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CLASS: XII

SUBJECT: ACCOUNTANCY

EXPECTED (SURE SHORT) QUESTIONS WEIGHTAGE-WISE

Unit-1st Nature and Significance of Management (Chapter 1, 2, 3 Weightage 16 marks out of 80)

1 MARK QUESTIONS (To be answered in one word or one sentence)

1. In order to be successful an organization must change its goals according to the needs to the environment. Which characteristic of management is highlighted in the statement?
2. Managerial activities are performed in all types of organizations in all departments at all levels. Which management character is highlighted here?
3. Your grandfather has retired where he is responsible for implementing the plans developed by the top management at which level of management was he working? State one more function of this level of management.
4. Your grandfather has retired as a Director of manufacturing company. At which level of management was he working?
5. The following is not an objective of management

(A) Earning profits (b) growth of the organization
(c) Providing employment (d) policy making

3/4 MARKS QUESTIONS (To be answered in about 50 to 70 words)

6. There are different Business Objectives and Economic Objectives are one among them. Explain these economic objectives.
7. ―Management is multidimensional". Discuss.
8. State any three functions of Top level management.

5/6 MARKS QUESTIONS (To be answered in about 150 words)

9. ―Success of an organization largely depends upon its management" Explain any five reasons to justify the statement.

Answer.1 It is a dynamic function.
Answer .2 it is all pervasive

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Answer .3 Middle level management (Write any one function of this level).
Answer .4 Top level of management
Answer .5 (d) policy making
Answer .6 Organizational Objectives: - These are related with the expectations of business and businessperson inside the business. These are as follows
1. Survival: - Means continuance of business in long term.
2. Profit: - Means total of incomes should be more than, total of expenses.
3. Growth: - Means increase of branches-sales-no. Of customers
Answer .7 Management is multidimensional because:
Management of people
Management of work
Management of operations.
Answer .8 Functions: - (1) Determining organizational objective-policies (2) assembling Resources, approving budgets, controlling overall performance and
(3) Appointment and guidance of middle level managers.

Answer .9 importance of management are:

Point of Importance	**How/Why**
1. It helps in achieving group goals.	Because it unites physical (material-machine-money) resources and human resources in one direction of profit –survival and growth.
2. It increases efficiency.	Because it removes cost, increasing reasons like wastage and duplication. As a result per unit cost of production is reduced.
3. It creates a dynamic organization.	Because changes outside business are made changes inside the business through management easily.
4. It helps in achieving personal objectives.	Because management brings out full capacity and ability of a man in his working and man gives best result and he gets good remuneration-promotion-reward-working conditions.
5. It helps in development of the society.	Because management provides good quality products, creates employment opportunities, prevents pollution, fulfill social responsibilities.

Unit-2 – Principles of Management (Chapter 1, 2, 3 Weightage 16 marks out of 80)

IMPORTANT QUESTIONS

1 Mark Questions (To be answered in 1 word or 1 sentence)

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1. –The Principles of Management are different from those used in pure Science". Write anyone difference.
2. Why it is said that the management principles are universal?
3. Name the foremen who arranges all the resources input and setup to start the work smoothly?
4. What is meant by principles of management?
5. Give the meaning of mental revolution as suggested by Taylor.

3/4 MARKS QUESTIONS:

6. Distinguish between ***Time study And Fatigue studies***

5/6 MARKS QUESTION (To be answered in about 150 words)

7. Explain any two techniques of Taylor's Scientific Management.
8. Explain the following principles of Fayol with example. (a) Unity of Command (b) Unity of Direction(c) scalar chain (d) Espirit De corps

Answer: 1 management principles are very flexible whereas pure science principles are rigid.

Answer: 2 because they can be applied to all types of organizations irrespective to their size and nature.

Answer: 3 Gang boss.

Answer: 4 these are the statements of fundamental truths which act as guidelines for taking managerial actions and effect relationship.

Answer: 5 change in mental attitudes towards each other

Answer: 6 Difference:-

Time study

This study is done by stop watch, for finding out:-
(i) Standard time required for a specific work.
(ii) Number of required workers to perform a job and estimated labor cost.
(iii) Efficient and inefficient workers.

Standard time is set by taking average of time taken for a same work, by various workers.

Fatigue study

This study is done, for finding out:-

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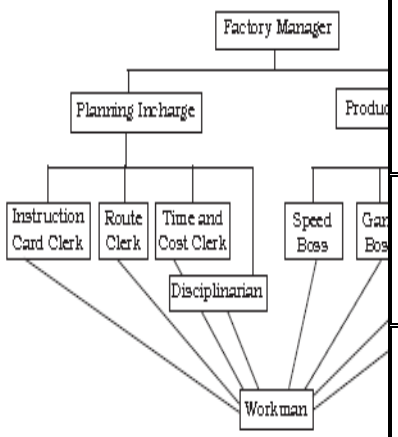
(i) Number/frequency of rest intervals.
(ii) Duration of rest intervals

(iii) Workers feel fatigue/tiredness, by continue working. This tiredness decreases their efficiency. For regaining the energy, it is necessary to give then sufficient rest intervals.

Answer: 7 Techniques of Taylor's.

1.Functional foremanship/specialization :-



Division of factory in two departments – (a) Planning department, and (b) Production department. In each department 4 specialist foremen should be appointed for supervision and guiding each and every worker.

Planning Department/In charge = He will be overall supervisor of all the work before production means planning.		**Production Department/In charge** = He will be overall supervisor of all the work during production.	
Specialist foreman	**Work of specialist/Foreman**	**Specialist Foreman**	**Work of specialist/Foreman**
1. Instruction Card Clerk	Issue of card for important instructions to be followed-before and during production.	**1.Speed Boss**	Monitor the required speed for completion of work.
2..Route Card Clerk	Issue of card for telling the route/process/steps of a work.	**2.Gang Boss**	Arrangement of workers-materials-machines-tools for the job/work.
3.Time & Cost Clerk	Issue of card for showing standard time and cost of a work.	**3.Repair Boss**	Oiling-greasing-cleaning and repairing of machines and tools.
4.Disciplinarin	Ensuring discipline (means given route-instruction and limit of time-cost are followed or not)	**4.Inspector**	Inspecting and ensuring desired quality of work.

