

Solved Paper 2022

BUSINESS STUDIES (TERM-I)

Class-XII

Time : 90 Minutes

Max. Marks : 40

General Instructions :

- (i) The question paper contains 60 questions out of which 50 questions are to be attempted. All questions carry equal marks.
- (ii) This question paper contains three Section A, B and C.
- (iii) Section -A contains 24 questions. Attempt any 20 questions from Q. No 1 to 24.
- (iv) Section -B contains 24 questions. Attempt any 20 questions from Q. No 25 to 48.
- (v) Section -C contains 12 questions. Attempt any 10 questions from Q. No 49 to 60.
- (vi) The first 20 questions each in Section A & Section B and first 10 questions in Section C attempted by a candidate will be evaluated.
- (vii) There is only one correct option for every Multiple Choice Questions (MCQ). Mark will not be awarded for answering more than one option.
- (viii) There is no negative marking.

Series: SSJ/2

066/2/4

SECTION - A

1. At times, a business may concentrate on producing goods with fewer resources but cannot achieve the targeted production. In such a case, the business is said to be: 1
(a) Effective but not efficient
(b) Efficient but not effective
(c) Both effective and efficient
(d) Neither effective nor efficient
Ans. Option (b) is correct.
Explanation: Efficiency means doing the task correctly and with minimum cost. Effectiveness in management is concerned with doing the right task, completing activities and achieving goals on time.
2. The process that initiates implementation of plans by clarifying jobs, working relationships and effectively deploying resources for attainment of identified and desired results is called: 1
(a) Coordination (b) Management
(c) organizing (d) delegation
Ans. Option (c) is correct.
Explanation: Organising can be defined as a process that initiates implementation of plans by clarifying jobs and working relationships and effectively deploying resources for attainment of identified and desired results (goals).
3. Which marketing management philosophy lays emphasis on bringing continuous improvement in the quality of the product? 1
(a) production concept
(b) product concept
(c) marketing concept
(d) social marketing concept
3. Option (b) is correct.
Explanation: The focus of Product concept is to bring continuous improvement in the quality of the product, incorporating new features, etc. Thus, product improvement is the key to profit maximisation of a firm, under the concept of product orientation.
4. The objective of which of the following techniques of scientific management is to determine the number of workers to be employed in an organization? 1
(a) method study
(b) motion study
(c) time study
(d) differential piece wage system
4. Option (c) is correct.
Explanation: The objective of time study is to determine the standard time taken for performing a specified job to ascertain the number of workers to be employed, incentive schemes and determine labour costs.
5. Which of the following is an element of political environment? 1
(a) existing structure of the economy in terms of relative role of private and public sectors.
(b) rise in the disposable income of people due to increase in the gross domestic product of a country.
(c) legislations passed by the government authorities.
(d) attitude of the elected government representatives towards business.

Ans. Option (d) is correct.

Explanation: Political environment includes political conditions such as general stability and peace in the country and specific attitudes that elected government representatives hold towards business.

6. **The function of marketing that involves physical movement of goods from one place to another is called:** 1
- promotion
 - transportation
 - storage and warehousing
 - customer support services

Ans. Option (b) is correct.

Explanation: Transportation involves physical movement of goods from one place to the other. Generally, the users of products, particularly consumer products are widespread and geographically separated from the place these are produced, it is necessary to move them to the place where they are needed for consumption or use.

7. **Identify the principle of management given by Fayol according to which the intent of this principle is to produce more and better work with the same effort.** 1
- division of work
 - unity of direction
 - scalar chain
 - equity

Ans. Option (a) is correct.

Explanation: According to Fayol, "The intent of division of work is to produce more and better work for the same effort. Specialisation is the most efficient way to use human effort." Division of work leads to specialisation.

8. **Which product-related decision is concerned with providing detailed information about the product on its package?** 1
- branding
 - packaging
 - labeling
 - both branding and packaging

Ans. Option (c) is correct.

Explanation: Labelling refers to designing and developing the label to be put on the package. One of the most important function of labels is to give detailed information about the product i.e., describe the product, its usage, cautions in use, etc. and specify its contents.

