital market include individuals, institutional investors, corporations, governments, and other entities that seek to raise long-term funds or invest in long-term securities.

Money Market: Participants in the money market primarily consist of financial institutions, such as commercial banks, central banks, investment banks, and corporations that deal with short-term money requirements.

(ii) Investment Outlay:

Capital Market: Investment outlay refers to the funds required for long-term investments in assets.

Money Market: The investment outlay in the money market is focused on short-term financial instruments that mature within one year or less.

(iii) Expected Return:

Capital Market: Investors in the capital market typically expect higher returns compared to the money market due to the longer investment horizon and higher risk associated with long-term investments.

Money Market: Investments in the money market generally offer lower returns compared to the capital market due to their short-term nature and lower risk.

OR

(b) The following are the factors affecting long-term investment decision:

(i) Cash flows of the project: Investors and companies analyse the projected cash inflows and outflows associated with an investment project to assess its profitability and viability over the long term. Positive cash flows indicate that the project is generating sufficient revenue to cover expenses and provide a return on investment. Conversely, negative cash flows may signal financial difficulties and indicate a potential lack of profitability. Evaluating the timing and magnitude of cash flows helps investors make informed decisions about allocating capital to long-term investment opportunities.

(ii) The investment criteria involved: Long-term investment decisions are influenced by various investment criteria, including Return on Investment (ROI), Net Present Value (NPV), Internal Rate of Return (IRR), payback period, and risk considerations. These criteria help investors assess the potential profitability, risk, and feasibility of investment opportunities over the long term. Risk considerations involve evaluating factors such as market volatility, economic conditions, regulatory changes, and industry-specific risks to assess the likelihood of achieving the desired investment outcomes. By considering these investment criteria, investors can make informed decisions about allocating capital to long-term investment projects that align with their financial objectives and risk tolerance.

25. (a) The following are the points that highlight the importance of directing as a function of management:

(i) Alignment of Efforts: The directing function ensures that all employees understand their roles, responsibilities, and objectives within the organisation. By providing clear direction and guidance, managers can align individual efforts with organisational goals, fostering synergy and coordination across departments.

(ii) Motivation and Engagement: Effective directing involves motivating and inspiring employees to perform at their best. Managers can use various motivational techniques, such as recognition, rewards, and feedback, to boost employee morale, commitment, and job satisfaction. Engaged employees are more likely to demonstrate higher levels of productivity, creativity, and initiative.

(iii) Clarity and Communication: Directing facilitates clear communication channels within the organisation. Managers communicate goals, expectations, and performance standards to employees, ensuring that everyone understands what is expected of them. Clear communication helps minimise misunderstandings, conflicts, and errors, promoting smooth workflow and collaboration.

(iv) Adaptation and Flexibility: In dynamic and uncertain environments, the directing function helps organisations adapt to changes effectively. By facilitating flexibility and agility, directing enables organisations to stay competitive and responsive to market demands.

OR

(b) The following are the semantic barriers to the communication:**(i) Badly Expressed Message:**

A badly expressed message refers to communication that is unclear, ambiguous, or poorly articulated, leading to misunderstandings and misinterpretations. This barrier can arise due to various factors, such as vague language, technical jargon, or lack of clarity in conveying ideas. To overcome this barrier, communicators should strive to use clear and concise language, provide context or examples where necessary, and encourage feedback to ensure mutual understanding.

(ii) Symbols with Different Meanings:

Symbols with different meanings refer to non-verbal or visual cues that may carry different interpretations across individuals or cultures. This barrier can occur when symbols, gestures, or expressions are used without considering their cultural, contextual, or personal significance. When symbols with different meanings are used in communication, it can lead to misunderstandings,

miscommunication, or even conflict. To address this barrier, communicators should be mindful of cultural differences, use symbols judiciously, and seek clarification or provide context when necessary to ensure that messages are interpreted accurately and respectfully across diverse audiences.

28. The following are the ways in which below mentioned factors affect the working capital requirements of a company:

(a) **Production cycle.** The production cycle directly influences the working capital requirements of a company due to its impact on the cash conversion cycle.

(i) **Procurement of Raw Materials:** At the beginning of the production cycle, the company needs to purchase raw materials to initiate the manufacturing process. This requires funds to be allocated for inventory procurement, which raises the working capital needs in the company.

(ii) **Manufacturing Processes:** During the production process, raw materials are transformed into work-in-progress and eventually finished goods. This stage may require significant investment in labor, machinery, utilities, and overhead costs. These expenses contribute to the working capital requirements.

(b) **Seasonal factors.**

(i) **Fluctuating Sales:** Seasonal businesses experience peaks and troughs in sales volume throughout the year. During peak seasons, higher sales may necessitate increased production, inventory build-up, and the need for additional working capital to support higher levels of activity. Conversely, during off-peak seasons, sales may decline, leading to excess inventory, reduced cash inflows, and increased working capital needs to cover operating expenses.