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2..Differential wages rate system :- Example: - Standard output per day = 20 Units per worker. Per unit wages rate= Rs.5 (for standard or more output) and Rs.4 (for less output then standard)	In this system wages are paid at different rates to efficient and inefficient workers.	
	Efficient worker = Who produces standard quantity of units in fixed duration.	Inefficient worker = Who does not produce standard quantity of units in fixed duration.
	Mr. A produced 20 units A's wages - - - 20 Units x Rs.5 = Rs. 100	Mr. B produced 18 units B's wages- - - 18 Units x Rs.4 = Rs. 72
	Difference in output - - - 20 – 18 = 02 Units but Difference in wages - - - Rs. 100 – Rs. 72 = Rs.28 This system will motivate inefficient worker for getting efficiency and motivate efficient worker for maintaining efficiency.	

Answer 8 Fayol principle:

Unity of Command	At a time, only one order/command should be given to a subordinate and subordinate should be answerable only to one superior in that period.
Unity of Direction	Same natured activities should be directed-controlled-planned by only a single/one manager/officer/superior.
Scalar Chain	In normal situation, messages should be sent and received through scalar chain (step by step path). But in emergency /abnormal situation this chain may be ignored and direct contact may be done by gang plank/fayol's bridge. --Scalar chain—Step by step path for sending and receiving messages. --Gang Plank/Fayol's bridge—Path of direct contact without following scalar chain

Espirit De Corps= Spirit of	Team (Together Everyone Achieve More) Spirit (feeling) of co-operation should be developed among all employees for getting success through teamwork. Manager should use _We will do this work' in place of _I will do this work'.

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Co-operation.	

Unit/Chapter – 3 - Business Environment ***(Chapter 1, 2, 3 Weightage 16 marks out of 80)***

1 MARK QUESTIONS (To be answered in 1 word or 1 sentence)

1. Govt. of India is seriously thinking to allow oil marketing public sector undertaking to fix their own price for petrol and diesel. Which economic reform is the reason of this change in government's policy?
2. Just after declaration of Lok Sabha Elections 2009 results, the Bombay stock exchange's price index (Sensex) rose by 2100 points in a day. Identify the environmental factor which led to this rise.
3. State any two impacts of change of government policy on business and industry.
4. "The understanding of business environment helps the managers to identify 'Threats'." What is meant by 'threats' here?
5. "Business environment includes both 'specific and general forces.' List any four specific forces.

3/4 Marks Questions (To be answered in about 50 to 75 words)

6. Explain the impact of changes in economic policy on the business.
7. Explain the importance of business environment.

5/6 Marks Questions (To be answered in about 150 words)

8. Identify the type of dimension of environment to which the following are

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Related:-

i) Banks reducing interest rates on housing loans.

ii) An increasing number of working women.

iii) Booking of air tickets through internet.

iv) Alcohol beverages are prohibited to be advertised on _Door Darshan‘.

v) The project of Nano car reestablished in Gujarat is indicated by which factor of environment

Ans: 1 Liberalization
Ans: 2: Political Environment
Ans: 3(i) Increasing competition.
(ii) Rapidly Changing Technological Environment.
Ans: 4 Threats refer to the external environment trends and changes that will hinder a firm‘s performance
Ans: 5 Suppliers, investors, customers and competitors
Ans 6 i) increase competition
ii) More demanding customers
iii) Rapidly changing technological environment
iv) Necessity for change

Ans 7 **(a) Identification of Opportunities (positive changes) and first mover advantage:-**
By studying business environment, a business can know expected positive changes in its favor, in advance and can take first advantage then other competitors.
Ex. TATA NANO Car.
First of all.
(b) Identification of threats and warning signals:-
By studying business environment, a business can know expected negative changes in its adverse, in advance and can make arrangement to remove the negative effect. Ex. Bajaj started producing bikes with scooters.

(c) Helpful in tapping (assembling) resources:-
By studying
Business environment, changes in demand of output can be known in advance. For production of changed output, required inputs may be arranged in advance.

(D) Helpful in coping (adjustment) with rapid changes:-
For survival with being fittest, two things are possible by study of business environment:-
---Timely estimation of expected positive and negative changes.
---Ready for adjustment for future changes, in advance.

Ans: 8 (i) Economic Environment,

(ii) Social Environment,

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(iii) Technological Environment,

(iv) Legal Environment

(v) Political Environment

Chapter/Unit – 4th Planning ***(Chapter 4, 5, 6 Weightage 14 marks out of 80)***

1 Mark Questions

1. Define planning.
2. Define strategy.
3. Write one difference between Policies & Procedure.
4. ―No Smoking in the work shop" This statement is related to which types of plan.
5. Planning function of management is conducted at which level of management.

3 and 4 Marks Question

6. ―Planning is mental exercise ―how?
7. Explain briefly importance of planning.

5 - 6 Marks Question:-

8. Explain the limitations of Planning.

Answers

1) Planning refers to thinking in advance what to do, how to do, when to do. And whom to do it.
2) A strategy is a comprehensive plan to achieve the organizational objectives.
3) Policy are organization own way of tackling the problem whereas procedure are step by step way of doing a job
4) Rules
5) At all the three levels
6) Planning is a mental exercise:
i) It requires application of the mind involving foresight, intelligent imagination and sound judgment
ii) It is basically an intellectual activity of thinking rather than doing, because planning determines the action to be taken
iii) Planning requires logical and systematic thinking rather than guess work.
7) Importance of planning are:-

