

FUNCTIONAL FOREMANSHIP

Planning In charge: The main function of "planning in charge" is to plan all aspects of a job to be performed. It consists of four positions:

- (i) **Route clerk:** He determines the sequence to perform various mechanical and manual operations.
- (ii) **Instruction card clerk:** He issues instructions to the workers to be followed by them.
- (iii) **Time and cost clerk:** He is concerned with the framing of time schedule on the basis of determined route. Also, he keeps the record of the cost of operations.
- (iv) **Disciplinarian:** He is concerned with the coordination in each job from planning to successful execution. He enforces rules and regulations and maintains discipline.

Production In charge: It consists of following four specialists who are concerned with the execution of plans.

- (i) **Speed Boss:** He checks whether work is progressing as per schedule. He ensures timely and accurate completion of jobs.
 - (ii) **Gang Boss:** He arranges machines, materials, tools, and equipment properly so that workers can proceed with their work.
 - (iii) **Repair Boss:** He ensures that all machines, tools, equipment are in perfect working order.
- Inspector:** He ensures that the work is done as per the standards of quality set by planning department.

2. Name and explain that principle of Fayol which suggests that communication from top to bottom should follow the official lines of command. - 5 or 6 Marks

Or

Explain the 'Principle of Scalar Chain' with an example.

Ans. In an organization, the formal lines of authority, from highest to lowest level of all superiors and subordinates, are known as scalar chain. The principle of scalar chain suggests that there should be a clear line of authority from top to bottom, linking superiors and subordinates at all levels. The scalar chain serves as a chain of command as well as communication. In normal circumstances, the formal communication is required to be made by following this chain.

A

CHAPTER-3 MANAGEMENT AND BUSINESS ENVIRONMENT

VERY SHORT TYPE QUESTION (ONE MARK)

- 1. ABC Pvt. Ltd., a book publishing house, identifies CCE as an opportunity early and publishes its books as per the changed CBSE pattern before its competitors could do the same. Which environment awareness is being identified by ABC Pvt. Lt.?**

ANS: First mover advantage

- 2. What is Business Environment?**

Ans. Forces affecting the performance of an organisation but outside its control are called as Business Environment.

3. How have customers benefited by increased competition after liberalisation and globalisation?

Ans. While purchasing they get a better quality and wider choice of goods and services.

4. What do you mean by disinvestment?

Ans. When the private sector takes over public sector, it is called disinvestment.

5. Give one measure taken by Indian Government to introduce liberalisation.

Ans. Abolishing licensing requirements.

6. Which two factors are included in Technological Environment?

Ans. Scientific Improvement and Innovations.

7. Name the economic reforms introduced to free Indian business from unnecessary controls and restrictions.

Ans. Liberalisation.

SHORT ANSWER TYPE QUESTIONS (3 OR 4 MARKS)

1. Define Business Environment. State two important concerns of business environment.

Ans. The sum total of all external factors which are outside the control of business enterprises is termed as Business Environment. Factors may be social, political, economic etc.

2. Explain the specific and general forces of business environment?

Ans. Business environment comprises of both specific and general forces. Specific forces refer to those forces that are having direct effect on the day to day working of the business viz. customers, competitors, investors etc. General forces refer to social, political, legal and other forces which are having an indirect effect on the operations of a business.

3. What are the main dimensions of business environment? What does environment consist of?

Ans. The main dimensions of business environment are

(i) Economic, (ii) Social, (iii) Technological, (iv) Political, (v) Legal
Economic environment consists of the factors having economic dimensions such as fiscal

policy, monetary policy, industrial policy etc.

4. Explain the role of political environment in shaping the business?

Ans. Business functions within the framework of political environment. Generally, government's policies change with the change of guard in power. Business is required to understand and follow such changes and also respect the orders that judiciary gives from time to time.

For example, after globalization, Government of India allowed many companies to enter the Indian market for giving boost to the different industries like food processing industry etc. That paved the way for entry of multinationals in India on a large scale.

5. What do you understand by legal environment? Give two examples which protect consumers' interests.

Ans. Legal environment consists of rules and regulations, framed by the Parliament, under which business must operate. To exist and grow, business is required to follow all the rules and regulations that constitute this environment.

Two examples protecting consumers' interests:

- (i) Advertisement of alcoholic beverages is prohibited.
- (ii) Packets of cigarettes should mention the statutory warning 'Cigarette smoking is Injurious to health'.

LONG ANSWER TYPE QUESTIONS (5 OR 6 MARKS)

1. What do you mean by business environment? Explain the key components of business environment.

Ans. Business environment is the sum total of all external factors that influence the functioning of a business enterprise.

The components of general environment are:

(i) Economic environment:

Economic environment consists of factors having economic dimensions such as fiscal policy, monetary policy, industrial policy etc.

Impact: Banking sector reforms have led to attractive deposit avenues and easier credit policy. Likewise reforms in leasing & financial institutions are also catalysing company's economic growth.

(ii) Social environment: It discriminates characteristics of the society in which an enterprise exists. It consists of literary rates, educational levels, customs and demographic distribution etc.

Impact : Equal pay for equal work for both male and female

workers, reservation of jobs for minorities etc.

(iii) Political environment

It consists of the political forces responsible for the management of public affairs and their influence on business.

Impact : Government allowed Pepsi to enter Indian market again for giving boost to the food processing industry.