9. **Which step in the process of planning, function of management involves weighing pros and cons of each alternative?** 1
- developing premises
 - identifying alternative courses of action
 - evaluation alternative courses
 - selecting an alternative

Ans. Option (c) is correct.

Explanation: After all the alternative courses of action are identified, the next step is to weigh the pros and cons of each alternative. Each course will have many variables which have to be weighed

against each other. The positive and negative aspects of each proposal need to be evaluated in the light of the objective to be achieved.

10. **The element of delegation which relates to the obligation of a subordinate to properly perform the assigned duty is known as:** 1
- authority
 - responsibility
 - accountability
 - centralization

Ans. Option (b) is correct.

Explanation: Responsibility is the obligation of a subordinate to properly perform the assigned duty.

11. **The type of organisational structure in which jobs of similar nature are grouped together on the basis of functions to form departments is called:** 1
- functional structure
 - divisional structure
 - informal structure
 - grouped structure

Ans. Option (a) is correct.

Explanation: Grouping of jobs of similar nature according to their functions and organising these major functions as separate departments creates a functional structure. Thus, a functional structure is an organisational design that groups similar or related jobs together.

12. **Which of the following statements correctly explains the limitation of planning 'planning does not guarantee success'?** 1

- planning is required at all levels of management and in all the departments of the organization.
- planning involves thorough examination and evaluation of available alternatives.
- relying on a previously tried and tested successful plan just because it had worked before and will work again.
- by deciding in advance the tasks to be performed, planning shows the way to deal with changes and uncertain events.

Ans. Option (c) is correct.

Explanation: Managers have a tendency to rely on previously tried and tested successful plans. It is not always true that just because a plan has worked before it will work again. Besides, there are so many other unknown factors to be considered.

13. **'Product cost' as a factor affecting price determination of a product includes:** 1

- cost of producing, distributing and selling the product.
- utility provided by the product.
- nature and degree of competition.
- maximizing profit in the short run.

Ans. Option (a) is correct.

Explanation: One of the most important factor affecting price of a product or service is its cost. This includes the cost of producing, distributing and selling the product.

14. **The concept of 'mental revolution', as prescribed by Taylor, involves, a change in the mind set of:** 1

- workers towards the management.
- management towards the workers.

- (c) workers and management towards one another from competition to cooperation.
 (d) customers towards the management of the organization.

Ans. Option (c) is correct.

Explanation: Mental revolution involves a change in the attitude of workers and management towards one another from competition to cooperation. Both should realise that they require one another.

15. **The element of marketing mix by which marketers make use of various tools of communication to encourage exchange of goods and services in the market is called:** 1

- (a) branding (b) promotion
 (c) physical distribution (d) price

Ans. Option (b) is correct.

Explanation: Promotion is an important element of marketing mix by which marketers makes use of various tools of communication to encourage exchange of goods and services in the market.

16. **'Planning is an intellectual activity of thinking rather than doing'. Which feature of planning is highlighted in this statement?** 1

- (a) planning focuses on achieving objectives.
 (b) planning is futuristic.
 (c) planning involves decision making.
 (d) planning is a mental exercise.

Ans. Option (d) is correct.

Explanation: Planning requires application of the mind involving foresight, intelligent imagination and sound judgement. It is basically an intellectual activity of thinking rather than doing.

17. **Which of the following activities is not considered to be part of customer support services?** 1

- (a) after sales services.
 (b) handling customer complaints and adjustments.
 (c) procuring credit services.
 (d) identifying the needs of the customers and taking various marketing decisions.

Ans. Option (d) is correct.

Explanation: Customer support services includes the services such as after sales services, handling customer complaints and adjustments, procuring credit services, maintenance services, technical services and consumer information.

18. **'The principle will give rise to a spirit of mutual trust and belongingness among team members,' which principle of management started by Fayol is highlighted by this statement?** 1

- (a) initiative
 (b) esprit de corps
 (c) equity
 (d) remuneration of employees

Ans. Option (b) is correct.