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1. It provides Direction.	The answer for _What & how to do‘ gives the direction of any work. In planning it is decided that what the destinations (objectives) of the organization are. It is also told to each member of the organization that what the objectives of organization are. So each member adjust his efforts in the direction of objectives. Without planning each member will be confused and will work in different directions. So it is correct that …
2. It reduces risks & Uncertainties.	If an organization does not forecast the changes of its environment then risk and uncertainty will arise for it. Under planning, we develop premises (assumptions) about expected future changes by forecasting. We also decide in advance that how the business will respond to these changes. The resources are also kept aside in the plan to meet such changes. So…
3. It reduces overlapping & wasteful Activities.	If the question _Who will do it‘ is unanswered then each will impose his work to others, this is called overlapping. Wasteful activities may take place if the question _How it will be done‘ is un-answered. Under planning it is decided in advance that who will do particular work... Under planning the best procedures and methods are selected on the basis of logical analysis. So…
4. It provides Innovative Ideas.	. Under planning best alternative is selected out of many options. All these option do not come into one manger‘s mind only. Planning is done by group of mangers. Each one of this group has been given chance to find the some new and constructive option by using their innovative and creative thinking skill. So…

8)

1. It creates Rigidity	Rigidity means absence of needed flexibility. Planners try to leave space of changes in planning according environmental changes. But it is true that at times only small/minor changes may be made in planning, big/major changes can‘t be made which are required. So up to a limit planning remains rigid.
2. It does not work in Dynamic Environment	Planning is based on forecasting and future assumptions (premises) about business environment. Business environment is itself continuously & frequently changing. Future is also uncertain. Nothing can be forecast exactly after making full efforts. So sometimes…
3. It reduces Creativity.	Creativity means discovering constructive & innovative (new) ways of doing various works. Planning is done by top level management. Generally rest middle and low level just implement the plans. Both middle and low level managers are not allowed to deviate from plans nor are they permitted to act on their own. In this situation they stop thinking and carry out only plans as order. So…
4. It involves Huge Costs.	Planning is a cost consuming process because it needs lot of money, time and human physical and mental exercise. Experts are hired for collection and calculation of facts and figures, meetings are conducted for discussions, and investigation is done

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	to find out the practicability of plans. All these activities involve costs. So…
5. It is Time Consuming Process.	Out of total time allotted for planning and implementation, planning takes so much of time and less time is left for implementation. All steps of planning process take lot of time. So it delays decision making. In case of emergency or need of prompt decision then we have to avoid planning. Because…

Chapter/Unit – 5th Organizing ***(Chapter 4, 5, 6 Weightage 14 marks out of 80)***

QUESTIONS:-

1 marks

1. How informal organization is created?
2. Name the function of management which coordinates the physical, financial and human resources and establishes productive relations among them for achievement of specific goals.
3. What is meant by organizational structure?
4. What is the objectives of decentralization?
5. The no. of subordinates that can be effectively by a superior refers to which aspect of management?

3 marks

6. What is functional organization structure? Write two advantages of this structure.
7. How accountability related to authority? Explain.
8. State three steps in the process of organizing.

5/6 marks

9 Distinguish between _Formal‘ and _Informal‘ organisation (any four points)

10. What is meant by —Divisional structure” of an organisation? Explain any two advantages and two limitations of it.

ANSWERS

1) It is created due to friendly and social interaction of employees

2.) Organising function

3) It is specific pattern of relationships which is created during organizing process OR it is a network of job positions, responsibilities and authority of different level.

4) To disperse authority to the lowest level.

5) Span of management

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6.) Meaning of Functional Structure: - When activities and jobs are grouped on the basis of functions (Finance, Purchases, Research, Production, Marketing, Human Resource) and departments are related to specific function then it is called functional structure. Department heads are responsible to general manager. ADVANTAGES;

1. Benefit of functional specialization: - In this structure, each department has to perform a specific function only. A worker does similar tasks within a department many times. Each department is headed by a manager who is expert in that specific function. So all these things create functional specialization.

2. Effective control and coordination:-All members of specific department perform only one function so it is easy to co ordinate and control their activities by an expert of specific function.

7.) **Authority**

Right to command.
Can be delegated.
Arises from formal position
Flows downward from superior to subordinate.

Accountability

Answerability for outcome of the assigned task.
Cannot be delegated at all.
Arises from responsibility.
Flows upward from subordinate to superior

Ans-8

[B] Steps of Organizing Process :-			
Step 1st:- Identification and Division of Work:-In this step, all-essential activities are identified and listed for achieving objectives. Each activity is divided into smaller parts for sharing burden of work and getting specialization.	**Step 2nd:- Grouping of Same nature activities and Departmentalization: -** The activities of same nature are grouped together in specific group, this group is called department and the process of grouping activities is called departmentalization.	**Step 3rd:- Assignment of Duties: -** In this step responsibility of each department, department manager (head) and departmental employee are decided according their capabilities, so that overlapping and duplication of work can be avoided.	**Step 4th:- Establishing Reporting Relations: -** In this step, everybody is made known that who is superior of whom and who is subordinate of whom? Who will issued order and who will obey the order ?

Ans-9 Difference:

Point	**Formal Organization**	**Informal Organization**

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1.Meaning	Formal Organization means an Organization in which the responsibilities, authority and mutual official relationships among all the employees working in an enterprise are clearly defined. This type of Organization is created intentionally/deliberately by top management for achievement of organsational goals.	In formal Organization, employees develop friendly relationships and form small social groups at work place. The network of these social groups are based on friendship is called informal Organization. The groups are created on the basis of common interests, tastes, and religious and communal relations. This type of Organization is not created deliberately rather it arises automatically. It has no written rules but has social norms of group.
2.Features/ Characteristics	►<u>Features of Formal Organization:-</u> 1. Defines inter relationships - It is a sort of arrangement, which clearly defines mutual relationships. In it everybody knows their authority and responsibility. It shows who has to report to whom... 2. Based on Rules and Procedures:- It is based on rules and procedures and follows the rules and regulations which are necessary for systematic working. 3.Based on division of work :- This Organization is raised because of formal division of work. It also interlinks and coordinates various departments. 4. Deliberately created:- Like informal Organization it is not created own its own, rather top management creates intentionally. 5.More stable:- In this Organization, relationships are not changing until a formal change is	►<u>Features of Informal Organization:-</u> 1. Created out of Formal Organization: - Because of position in formal Organization people have frequent contacts with others. Due to frequent contacts with in formal Organization, social relations are automatically generated. So it is arises out of formal Organization. 2. Follows Group norms: - There are no any written rules for informal Organization, but each group has its own standard of behavior which works as group norm. The member who does not behave as per group norm he will be no member. 3. Not created deliberately: - Management does not make effort to establish it. It is created spontaneously. 4. No communication path and Organization chart:-In it there is no predetermined path of communication and Organization chart, which can show its structure. 5. Psychological satisfaction: - It gives psychological satisfaction to employees which cannot be got out of formal Organization. 6.Un-stable:- A member can change his group and also be a member of more than one group in this way relationship keep on changing so it is not stable like formal Organization.