(ii) **Inventory Management:** Seasonal fluctuations often require companies to adjust their inventory levels to meet changing demand patterns. During peak seasons, companies may need to build up inventory levels to ensure product availability and meet customer demand. This requires additional investment in inventory, tying up working capital. Conversely, during off-peak seasons, excess inventory may need to be managed to avoid carrying costs and obsolescence, impacting working capital requirements.

31. (a) The following are the explanations for the types of plans:

(i) **Objectives:**

Objectives are the desired outcomes or targets an organisation aims to achieve within

a limited time frame. These are the guiding principles which provide direction, purpose, and a sense of focus to the organisation's activities. Objectives serve as a road map for decision-making and resource allocation, guiding individuals and departments towards the desired goals. Objectives can be categorized on various criteria, such as time frame, scope, and nature.

Examples of objectives include increasing market share, improving customer satisfaction, enhancing product quality, and maximizing profitability.

(ii) **Policy:**

Policies are guidelines or principles that provide a framework for decision-making and action within an organisation. They outline the organisation's overall direction, values, and standards, guiding behaviour and decisions at all levels. Policies serve as broad directives that define acceptable behaviour, establish boundaries and provide a framework for standardised actions in the organisation. They help clarify expectations, reduce ambiguity, and promote uniformity in decision-making across different functions and departments.

Examples of policies include employee code of conduct, financial reporting procedures, quality assurance standards, and environmental sustainability guidelines. Policies are typically formulated by top management and communicated to employees.

(iii) **Programme:**

Programmes are detailed action plans or sequences of activities designed to achieve specific objectives or goals. They provide a structured framework for implementing strategies, coordinating resources, and monitoring progress toward desired outcomes. Programmes break down objectives into manageable tasks, allocate responsibilities, set timelines, and define performance metrics to track results. They help organisations translate strategic intent into actionable steps, ensuring alignment between planning and execution. Programmes often involve multiple projects.

Examples of programmes include marketing campaigns, product launches, process improvement initiatives, and organisational development projects.

OR

(b) The following are the limitations of functions of management:

(i) **Planning reduces creativity:**

One limitation of planning is that it can stifle creativity and innovation by imposing rigid

structures, procedures, and standards. Over-emphasis on detailed planning may discourage experimentation, risk-taking, and thinking outside the box. Employees may feel constrained by predefined goals and strategies, limiting their ability to explore new ideas or adapt to changing circumstances. To mitigate this limitation, managers should balance structured planning with opportunities for creativity and flexibility, fostering a culture that encourages innovation, experimentation, and continuous improvement.

(ii) Planning involves huge costs:

Planning can be resource-intensive, requiring significant time, effort, and financial investment to develop, implement, and maintain plans effectively. The process of gathering information, analyzing data, forecasting trends, and formulating strategies can be complex and time-consuming, consuming valuable organisational resources. To address this limitation, managers should prioritize planning activities based on their potential impact on organisational performance and allocate resources efficiently to maximize value.

(iii) Planning does not guarantee success:

Despite careful planning and thorough analysis, there is no guarantee that plans will always succeed or achieve desired outcomes. Planning is based on assumptions, forecasts, and projections about future events, which are inherently uncertain and subject to change. External factors, such as market dynamics, competitive pressures, technological advancements, and regulatory changes, can disrupt plans and undermine their effectiveness. While planning provides a roadmap for action, it cannot eliminate risk or guarantee success. Instead, managers should adopt a proactive and adaptive approach to planning, continuously monitoring performance, identifying emerging trends, and adjusting strategies accordingly to enhance resilience and agility.

33. (a) (i) Gathering and Analysing Market Information:

Gathering and analysing market information is a critical function of marketing aimed at understanding the needs, preferences, behaviours, and trends of consumers and the overall market environment. This function involves systematic collection, processing, and interpretation of data related to customers, competitors, products, pricing, distribution channels, and macroeconomic factors.

(ii) Standardisation and Grading:

Standardisation: Standardisation involves establishing uniform guidelines, specifications and features, for products or services across different markets or segments. This simplifies production, distribution, and marketing processes, reduces costs, and enhances efficiency.

Grading: Grading involves classifying products or services into different categories based on predetermined criteria. Grading systems help consumers make informed purchase decisions by providing clear standards for comparison and evaluation. For example, agricultural products like fruits, vegetables, and grains are graded based on factors such as size, colour, ripeness, and freshness.

(iii) Consumer Support Services:

Consumer support services are one of the key functions of marketing aimed at providing assistance, guidance, and solutions to consumers before, during, and after the purchase process to enhance customer satisfaction, loyalty, and retention. It helps to build a strong customer relationship by facilitating customer interactions.