Explanation: Management should achieve promote teamwork especially in large organisations otherwise objectives would be difficult to achieve. A manager

should replace 'I' with 'We' in all his conversations with workers to foster team spirit. This will give rise to a spirit of mutual trust and belongingness among team members.

19. **Which level of management is responsible for coordinating the activities of different departments according to overall objectives of the organization?** 1

- (a) top level
 (b) middle level
 (c) supervisory level
 (d) both middle and supervisory level.

Ans. Option (a) is correct.

Explanation: Top Level Management's basic task is to integrate diverse elements and coordinate the activities of different departments according to the overall objectives of the organisation. These top level managers are responsible for the welfare and survival of the organisation. They analyse the business environment and its implications for the survival of the firm. They formulate overall organisational goals and strategies for their achievement.

20. **The purpose of 'departmentalizing' in the process of 'organising' is:** 1

- (a) to adapt changes in the business environment.
 (b) to facilitate specialization.
 (c) to facilitate expansion and growth of the organization without interrupting the existing operations.
 (d) to help in increasing managerial efficiency.

Ans. Option (b) is correct.

Explanation: Once work has been divided into small and manageable activities, then those activities which are similar in nature are grouped together. This grouping process is called departmentalizing. Such sets facilitate specialisation.

21. **Which of the following options explains the 'standardisation and grading' function of marketing?** 1

- (a) it affects the success or failure of a product in the market.
 (b) it refers to designing and developing the package for the products.
 (c) it helps in achieving uniformity and consistency in the output and classifies products into different groups based on their size.
 (d) it reduces the need for inspection of products.

Ans. Option (c) is correct.

Explanation: Standardisation refers to producing goods of predetermined specifications, which helps in achieving uniformity and consistency in the output. Grading is the process of classification of products into different groups, on the basis of some of its important characteristics such as quality, size, etc.

22. **Business environment is said to be uncertain as:** 1

- (a) different elements or parts of business environment are closely interrelated.

- (b) it differs from country to country.
- (c) it is difficult to predict future happenings especially when environment changes are taking place too frequently.
- (d) it consists of numerous interrelated forces which arise from different sources.

Ans. Option (c) is correct.

Explanation: Business environment is largely uncertain as it is very difficult to predict future happenings, especially when environment changes are taking place too frequently as in the case of information technology or fashion industries.

23. Name the concept which explains the manner in which decision making responsibilities are divided among hierarchical levels: 1

- (a) organizational structure
- (b) span of management
- (c) delegation
- (d) decentralization

Ans. Option (d) is correct.

Explanation: Decentralisation explains the manner in which decision making responsibilities are divided among hierarchical levels.

24. 'Organisations should have a chain of authority and communication that runs from top to bottom and should be followed by managers and the subordinates.

Which principle of management given by Fayol is highlighted in the above statement?

- (a) authority and responsibility
- (b) discipline
- (c) scalar chain
- (d) centralisation and decentralization

Ans. Option (c) is correct.

Explanation: The formal lines of authority from highest to lowest ranks is known as scalar chain. According to Fayol, "Organisations should have a chain of authority and communication that runs from top to bottom and should be followed by managers and the subordinates."

SECTION - B

25. 'Flavours of South' is a famous chain of South Indian restaurants. It believes in complete co-operation between the labour and management. It's management encourages the employees for their constructive suggestions. They take their employees into confidence for all important decisions.

Which principle of scientific management has been followed by 'Flavours of South'? 1

- (a) science, not rule of thumb
- (b) harmony, not discord
- (c) co-operation, not individualism
- (d) development of each and every person to his or her greatest efficiency and prosperity.

Ans. Option (c) is correct.

Explanation: According to this principle, there should be complete cooperation between the labour

and the management instead of individualism. For this, management should not close its ears to any constructive suggestions made by the employees. They should be rewarded for their suggestions which results in substantial reduction in costs. They should be part of management and, if any important decisions are taken, workers should be taken into confidence.

26. Which of the following statements is correct with reference to 'organising' function of management? 1

- (a) leads to systematic allocation of jobs and facilitates specialization.
- (b) reduces the risk of uncertainty.
- (c) helps in obtaining competent personnel.
- (d) judges accuracy of standards.