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	made by top management. 6.Impersonal:- In it personal feelings are ignored and strict discipline is observed because work is more important than person.	

Point	Formal Organization	Informal Organization
3. Advantages	►Advantages of Formal Organization:- 1. Easy to fix Accountability: - Accountability means answer to the superior for the work performance. It makes easy to fix accountability because authority and responsibility of each one is already fixed clearly and informed. 2. No overlapping of work: - In this organization no work is left undone and duplicated because nobody can impose his work to others and nobody can be ignorant/unknown about his work. 3. Creation of chain of command: - In it superior – subordinate relationship are clearly visible so it creates communication path and chain of command. 4. Easy to get goals: - Because in it division of work and specialization is followed and human resources are provided with required physical resources. So it makes easy the achievement of goals. 5. Stability of enterprise: - It gives stability of enterprise because rules guides' behavior of each one, this creates good relationships in turn it gives stability to the enterprise.	► Advantages of Informal Organization:- 1. Fast communication and feedback: - it does not follow scalar chain so it has faster speed of communication and feedback. 2. Fulfills social needs: - It gives due importance to psychological and social need of employees which motivate and keep satisfied the employees. Because all the member of group stand with each other in all type of problems. 3. Helps for achieving Organization goals: - Formal Organization ignores the feedback and problems of employees. So employee may work till there are bound under rules. But informal gives importance to their problems and feedback. So they become ready to work for organization voluntary.
4.Disadvantages	►Disadvantages/limitations of Formal Organization:-	► Disadvantages of Informal Organization:-

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Or Limitations	1. Delay in action/work: - In it for each decision and implementation of decision, rules, procedures and chain on command must be followed, so it delays the action and work. 2. Lack of initiative: - Because employee have to do what they are told to do and they do not have a chance of some independent thinking and doing, it kills initiative among employees. 3. Emphasis on work only: - It gives importance to work only and ignores human relations, creativity, talents etc. 4. Mechanization of relationships: - Because continuous and strict compliance of rules removes feelings and emotions Among employees.	1. It creates rumors:-Rumors means an information which is not authorized and its reality can't be checked. In this organization rumors are created by members. These rumors may confuse and mislead the employees. Rumors may also spoil team spirit and smooth working of organization. 2. It resists changes:-This organization opposes the decisions which bring required changes in formal organization for facing the changes in environment. It also opposes to implement new plans. This resistance stops the growth of organization. 3. Pressure of group norms: - In this organization, members remain under pressure of group norms. Sometimes these group norms may be against the formal organization's interest. 4. More importance to individual interest: - This organization gives more weightage to satisfaction of an individual. At times when out of organization's interest and personal interest, only one can be fulfilled, and then it gives priority to personal interest

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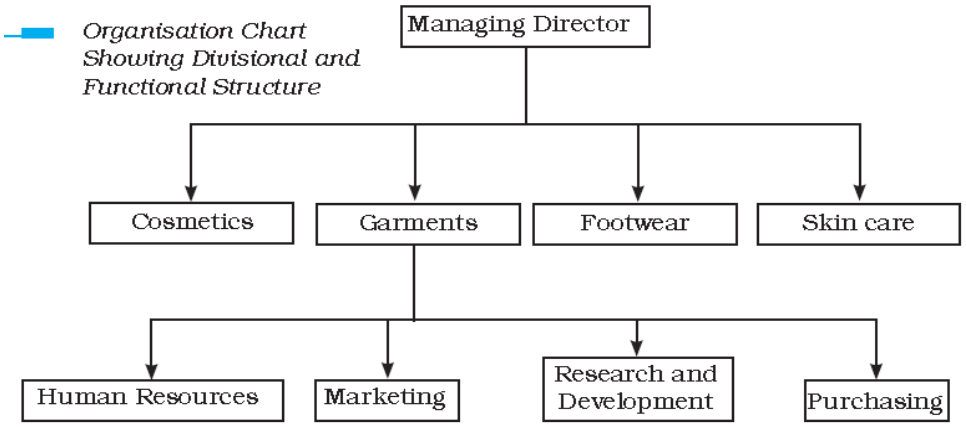
5. Difference

Basis	Formal Organization	Informal Organization
Meaning	Structure of authority relationships created by the management	Network of social relationships arising out of interaction among
Origin	Arises as a result of company rules and policies.	Arises as a result of social
Authority	Arises by virtue of position in management	Arises out of personal
Behavior	It is directed by rules	There is no set behavior pattern
Flow of Communication	Communication takes place through the scalar chain	Flow of communication is not through a planned route. It can take
Nature	Rigid	Flexible
Leadership	Managers are leaders.	Leaders may or may not be managers. They are chosen by

Ans-10

■Meaning of Divisional Structure:-

When jobs and activities related to one product are grouped under one department, it is called divisional structure. Every department is operated as multi-functional unit because all necessary functions are performed in one product division. Each department or division is headed by a product manager and he is responsible for profit or loss of the division.



■Advantages of Divisional Structure:-

1. Product specialization: - It creates specialization in a particular product because all activities related to one product are grouped in one department.

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2. Greater accountability: - Each division is called a profit center. Each division is accountable for its own profit of loss. So in this structure performance measurement and fixing responsibility for poor result is easier.