OR

(b) The following are the components of the physical distribution:

(i) Order Processing:

Order processing involves the activities associated with receiving, recording, and fulfilling customer orders. This component includes order entry, order confirmation, order picking, packing, and order verification.

(ii) Inventory Management:

Inventory management entails the control and optimisation of inventory levels to meet customer demand while minimising holding costs and stock outs. This component involves inventory planning, replenishment, storage, and tracking.

(iii) Warehousing and Storage:

Warehousing and storage involve the physical facilities and infrastructure for storing, handling, and managing inventory. This component includes warehouse layout design, storage systems, material handling equipment, and inventory control processes. Warehousing operations aim to optimise space utilisation, facilitate efficient product flow, ensure inventory accuracy, and provide value-added services.

(iv) Transportation:

Transportation encompasses the movement of goods from one location to another within

the supply chain. This component includes various modes of transportation such as road, rail, air, sea, and intermodal transportation. Transportation activities involve route planning, carrier selection, freight consolidation, shipment tracking, and delivery scheduling. Efficient transportation management helps minimise transit times, reduce shipping costs, improve service levels, and enhance supply chain visibility and responsiveness.

(v) Packaging:

Packaging involves the design, development, and utilisation of containers, materials, and protective packaging to safeguard

products during transportation, storage, and handling. This component includes packaging design, labelling, marking, and compliance with regulatory requirements.

(vi) Materials Handling:

Materials handling encompasses the movement, loading, unloading, and storage of goods within warehouses, distribution centres, and vehicles. This component includes the use of equipment and technologies such as forklifts, conveyors, pallet jacks, and automated systems. Materials handling activities aim to streamline operations, reduce labor costs, improve efficiency, and enhance safety and ergonomics in handling operations.

Outside Delhi Set-3

66/4/3

Note: Except these, all other questions have been given in Outside Delhi Set-1 & 2.

2. Option (C) is correct.

Explanation: The statement is incorrect because while minimising wastage of materials is an important aspect of operational management, it is not solely the responsibility of supervisors. It involves coordination among various levels of management, including operational, middle, and top management, as well as the involvement of employees at all levels.

22. (a) The following are the differences between the capital market and money market:

(i) Instruments:

Capital Market: The Capital market deals with long-term securities, with maturities exceeding one year.

Money Market: The money market deals with short-term debt instruments with maturities typically ranging from overnight to one year.

(ii) Liquidity:

Capital Market: Liquidity in the capital market tends to be lower compared to the money market

Money Market: Money market instruments are highly liquid, with low transaction costs and high trading volumes.

(iii) Safety:

Capital Market: Investments in the capital market carry varying degrees of risk depending on the type of security and issuer.

Money Market: Money market instruments are generally considered safe investments due to their short maturities and high credit quality. (3)

OR

(b) The following are the factors affecting financial decision:

(i) Fixed Operating Costs:

Fixed operating costs affect the financing decision in several ways:

(a) **Impact on Break-Even Point:** Fixed operating costs contribute to a company's break-even point, the level of sales at which total revenue equals total costs. Higher fixed costs increase the break-even point, requiring the company to generate higher sales volumes to cover its fixed expenses and achieve profitability.

(b) **Risk Assessment:** Fixed operating costs represent a financial commitment that must be met regardless of business performance. High fixed costs increase the financial risk associated with the business, especially during periods of low sales or economic downturns.

(ii) State of Capital Market:

The state of the capital market can significantly impact a company's financing decision in several ways:

(a) **Cost of Capital:** The cost of capital, including interest rates, equity valuations, and investor sentiment, is influenced by market conditions. A favourable capital market environment characterized by low-interest rates, high investor confidence, and strong demand for securities may reduce the cost of debt and equity financing for companies. Conversely, adverse market conditions, such as economic uncertainty, market volatility, or credit market disruptions, may increase financing costs and limit access to capital.