Ans. Option (a) is correct.

Explanation: One of the importance of organising is that it provides benefits of specialisation. Organising leads to a systematic allocation of jobs amongst the work force. This reduces the workload as well as enhances productivity. Repetitive performance of a particular task allows a worker to gain experience in that area and leads to specialisation.

27. Which of the following functions of marketing can improve performance of the product and also give it a competitive advantage in the market by attracting the target customers? 1

- (a) marketing planning
- (b) product designing and development
- (c) promotion
- (d) branding

Ans. Option (b) is correct.

Explanation: One of the important marketing activity or decision area relates to product designing and development. The design of the product contributes to making the product attractive to the target customers. A good design can improve performance of a product and also give it a competitive advantage in the market.

28. Ram Murty, a professor of Management conducted a class on 'Management Principles' and explained to his students the significance of management principles. In the next class, the professor asked his students to play roles of different managers. He gave them various situations and asked them to think like managers and provide solutions to the problems given in these situations. Each student applied the principles of management to the given situation in his own personalized manner, depending upon his creativity.

The nature of management highlighted in the above case is: 1

- (a) management as a science
- (b) management as an art
- (c) management both as an art and as a science
- (d) management as a profession

Ans. Option (b) is correct.

Explanation: Since art is concerned with personal application of knowledge, some kind of ingenuity

and creativity is required to practice the basic principles learnt. The use of this basic knowledge varies from individual to individual. Art, therefore, is a very personalised concept. For example, two dancers, two speakers, two actors, or two writers will always differ in demonstrating their art.

29. Pioneer Ltd. is dealing in fruit juices and hair oils. To ensure unity of action and coordination, it has made two separate divisions for each product. Each division has its own in charge, plans and execution resources. Thus, both the divisions are moving towards the same objectives through focused efforts.

Identify the principle of management followed by Pioneer Ltd. In the above case. 1

- (a) esprit de corps
- (b) equity
- (c) unity of direction
- (d) authority and responsibility

Ans. Option (c) is correct.

Explanation: Unity of Direction means all the units of an organisation should be moving towards the same objectives through coordinated and focussed efforts. Each group of activities having the same objective must have one head and one plan. This ensures unity of action and coordination.

30. The tool of promotion which involves making use of short term incentives designed to encourage the buyers to make immediate purchase of a product or a service is called: 1

- (a) advertising
- (b) personal selling
- (c) sales promotion
- (d) public relations

Ans. Option (c) is correct.

Explanation: Sales promotion refers to short-term incentives, which are designed to encourage the buyers to make immediate purchase of a product or service. These include all promotional efforts other than advertising, personal selling and publicity, used by a company to boost its sales. Sales promotion activities include offering cash discounts, sales contests, etc.

31. "The management gives a common direction to the individual effort in achieving the overall goal of the organization."

Which point of importance of management is highlighted in this statement? 1

- (a) helps in achieving personal objectives.
- (b) helps in achieving group goals.
- (c) helps to increase efficiency.
- (d) helps to create a dynamic organization.

Ans. Option (b) is correct.

Explanation: Management is required not for itself but for achieving the goals of the organisation. The task of a manager is to give a common direction to the individual effort in achieving the overall goal of the organisation.

32. "Uttam Ayurvedic Ltd." is an established Indian company manufacturing organic consumer goods

like toothpastes and shampoos. It has planned to increase its market share from 30% to 40% in the current financial year.

With the expanding market of organic products, other companies in the consumer goods industry have also launched these products with organic components. The competition in the market has increased and it was found that the sales of Uttam Ayurvedic Ltd. came down and its market share was reduced to 23%.

Identify the limitation of planning highlighted in the above case: 1

- (a) planning may not work in dynamic environment.
- (b) planning is time consuming.
- (c) planning involves huge costs.
- (d) planning reduces overlapping and wasteful activities.

Ans. Option (a) is correct.