3. Flexibility: - Because each unit is independent and its activities and decisions do not affect other departments so it provides flexibility.

■Disadvantages of Divisional Structure:-

1. Departmental conflicts:-Conflicts may be raised among different departments in respect to allocation of funds and resources. Each department tries to maximize its own profit at the cost of the other departments.
2. Increase in costs:-Each division has to maintain its own facilities, equipments and personal. Functions are repeated/duplicated in each division. So cost are increased.
3. Ignores organizational interest: - Each divisional head are provided authority and freedom for whole division. So heads focuses on their own product without thinking rest of the organization and its objectives

Unit/Chapter-6th – Staffing ***(Chapter 4, 5, 6 Weightage 14 marks out of 80)***

One Marks Questions:-

1. Explain the meaning of ‘Staffing‘.

2. Name the method of training suitable for plumbers, electriation, and iron workers.

3. Give one advantage of Job Rotation training.

4. State one objective of Preliminary screening.

5. What do you mean by on the Job Training?

3 or 4 Marks Questions:-

6. Explain any three types of selection Test.
7. Write the difference between training and Development.

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5 - 6 Marks Questions:-

8. Describe briefly the steps involved in the process of staffing.
9. Explain in brief merits and limitation of external sources of recruitment.
10. Explain the process of Selection.

- Ans 1 - It is a process of providing competent and trained manpower to an organization. Another words, it refers to filling and keeping filled the vacant posts with people.

- Ans 2 Apprenticeship

Ans 3 This enables the trainee to gain a broader understanding of all parts of the business and how the organisation as a whole functions.

Ans 4 This interview is conducted to check the confidence level of the candidates.

Ans 5 When the employee s are trained while they are performing the job, then it is known as _On the Job Training‘

Ans 6

1. Intelligence Test	Level of intelligence quotient required for making decisions and judgments.
2. Aptitude Test	Capacity for learning new skills and making self-development.
3. Personality Test	Assessment overall personality including person‘s emotions, reactions, maturity and value system etc
4. Trade Test	Measuring the level of existing knowledge and proficiency in the area of professions or technical training.

Ans 7 Difference

Basis	**Training**	**Development**
1.Meaning	It is a process of increasing knowledge and skills.	It is a process of learning and growth.
2.Skills	It is concerned with technical skills only.	It is concerned with technical-human-social skills.
3.Suitability	It is more suitable for non managerial staff.	It is more suitable for managerial staff.
4. Nature.	It improves skills already possessed by the employee.	It discovers and improves hidden skills/talents/qualities of employee.
5. Direction	It is job-oriented process.	It is career-oriented process.
6.Focus	It focuses present requirement of the organization.	It focuses both present and future requirement of the organization.

Ans 8

Steps of Staffing Process :-

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1st Step –Estimating the Manpower Requirements: - In this step, it is estimated that, in future how many people will be required for filling existing and new vacant posts.	*2nd Step- Recruitment:-* Recruitment means informing, inviting and motivating eligible candidates through various means/sources, about vacant posts. It is a positive process because there is no rejection in it.	*3rd Step Selection:-* In this step, unsuitable candidates are rejected and the suitable ones are chosen. This is a negative step because it has rejection of some candidates.	*4th Step Placement and Orientation: -* Orientation is introducing the selected employee to other employees and familiarizing him with the rules and policies of the organization. Placement refers to the employee occupying the position or post for which the person has been selected.	*5th Step Training and Development: -* Training is a process of maintaining and increasing skill of an employee in a particular job. Development is a process to develop skills in an employee for his future managerial post.

Ans 9 **Meaning of Recruitment: -** Recruitment means informing, inviting and motivating eligible candidates through various means/sources, about vacant posts. It is a positive process because there is no rejection in it.

Merits:-

1. Availability of Latest qualified and trained personnel.
2. Wider choice for organization.
3. Availability of fresh talent and new blood to the organization.
4. Creation of competitive spirit in the existing employees.
5. Only source for a new organization.
6. Avoiding negative effect of frequent transfers.

Demerits:-

1. Dissatisfaction in existing employees.
2. Lengthy / time consuming process.
3. Costly process.
4. Existing efficient employees will not be inspired motivated.
5. Overstaffed department cannot be balanced.

Ans 10

Steps of Selection Process :-

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Step-1st -Preliminary Screening:-This interview is conducted to check the confidence level of the candidates. Preliminary interviews help reject misfits for reasons, which did not appear in the application forms.

Step-2nd – Selection Tests: - Various tests are conducted for measuring various skills and abilities like IQ, Aptitude Test, Personality Test, and Interest Test.

Step-3rd – Employment Interview:- This interview is conducted by a panel of experts who assess professional knowledge, presence of mind, memory power and career objectives.

Step-4th – Reference and Background Checks:- For verifying the reality of candidates character, social relations and backgrounds, reference and background check is conducted

Step-5th – Selection Decision:- The candidates who pass the tests, interview and reference check are included in selection list and the managers select the most suitable candidate from this list

Step-6th – Medical Examination:- Before giving appointment letter the candidates selected are sent for medical examination to ensure physical fitness for the job concerned.

Step-7th – Job Offer:- The candidates who clear the medical tests are given job offer through letter of appointment. In this letter the date and duration of joining, terms and conditions of the job are mentioned.

Step-8th – Signing Contract of Employment :- In this stage employee and employer sign the contract of employment which indicates Job Title, Responsibilit

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							ies and duties, Pay, Allowances, Working Hours, Probation Period, Disciplinary rules etc.

Unit-7-Directing ***(Chapter 7 & 8 Weightage 20 marks out of 80)***

1 MARK QUESTIONS (To be answered in one word or one sentence)

1 ~~a~~ goal leader does not wait for opportunities but creates them ~~th~~is statement is related to which quality of a good leader?

2.) What is supervision?

3.) Give two examples of monetary incentives.

4.) Which pattern of communication indicates one source of information?

5.) Name the communication barriers in which a message is understood differently due to different state of mind of sender and receiver.