- (b) **Availability of Financing:** The state of the capital market affects the availability of financing options for businesses. In a buoyant capital market, companies may have easier access to various sources of funding, including bank loans, bond issuances, initial public offerings (IPOs), and venture capital investments. However, during periods of market turmoil or credit tightening, financing options may become limited.
25. (a) In the directing function of management, leadership and communication play crucial roles:
- (i) **Leadership:** Leadership refers to the ability of an individual or a group of individuals to influence and guide others towards the accomplishment of organisational goals. It involves providing direction, inspiring others, making decisions, and coordinating efforts to achieve organizational objectives. Leadership, as an element of directing, plays a crucial role in inspiring, coordinating and empowering the individuals to perform their roles efficiently. In the directing function, leadership ensures that organisational resources are effectively utilised, employees are motivated, and tasks are completed efficiently.
- (ii) **Communication:** Communication is the process of exchanging information, ideas, thoughts, and feelings between individuals or groups. It involves sending and receiving messages through various channels such as verbal communication, written communication, non-verbal cues, and visual aids. Effective communication is essential for the directing function of management as it facilitates the transmission of instructions, feedback, goals, and expectations among managers, employees, and other stakeholders.
- OR**
- (b) Semantic barriers to communication refer to obstacles that arise due to misunderstandings or misinterpretations of the meaning of words, phrases, or symbols. Two common examples of semantic barriers are:
- (i) **Faulty translations:** This occurs when the meaning of a message is inaccurately conveyed during translation from one language to another. Cultural nuances, idiomatic expressions, and linguistic differences can lead to misinterpretations, resulting in confusion and misunderstanding among individuals or groups communicating in different languages.
- (ii) **Unclear assumptions:** Unclear assumptions occur when individuals make assumptions about the meaning of words or concepts without verifying or seeking clarification. These assumptions may be based on personal beliefs, past experiences, or cultural biases, leading to misunderstandings and miscommunication. When assumptions are left unclarified, it can result in incomplete or inaccurate information being exchanged, affecting decision-making, problem-solving, and collaboration within an organisation.
28. The following are the factors affecting the working capital requirements of a company:
- (a) **Operating Efficiency:**
- Operating efficiency impacts the working capital requirements in several ways:
- (i) **Inventory Management:** Efficient inventory management ensures that the company maintains optimal levels of inventory to meet customer demand while minimising carrying costs. A company with better operating efficiency can effectively manage its inventory turnover, reducing the need for excess working capital tied up in stock.
- (ii) **Accounts Receivable Management:** Timely collection of accounts receivable improves cash flow and reduces the need for additional working capital to cover operational expenses. Companies with strong operating efficiency typically have streamlined credit policies, effective invoicing systems, and rigorous follow-up procedures to accelerate cash inflows.
- (b) **Availability of Raw Material:** Availability of raw material affects the working capital requirement in the following ways:
- (i) **Lead Times:** Longer lead times for raw material procurement necessitate higher inventory levels to buffer against supply chain disruptions. Companies may need to maintain larger inventories of raw materials to ensure uninterrupted production, increasing their working capital requirements.
- (ii) **Supplier Relationships:** Strong relationships with reliable suppliers can mitigate the risk of raw material shortages and enable more favourable payment terms. Companies with secure and efficient supply chains can manage their working capital more effectively by optimizing inventory levels and negotiating favourable pricing and payment terms.

31. (a) The following are the features of planning function of management:

(i) Planning Focuses on Achieving Objectives:

Planning is primarily concerned with setting objectives and determining the most effective means of achieving them. Objectives provide a clear direction for the organisation and serve as benchmarks for evaluating performance. A key feature of planning is its emphasis on aligning all activities and resources towards the attainment of organisational goals.

(ii) Planning is Futuristic:

Planning is future oriented as it is carried out to achieve some objectives in the future. Planning involves forecasting future conditions, anticipating potential opportunities and threats, and developing strategies to address them proactively. This forward-looking perspective allows managers to anticipate challenges, capitalize on emerging trends, and position the organization for long-term success.

(iii) Planning Involves Decision Making:

Planning requires making decisions about the allocation of resources, the selection of strategies, and the identification of action steps to achieve objectives. Managers must analyse available information, evaluate alternative courses of action, and make informed choices based on their assessment of risks, benefits, and resource constraints.

OR

(b) The following are the explanations for the steps in the process of planning:

(i) Setting Objectives:

The first step in the planning process is to

establish clear and specific objectives which define the desired outcomes or results to be achieved. Objectives provide a systematic framework for decision-making, guide resource allocation, and serve as criteria for evaluating performance. Effective objectives are SMART (Specific, Measurable, Achievable, Relevant, Time-bound) and aligned with the organisation's mission, vision, and strategic priorities.

(ii) Developing Premises:

Developing premises involves identifying and analysing the assumptions, forecasts, and factors that may influence the planning process. This step requires gathering relevant data, conducting market research, and assessing internal and external conditions that could impact the organisation's operations. By identifying key premises, such as market trends, technological advancements, regulatory changes, and competitive dynamics, planners can make more informed decisions and develop realistic plans that account for potential uncertainties.

(iii) Identifying Alternative Courses of Action:

Once the objectives are established and premises are developed, planners identify alternative courses of action or strategies for achieving the desired objectives. This step involves brainstorming creative solutions, evaluating different approaches, and considering the potential risks and benefits associated with each option. The goal is to develop flexible and adaptable plans that can accommodate changing circumstances and support the organisation's long-term success.