Explanation: The business environment is dynamic, nothing is constant. It becomes difficult to accurately assess future trends in the environment. Planning cannot foresee everything and thus, there may be obstacles to effective planning.

33. Several initiatives have been undertaken by the government of India to encourage domestic manufacturing and export of defence equipments. 'Make in India' in defence, was one such scheme launched by the government to encourage companies across the world to manufacture defence products in India.

To which dimension of business environment does the above case relates to ? 1

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

Ans. Option (c) is correct.

Explanation: Political environment includes specific attitudes that elected government representatives hold towards business. Government decisions, builds up confidence among business people to invest in the long term projects for the growth of the economy.

34. Which of the following statements is true? 1

- (a) accountability can be entirely delegated.
- (b) accountability flows downward.
- (c) accountability refers to answerability for final outcome of the assigned task.
- (d) accountability means the right of an individual to command his subordinates.

Ans. Option (c) is correct.

Explanation: Accountability implies being answerable for the final outcome. Once authority has been delegated and responsibility accepted, one cannot deny accountability i.e., a subordinate will be accountable to a superior for satisfactory performance of work.

35. Which of the following feature of a profession is fully satisfied by management? 1
- service motive
 - well defined body of knowledge
 - restricted entry
 - ethical code of conduct

Ans. Option (b) is correct.

Explanation: All professions are based on a well-defined body of knowledge that can be acquired through instructions. All over the world there is marked growth in management as a discipline. It is based on a systematic body of knowledge comprising well-defined business situations. This knowledge can be acquired at different colleges and professional institutes and through a number of books and journals. Thus, Management has a systematised body of knowledge.

36. 'Agile Pvt. Ltd.' manufactures athletic footwear. Owing to its popularity among sports teams across the country, it recently decided to enter into manufacturing of sports clothing and accessories. The type of organisational structure which is suitable for the company is: 1
- functional structure
 - divisional structure
 - horizontal structure
 - informal structure

Ans. Option (b) is correct.

Explanation: For the enterprises which have more than one category of products to offer, or which wants to diversify into varied product categories, they reorganise themselves away from the simpler and basic functional structure towards a divisional structure which is more suited to their activities.

37. Fayol's principle of _____ emphasises on kindness and justice in the behaviour of managers towards workers. 1
- equity
 - discipline
 - esprit de corps
 - scalar chain

Ans. Option (a) is correct.

Explanation: This principle emphasises kindness and justice in the behaviour of managers towards workers. "Good sense and experience are needed to ensure fairness to all employees, who should be treated as fairly as possible," according to Fayol.

38. Harshita Verma has set up a factory to manufacture herbal hand sanitizer in Meerut. The size and shape of the bottles in which the products are packed are specially designed so that it should be convenient to handle and use by the consumers. 1
- The bottles in which the sanitizer are packed is part of:
- primary packaging
 - secondary packaging
 - tertiary packaging
 - both secondary and tertiary packaging

Ans. Option (a) is correct.

Explanation: Primary Package: It refers to the product's immediate container. In some cases, the primary package is kept till the consumer is ready to use the product.

39. 'Management principles help in thoughtful decision-making. They emphasise logic rather than blind faith'. This statement describes the following point of significance of principles of management: 1

- Fulfilling social responsibility
- Scientific decisions
- Meeting changing environment requirements.
- Optimum utilization of resources and effective administration.

Ans. Option (b) is correct.

Explanation: Management principles help in thoughtful decision-making. They emphasise logic rather than blind faith. Management decisions taken on the basis of principles are free from bias and prejudice. They are based on the objective assessment of the situation.

40. 'SORT- IT Ltd.' is a leading software development company. The company is satisfying the diverse needs of its employees. Its employees are given competitive salaries and perks. They have been given chance for their personal growth and development. For harmony in the organization, management has to reconcile personal goals with organisational objectives.

Identify the objective of management being met by 'SORT-IT Ltd.' 1

- Social
- Personnel
- Organisational
- Both social and personnel

Ans. Option (b) is correct.

Explanation: Organisations are made up of people who have different personalities, backgrounds, experiences and objectives. They all become part of the organisation to satisfy their diverse needs. Management has to reconcile personal goals with organisational objectives for harmony in the organisation.