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3/4 MARKS QUESTIONS (To be answered in about 50 to 70 words)

6.) Directing is the least important function of management. Do you agree? Give reasons to support your answer

7) Briefly explain the features of directing.

8) Briefly explain the style of leadership.

5/6 MARKS QUESTIONS (To be answered in about 150 words)

9.) Explain the monetary or financial incentives of motivation.

10.) Explain barriers to effective communication.

Ans 1 initiative

Ans. 2 It refers to observing, guiding and watching the employees while they are performing the job.

Ans 3. I) recognition, assignment of challenging job.

Ans 4. Wheel pattern

Ans 5. Psychological barrier

Ans 6. No, I don‘t agree because of the following reasons
i) Directing initiate‘s action
ii) Integrates employees efforts
iii) Means of motivation

Ans7 Features of directing are:

1. Directing initiate action:

The other functions of management prepare a setting
For action, but directing initiates action in the organization.

2. Directing in a pervasive function or management:-

Every manager from top
Executive to supervisor performs the function of directing.

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3. Means of motivation –

It motivates the subordinates to work efficiently and

To contribute their maximum efforts towards the achievement of organizational goals.

Ans 8 i) Autocratic leadership; it exercise complete control over the subordinates. He centralizes power in himself and takes all the decisions without consulting the subordinates.

ii) Democratic leadership; in this style, it takes decision in consultation and participation of the employees. He delegates and decentralizes the authority.

iii) Free-rein Leadership; it involves complete delegation of authority so that subordinates themselves take decisions. In this style leader avoids power.

Ans 9

Financial or Monetary Incentives: - These incentives can be measured and expressed in terms of money.			
1. Pay :- Pay means salary; it is real compensation for work.	*2. Allowances: -* Allowance means employer gives cash to employee for hiring services of house, transport, uniform etc.	*3. Perquisites: -* Perquisites means employer gives facilities to employee like house, transport etc.	*4. Productivity linked wages incentives: -* It is for labor/worker class. If worker produce units more than standard he gets wages at higher rate, otherwise he gets at lower rate.
5.. Bonus :- Payments other than pay and allowances On the occasion of festivals.	*6..Profit Sharing :-* Employer/owner gives a portion of profit to employees and workers.	*7.Co-partnership / Stock Option:-* In case of company employer, it gives some equity shares to its employees free or cost or at concessional Rate.	*8.Retirement Benefits :-* After attaining a level of age and leaving service employer gives pension, provident fund, gratuity etc.

Ans 10.

Category	**Point of Barrier**	**Remedy / Improving Communication Effectiveness :-**
(A) Semantic Barriers :-	**1. Badly expressed message: -** Un-necessary use of complicated words/symbols, in place of simple words/symbols.	**1. Clarify the ideas before Communication.** **2. Communicate**
	2. Symbols/ words with different meanings: - Use of words / symbols which have various different meanings.	
	3. Faulty translations: - Due to lack of proficient knowledge of both language, translator may translate wrongly.	
	4. Un-clarified assumptions: - Some clarifications are not conveyed to sender with sent message.	
	5. Technical jargon: Used technical words may not be understood by the workers.	

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	6. Body language and gesture decoding: Gestures, which is not matching with spoken words like saying _yes I will do‘ with poor and un-happy face.	**according** **To the need of receiver.** **3. Consult others before** **Communicating.** **4. Be aware of languages,** **tone and content of the** **Message.** **5.Convey things of help and** **Value to listeners.** **6. Ensure proper feedback.** **7.Communicate for present** **As well as future.** **8. Follow up communication** **9. Be a good listener.**
(B) Psychological Barriers :-	**1. Premature evaluation:** Judgment before listening full message.	
	2. Lack of attention: - Receiver‘s mind / concentration may be at difference place, while receiving message.	
	3. Loss by transmission and poor retention: When oral communication passes through various levels - destroy the structure of the message.	
	4. Distrust: Sender and receiver do not trust / have faith in each other while sending and receiving message.	
(C)Organizational Barriers :-	**1. Organizational policy: -** If management follows centralization policy then speed and free flow of communication will be slow, otherwise in decentralization policy it will be fast and free flow.	
	2. Rules and regulations: Small message may be sent orally but if there is rule to send each message in written form, it will delay the message.	
	3. Status: If manger imposes, his higher status on subordinates, then subordinates does not communicate freely.	
	4. Complexity in organization structure: If managerial levels are more, then communication gets delayed and distorted due to more filtering points.	
	5. Organizational facilities: Lake of frequent meetings, suggestion box, social and cultural gathering.	
(D) Personal Barriers:-	**1. Fear of challenge to authority:** Subordinate may have fear while communicating a message in the form of advice, to his superior/boss with keeping higher status of superior.	
	2. Lack of confidence of superior on his subordinates: If superior does not confident about the ability of subordinates, he may ignore communication of a message in the form of advice from subordinates.	
	3. Unwillingness to communicate: Sometimes sender or receiver may not be interested in communicated message.	
	4. Lack of proper incentives: If these is no reward or appreciation for a good communicated suggestion, subordinates may not be motivated to communicate.	

Unit-8-Controling ***(Chapter 7 & 8 Weightage 20 marks out of 80)***

1 MARK QUESTIONS (To be answered in one word or one sentence)

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1.) On which function of management is controlling dependent?

2.) In controlling, why is actual performance is compared with standards?

3.) Standards are set in quantitative as well as in qualitative terms, identify the type of standards when it is set in terms of _cost to be incurred‘?

4.) Give the meaning of _deviation _used in control function of management?

5.) When is a corrective action required in controlling?

3/4 MARKS QUESTIONS (To be answered in about 50 to 70 words)

6.) What should be done while _taking corrective actions‘ in the process of controlling when especially in the important areas deviation go beyond the acceptable range?

7.) Planning is looking ahead and controlling is looking back. Comment.

5/6 MARKS QUESTIONS (To be answered in about 150 words)

8.) Explain controlling as a function of management. How are controlling and planning related?

9) Explain the controlling process.

Ans 1 planning

Ans 2 It is compared to find out the deviation between actual and desired results

Ans 3 Quantitative standards

Ans 4 It means the difference between standard performance and actual performance.

Ans 5 When deviations go beyond the acceptable range, especially in the key results areas the immediate corrective action is required in controlling.

Ans 6 It demands immediate managerial attention.

Ans 7 Planning is looking ahead as plans are prepared for future and are based on forecasts about future conditions. While controlling is looking back as it measures and compares actual performance with standard performance.

- However, planning is also looking back as plans are formulated in the ligh5t of the problems that were identified in the past.

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Ans 8 **Relationship between Planning and Controlling/ 'Planning is meaningless without controlling and controlling is blind without planning'**

(i) Controlling is based on standards. Standards are set under planning function. Planning provides eyes to controlling.

(ii) Planning is meaningful when objectives are achieved. By controlling deviations are removed and objectives are achieved, so controlling make planning meaningful.

(iii) Planning is forward looking because it decides future actions, it is also backward looking because past experiences of controlling are used in planning.

(iv) Controlling is backward looking because it analysis what has already done, it is also forward looking because corrective actions are taken in respect of future.

(v) Both planning and controlling are backward looking as well as forward looking functions.

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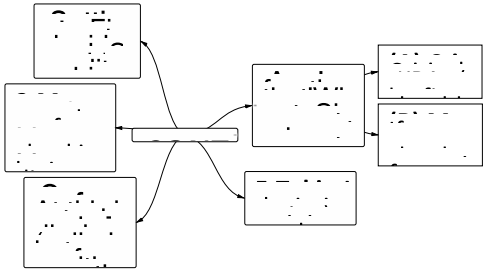
Ans9Controllingprocess



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Unit-9-Financial management (*Chapter 9 & 10 Weightage 15 marks out of 80)*

1 MARK QUESTIONS (To be answered in one word or one sentence)

1.) WHAT IS THE PRIMARY OBJECTIVE OF FINANCIAL MANAGEMENT?

2.) _Cost of debt‘ is lower than the _cost of equity share capital‘. Give reasons why even the company can‘t work only with the debt. ?

3.) What does higher business risk indicate?

4.) What is financial leverage?

5.) Shubham purchases goods on 1 month credit and sells goods in 3 month credit. How much working capital is needed?

3/4 MARKS QUESTIONS (To be answered in about 50 to 75 words)

6.) Explain the concept and the objective of financial management?

5/6 MARKS QUESTIONS (To be answered in about 150 words)

7.) What is meant by capital structure? What are the factors to be kept in mind while determining the capital structure of the company?

8.) You are a fiancé manager of a newly established company, the directors have asked you to determine the amount of fixed capital requirement for the company. Explain any four factors that you will consider while determining the fixed capital requirement for the company.

9.) Explain any 4 factors which affect the working capital requirements of a business.

Ans 1 to maximize owner‘s wealth of the company.

Ans 2 because a company cannot be formed without equity share capital.

Ans 3 it indicates the inability of a company to meet the fixed operating costs such as salary, rent, etc.

Ans 4 It is the proportion of debt in the overall capital.

Ans 5 Shubham will require more working capital as he avails strict credit policy of 1 month, while he follows liberal credit policy of 2.5 months.

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Ans 6 To ensure availability of funds whenever needed.
To ensure effective utilization.

To ensure safety of funds

Ans 7 Cost of debt
Cost of equity
Risk considerations
Tax rate
Stock market conditions
Regulatory framework

Ans 8 Nature of business
Scale of operation
Growth prospects
Diversification
Choice of technique
Financing alternatives
Technology up gradation

Ans 9 Nature of business
Business cycle
Scale of operations
Production cycle
Growth prospects
Credit allowed
Credit availed
Availability of raw materials

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Unit-10-Financial markets ***(Chapter 9 & 10 Weightage 15 marks out of 80)***

1 MARK QUESTIONS (To be answered in one word or one sentence)

1.) What is the main function of financial market?

2.) Give the meaning of capital market

3.) What is the maturity period of a treasury bill?

4.) Who can become depository participants?

5.) State any 1 developmental function of SEBI.

3/4 MARKS QUESTIONS (To be answered in about 50 to 70 words)

6.) Explain any 3 functions of financial market.

7.) Explain the instruments of money market. (Any Three)

5/6 MARKS QUESTIONS (To be answered in about 150 words)

8.) Explain the method of floatation of securities in primary market.

Ans 1 the main function of financial market is allocative function.
Ans 2 it means facilities and institutional arrangement through which medium and long term funds are raised and invested.
Ans 3 14 to 364 days.
Ans 4 as per SEBI guidelines, any financial institution, and share brokers, banks, etc.
Ans 5 Conducting research and publishing information useful to all market participants.
Ans 6 i) Mobilization of savings; Financial market is a link between savers and investors.
ii) Provides liquidity to financial assets; in financial market, financial assets can be purchased and sold easily.
iii) Facilitates price discovery; Prices of the financial assets depend upon the demand and supply factors.
Ans 7 i) Call money; the money borrowed for a short period which is generally one day. Mostly banks uses call money.

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ii) Treasury Bill; It is issued by RBI on behalf of Government of India. This bill enable Govt to get short term borrowings as these bills are sold to banks and general public.

iii) Certificate Of Deposits; It is a time or deposit which can be sold in the sec Market. Only a bank can issue C.D. it is a bearer certificate or document of titles.

Ans 8 i) Public issue through prospectus; under this method, company issues a prospectus to inform and attract general public.

ii) Offer for Sale; under this method, new securities are offered to general public but, not directly by the company but by an intermediaries who buys whole lot of securities from company.

iii) Private Placement; Under this method, the securities are sold by the company to an intermediary at a fixed price and in second step intermediaries sell these securities not to general public but to selected clients at higher price such as UTI, LIC, etc.

iv) Right issues; this is the issue of new shares to existing shareholders. It is called Right Issue because it is the pre-emptive right of shareholders that company must offer them the new issue before subscribing to outsiders.

v) e-IPOs; It is the new method of issuing securities through online system of stock exchange.