41. The step in the process of 'planning' which is concerned with putting the plan into action i.e., doing what is required is called: 1
- Implementing the plan
 - Follow-up action
 - Developing premises
 - Selecting an alternative

Ans. Option (a) is correct.

Explanation: This step is concerned with putting the plan into action, i.e., doing what is required. For example, if there is a plan to increase production then more labour, more machinery will be required. This step would also involve organising for labour and purchase of machinery.

42. "The application of principles of management is dependent upon the prevailing situation at a particular point of time".

The above statement highlights that principles of management are: 1

- Flexible
- Contingent
- Behavioral
- Universal

Ans. Option (b) is correct.

Explanation: The application of principles of management is contingent or dependent upon the prevailing situation at a particular point of time. The application of principles has to be changed as per requirements.

43. For the following two statements, choose the correct option:

Statement I: If the demand of a product is inelastic, the firm is in a position to fix higher prices.

Statement II: In case the degree of competition is high, the firm is in a position to set high prices.

Choose the correct option from options given below: 1

- (a) Statement I is correct and statement II is wrong.
- (b) Statement II is correct and statement I is wrong.
- (c) Both the statements are correct.
- (d) Both the statements are wrong.

Ans. Option (a) is correct.

Explanation: The price will tend to reach the upper limit in case there is lesser degree of competition while under conditions of free competition, the price will tend to be set at the lowest level.

44. 'It acts as a binding force between departments and ensures that all action are aimed at achieving the goals of the organization'. The statement highlights the following characteristic of co-ordination: 1

- (a) Co-ordination is an all-pervasive function.
- (b) Co-ordination is the responsibility of all managers.
- (c) Co-ordination is a continuous process.
- (d) Co-ordination ensures unity of action.

Ans. Option (d) is correct.

Explanation: The purpose of coordination is to secure unity of action in the realisation of a common purpose. It acts as the binding force between departments and ensures that all action is aimed at achieving the goals of the organisation.

45. 'While performing the organizing function, jobs are allocated to the members of each department in accordance with their skills and competencies.'

Identify the step in the organizing function being discussed above: 1

- (a) Identification and division of work.
- (b) Departmentalization.
- (c) Assignment of duties.
- (d) Establishment of reporting relationships.

Ans. Option (c) is correct.

Explanation: Once departments have been formed, each employee is placed under the charge of an individual. Jobs are then allocated to the members of each department in accordance to their skills and competencies.

46. The function of marketing, which involves taking decisions regarding channels of distribution or marketing intermediaries, is called: 1

- (a) Physical distribution
- (b) Promotion
- (c) Warehousing
- (d) Marketing planning

Ans. Option (a) is correct.

Explanation: Physical distribution covers all the activities required to physically move goods from manufacturers to the customers. The two major decision areas under this function include (a) decision regarding channels of distribution or the marketing intermediaries (like wholesalers, retailers) to be used and (b) physical movement of the product from where it is produced to a place where it is required by the customers for their consumption or use.

47. The _____ technique proposed by Taylor aims at eliminating unnecessary diversity of products. 1

- (a) Motion study
- (b) Standardisation and simplification of work
- (c) Differential piece wage system
- (d) Functional foremanship

Ans. Option (b) is correct.

Explanation: Simplification aims at eliminating superfluous varieties, sizes and dimensions while standardisation implies devising new varieties instead of the existing ones. Simplification aims at eliminating unnecessary diversity of products.

48. Assertion (A): Delegation is a pre-requisite to the efficient functioning of an organization.

Reasoning (R): It enables a manager to use his time on high priority activities. 1

Choose the correct option:

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

Ans. Option (c) is correct.

Explanation: Delegation refers to the downward transfer of authority from a superior to a subordinate. It is a prerequisite to the efficient functioning of an organisation because it enables a manager to use his time on high priority activities.

SECTION - C

Read the following text and answer questions no. 49-54 on the basis of the same.