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Unit-11-Marketing management*(Chapter 11 & 12Weightage 15 marks out of 80)*

1MARKQUESTIONS(Tobeansweredinonewordoronesentence)

1.) Why is marketing called a social process?
2.) Out of marketing and selling, which concept has a wider scope?
3.) Define ‗Promotion Mix ‗as an element of ‗marketing mix‘.
4.) State the meaning of ‗product identification‘ function of packaging.
5.) ―Dettol soap free with derma cool talc" Which sales promotion technique is highlighted here?

3/4MARKSQUESTIONS(Tobeansweredinabout50to70words)

6.) Explain the role of marketing in a firm.
7.) Though branding adds to the cost, it provides several advantages to the consumers. In the light of the statement, state any three advantages of branding to customers.
8.) Discuss the role of ‗sales promotion‘ as an element of promotion mix.
9.) The elements of marketing mix are popularly known as 4 PS of marketing. Explain briefly these elements of marketing mix.

5/6MARKSQUESTIONS(Tobeansweredinabout150words)

10.) ‗Pricing of a product is an important and effective competitive weapon in marketing which depends upon various factors‘. Explain any 3 such factors.
11.) ‗Advertising misleads customers and increases the cost of production‘. Do you agree with this statement? Give reasons to support your answer.

Answers

Ans 1Marketing is a process of exchange of goods and services from producers to consumers for money or for something that satisfies the needs of customer.
Ans 2 Marketing has a wider scope.
Ans 3 Promotion mix refers to all the de3cisions or tools which a business performs to motivate and persuade people to buy their products.
Ans 4 With the help of packaging the products can be identified easily.
Ans 5 Product Combinations.
Ans 6 Role of marketing. Marketing plays an 8important role in achieving the objectives of an organization, whether it is a profit making or nonprofit organization. It helps in the economic development of the nation.
Ans 7 i) helps in product identification. Branding helps the customers to identify the products easily as brand gives satisfaction to the customer so he does not make a close inspection every time.
ii) Status symbol. Use of branded products provide status and prestige to customers and it boosts their confidence level.
iii) Ensures quality. Branding provides quality assurance to customers so they can buy branded goods with no doubts.
Ans 8 Merits of sales promotion are;
i) Attention value: - by providing extra incentive to customers to make the purchase, sales promotion activities attract attention of the people.

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ii) Supplement to other promotional measures: - Sales promotion is usually undertaken to supplement personal selling and advertising effort and to increase the overall effectiveness of promotional efforts.
iii) Useful in new product launch: - sales promotion tools are very effective in introducing new product in the market. It stimulates people to try new products launches in the market.

Ans 9 i) Product; it refers to anything of value that is offered to the market for sale.
ii) Price; It is the amount of money, which the customers have to pay to the seller in lieu of the product or services provided.
iii) Place; It is a physical distribution mix includes activities that are involved in transferring the ownership to the customers and to make the product available at the right place and at the right time.

Ans 10 i). Utility of demand; while fixing the price, a firm should consider the utility and demand of the product.
ii). Extent of competition in the market; When a firm does not face any competition, then it enjoys complete freedom in fixing the prices.
iii). Govt. and legal regulations; to protect the interest of general public against unfair trade practices.

Ans 11 No, we don‘t agree with this statement.
i). Encourages the sales of inferior goods; the objection of sale of inferior goods is not correct because inferiority or superiority of a product depends upon the economic value of customers.
ii). Adds to cost; advertising has been severely criticized on the basis of its unnecessarily increases in the price of the product.
iii). some advertisement s are bad in taste; sometimes it uses bad languages to promote the product or convey wrong messages. These are called offensive advertisements.
iv). Advertisement confuses rather than help; It confuses the customers because there are so many advertisements in which each brand claiming to be better than each oth**er.**

Unit-12-Consumer protection (*Chapter 11 & 12Weightage 15 marks out of 80)*

1MARKQUESTIONS(Tobeansweredinonewordoronesentence)

1.) What is the purpose of enacting the Consumer Protection Act 1986?
2.) What is the aim of the prevention of Food Adulteration Act?
3.) Give any one responsibility of the consumer in addition to obtain a cash memo while purchasing edible oil.
4.) Name any two parties who can file a complaint under the Consumer Protection Act 1986 on behalf of a consumer.
5.) Who can file the complaint under the Consumer Protection Act 1986?

3/4MARKSQUESTIONS(Tobeansweredinabout50to70words)

6.) State any four responsibilities of a consumer while purchasing goods and services.
7.) Explain the redressal mechanism available to the customers under The CP act 1986?

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5/6MARKSQUESTIONS(Tobeansweredinabout150words)

8.) Explain the following consumer rights

- Right to safety
- Right to seek redressal
- Right to information

Ans 1 To protect or promote the interest of the consumers through speedy and inexpensive redressal of their grievances.
Ans 2 This act aims to check adulteration of food articles.
Ans 3 Consumer should look for AgmarK.
Ans 4 Central or state Govt.
Ans 5 Any consumers, on behalf of numerous consumers.
Ans 6 Quality conscious

I. Cash memo
II. Honesty
III. Awareness of rights.

Ans 7 **District Forum**; it consists of a president and 2 other members. President can be retired or working judge of district court. They are appointed by state govt. The complaints can be filed up to 20 Lakhs.
State commission; it consists of a president and 2 other members. President can be retired or working judge of high court. They are appointed by state govt. The complaints can be filed up to 1 crore.
National commission; it consists of a president and 2 other members. President can be retired or working judge of Supreme Court. They are appointed by state govt. The complaints can be filed exceeds 1 crore.

Ans 8 **Right to safety**; According to this Right, the consumers have the right to be protected against the marketing of goods and services which are hazardous to life and property.
Right to seek redressal; According to this right, the consumer has the right to get compensation against unfair trade practices.
Right to information; According to this right, the consumer has the right to get information about the quality, quantity, purity, standard and price of goods or services so as to protect himself against the abusive and unfair trade practices.

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