JS Printing Solutions Ltd. is a company manufacturing printers and scanners. The management of this company is known for speedy and prompt delivery of orders. As a result, the market share of this company is growing. The company grabbed a new project to supply 1,500 printers to Uprise Bank Ltd. for its various branches, within two weeks. The production manager, Ashok, made one of his efficient subordinates, Deepak, the in charge of the project and also gave him the right to command workers in order to meet the target. Now Ashok could use his time on high priority areas. He felt that this will also give an opportunity to Deepak to gain experience and develop himself

for higher positions. On getting the charge, Deepak was very happy, his confidence level increased and he was encouraged to do his best to fulfill the responsibility. Considering his responsibility, Ashok kept a track of the completion of work with Deepak and he provided him the needed guidance to reach the target on time.

49. Identify the concept of management used by Ashok to ensure accomplishment of the new project. 1
 (a) functional structure (b) divisional structure
 (c) delegation (d) decentralization

Ans. Option (c) is correct.

Explanation: If a manager desires to meet the organisational goals, he should focus on the objectives and ensure that all work is accomplished, he must delegate authority. Delegation is a prerequisite to the efficient functioning of an organisation because it enables a manager to use his time on high priority activities.

50. The application of the concept used above allows Ashok to use his time on high priority areas. This will lead to the organization towards: 1
 (a) adaptation to change
 (b) effective management
 (c) economics of scale
 (d) reduction in conflicts among different divisions.

Ans. Option (b) is correct.

Explanation: By empowering the employees by delegation, the managers are able to function more efficiently as they get more time to concentrate on important matters.

51. 'On getting the charge, Deepak was very happy, his confidence level increased and he was encouraged to do his best to fulfill the responsibility given to him.'
 The concept discussed above helps in: 1
 (a) departmentalization
 (b) reduction in conflicts among different divisions.
 (c) motivating the employees.
 (d) promoting control and co-ordination within a department.

Ans. Option (c) is correct.

Explanation: Delegated responsibility for work builds the self esteem of an employee and improves his confidence. He feels encouraged and tries to improve his performance further.

52. The concept discussed above provides benefits to: 1
 (a) superior only
 (b) subordinate only
 (c) both superior and subordinate
 (d) neither superior nor subordinate

Ans. Option (c) is correct.

Explanation: Delegation enables a manager to extend his area of operation as without it, his activities would be restricted to only what he himself can do. He can use his time on high priority activities. It also satisfies the subordinate's need for recognition and provides them with opportunities to develop and exercise initiative.

53. The concept discussed above helps in facilitation of growth of an organization as: 1

- (a) the subordinate gets freedom from routine work.
 (b) duplication of effort is avoided.
 (c) the subordinate gains experience and he is in a position to take up leading positions in new ventures.
 (d) it makes training of employees easier.

Ans. Option (c) is correct.

Explanation: Delegation helps in the expansion of an organisation by providing a ready workforce to take up leading positions in new ventures. Trained and experienced employees are able to play significant roles in the launch of new projects by replicating the work ethos they have absorbed from existing units, in the newly set up branches.

54. Which of the following statements is not true about the concept discussed above? 1

- (a) it is a process followed to share tasks.
 (b) it is necessary in all organisations.
 (c) it helps to lessen the burden of a manager.
 (d) it is a philosophy that implies selective disposal of authority.

Ans. Option (d) is correct.

Explanation: Decentralisation is much more than a mere transfer of authority to the lower levels of management hierarchy. It is a philosophy that implies selective dispersal of authority because it propagates the belief that people are competent, capable and resourceful.

55. In 'Delight Ice Creams Ltd.', decision making authority is concentrated at the top level and no authority has been delegated among the subordinates. On the other hand, in "Tasty Ice Creams Ltd.", a big organization as compared to 'Delight Ice Creams Ltd.', decision making authority is always delegated among more than one person.

Identify the principle of management discussed above. 1

- (a) stability of personnel
 (b) centralisation and decentralization
 (c) authority and responsibility
 (d) scalar chain

Ans. Option (b) is correct.

Explanation: The concentration of decision-making authority is called centralisation whereas its dispersal among more than one person is known as decentralisation. The degree of centralisation will depend upon the circumstances in which the company is working. In general, large organisations have more decentralisation than small organisations.

56. Priya Seth, a fashion designer, has launched a new range of dresses by the name, 'Sukriti'. To give her dresses a distinct image and to distinguish them from the competitor's products, she has designed a unique symbol with a distinct colour scheme. This symbol is available on all the labels, packaging and

advertising campaigns of this new range of dresses. She has also registered this symbol to give it a legal protection against its use by other firms.

From the following, name the term used to denote the symbol designed by Priya Seth in the above case: 1

- (a) brand mark (b) trade mark
(c) brand name (d) brand icon

Ans. Option (b) is correct.

Explanation: Brand Mark is that part of a brand which can be recognised but which is not utterable. It appears in the form of a symbol, design, distinct colour scheme or lettering. A brand or part of a brand that is given legal protection is called trademark.

57. 'Safe Life Technologies Private Ltd.' is a renowned pharmaceutical company in India. It has launched a new medicine to treat high blood pressure. To create awareness about the new medicine and to build a positive image about it, the company organized a seminar, which was attended by doctors from various hospitals and dealers in medicines. During the seminar, the representatives of company discussed about the chemical composition and the functioning of the medicine.

Identify the tool of promotion used by 'Safe Life Technologies Private Ltd.' in the above case: 1

- (a) advertising (b) sales promotion
(c) personal selling (d) public relations

Ans. Option (d) is correct.

Explanation: Public relations involve a variety of programmes designed to promote or protect a company's image and its individual products in the eyes of the public. Speeches by the company's executives at a meeting of trade associations or trade fairs can really boost the company's image.

58. Ritu Kapoor has set up a bakery 'Bakes and Cakes' in Pune. She receives online orders for cakes from within the city and supplies them on the same day. She set a target that she would earn a revenue of ₹ 5,00,000 in the first year. She informed her employees about the target and asked them to contribute ideas to achieve the same:

Ritu Kapoor has performed the first step in the process of one of the functions of management. The next step to be performed is: 1

- (a) identifying alternative courses of action
(b) setting objective
(c) developing premises
(d) follow-up action

Ans. Option (c) is correct.

Explanation: Once objectives are set, assumptions are made about the future. These assumptions are called premises. Assumptions are the base material upon which plans are to be drawn. Then, the next

step would be to identify all the alternative courses of action to achieve the objectives.

59. Somesh works as a foreman in 'Lakshmi Automative Ltd.', a company manufacturing cars. He is subordinate to Ramesh, who is the production in charge in the factory. Somesh is in charge of timely and accurate completion of job by workers working in the production department. There are three other foremen who work under the production incharge, while four other foremen work under Naresh, the planning in charge in the factory. Each of the eight foremen is a specialist in his area and gives orders to the workers relating to it.

The technique of scientific management highlighted in the above case is: 1

- (a) method study
(b) differential piece wage system
(c) functional foremanship
(d) standardization and simplification of work

Ans. Option (c) is correct.

Explanation: Functional foremanship is an extension of the principle of division of work and specialisation to the shop floor. Taylor advocated separation of planning and execution functions. Each worker will have to take orders from eight foremen (4 from Production and 4 from Planning) in the related process or function of production.

60. Vidhya Public School is a renowned school in Nagpur. The management recently appointed a new Business Studies teacher, Shweta, to teach classes XI and XII and gave her a monthly salary of ₹ 50,000. Shweta is not satisfied with it and said "the salary is not just and equitable as per the amount of work required to be done by a Business Studies teacher. Other schools in the city are paying ₹ 70,000 to their teachers teaching classes XI and XII". Name the principle of management that has been violated by Vidhya Public School in the above case: 1

- (a) discipline
(b) remuneration of employees
(c) equity
(d) esprit de corps

Ans. Option (b) is correct.

Explanation: The overall pay and compensation should be fair to both employees and the organisation. Remuneration should be just and equitable. This will ensure congenial atmosphere and good relations between workers and management. Consequently, the working of the company would be smooth.