(iv) Technological environment

It comprises of the various processes, techniques, approaches etc. by which an organization transforms inputs into output.

Impact : Digital watches have pushed out traditional watches.

(v) Legal Environment : It characterises various governmental rules, regulations and legislations etc. that all members of business community must follow.

Impact : Removal of control on foreign exchange and liberalization of foreign direct investments.

2. Enumerate any five Positive impacts of liberalization and globalization.

Ans. The positive impacts of liberalization and globalization are as follow:

- (i) Opportunities for new entrepreneurs.
- (ii) Latest technology becoming available.
- (iii) Opening up of foreign markets.
- (iv) Easy imports of capital goods.
- (v) Direct investment by Indian companies abroad.

3. 'Environment provides both constraints and opportunities.' Comment.

Ans. Business environment provides both constraints and opportunities. Some of the constraints are economic conditions, customs, government regulations, availability of natural resources etc. In spite of many initiatives, FDI is not picking up in India due to political and bureaucratic hurdles.

On the other hand, environment also offers various opportunities which include changing needs of customers, technological advances etc. For example, the growing demand for A.C. has attracted many new players, domestic (Godrej, Kirloskar) as well as multinationals (LG Electronics) to this industry.

4. Explain the changes initiated by the Government of India since 1991.

Ans. Following changes have been observed since 1991:

- **New Industrial Policy:**
New Trade Policy:
Fiscal Reforms
Monetary Reforms
Capital Market Reforms

Chapter -4

PLANNING

(I.) One Markers:

Qus:1 How does planning provide direction?(Any Three)

Ans:1 (a) Planning is goal oriented.

(b) Continuous process.

(c) Pervasive function.

Qus:2 The planning function of management is conducted at which level of management ?

Ans:2 At all Three Levels.

Qus:3 One of the functions of management is considered as a base for all other functions. Name that Function.

Ans:3 Planning.

Qus:4 : Planning strangulates the initiative of the employees and compels them to work in an inflexible manner” Discuss.

Ans:4 Planning reduces creativity.

Qus:5 Which limitation of planning suggest that the employees stop thinking and become the blind followers of Plan?

Ans:5 Planning reduce creativity.

Qus:6 A company needs a detailed plan for its new project- construction of shopping mall. What type of plan is it ?

Ans:6 Programme.

Qus:7 In which type of plan the sequence to perform a job is determined?

Ans:7 Procedure.

Qus:8 Which plans suggest action and non action of employees?

Ans:8 Rules

Qus:9 “No Smoking : the statement is related to which type of plan?

Ans:9 Rule.

Qus:10 Mc Donald does not give its franchise to any other company which is running food business. This is related to which type of plan/

Ans:10 Policy.

Qus:11 Name the type of plan which serve as a guide for overall business planning and define the future state of affair which the organization strive to realize?

Ans:11 Objectives.

Qus:12 In which step of planning process the planners make prediction and assumptions regarding future?

Ans:12 Setting up of planning premises for all the alternatives.

Qus:13 How should a manager select the best possible course of action?

Ans:13 Manager should apply permutation and combination.

Qus:14 Without one function of management the controlling function is not possible. Name the concerned function.

Ans:14 Planning.

Qus:15 Planning is an activity which enables a manager to look ahead and anticipate changes. Mention the benefit of planning highlighted here.

Ans:15 Planning reduces the risks of uncertainty.

Qus:16 Planning ensures clarity in thoughts and actions, works is carried on smoothly without interruptions .Which importance of planning is mentioned here?

Ans:16 Planning reduces overlapping and wasteful activities.

Qus:17 It helps the manager to look into future and make a choice about various alternative courses of action enumerate the importance of planning indicated here.

Ans:17 Planning facilitates decision –making.

Qus:18 Planning lays down the base for other functions of management which feature of planning is highlighted here?

Ans:18 Planning is a primary function of management.

Qus:19 A plan is framed it is implemented and is followed by another plan and so on. Mention the feature of planning indicate here?

Ans:19 Planning is continuous process.

Qus:20 Which features of Planning is stressed by saying that planning is an intellectual activity of thinking rather than doing?

Ans:20 Planning is a mental exercise .

Ques 21 Which type of plan is least flexible and why.

ANS.21 Rule

Because they reflect a managerial decision that an action must / must not be taken.

(II.) Three/Four Markers:

22 Planning involves decision making". Explain.

Ans.22 Planning is essentially a process of making choice from among various alternatives. There will be no need for planning, if there is only one course of action, because there will be no choice. Hence need for planning depends on the availability of alternatives. A manager, after examining and evaluating the various alternatives, chooses the most appropriate one.

23. 'Planning reduces creativity'. How?

Ans 23 Usually in an organisation, planning function is performed by the top management and the rest of the members are required to implement these plans. As a result, middle management and other members are neither allowed to deviate from plans nor are they granted authority to act on their own. Hence most of the initiative and creativity in them gets reduced.

24. 'Planning does not guarantee success'. Comment

Ans 24 .An organisation is successful only when the plans are effectively drawn and implemented.

A plan must be converted into action otherwise it becomes meaningless. Generally, it is seen that managers are in the habit of depending on previously tried and tested successful plans. But this practice sometimes does not work and may actually lead to failure instead of success.

(III.) Five/Six Markers:

25. Enumerate the steps involved in the planning process.

Ans25 Steps of planning are as follows:

- (i) Setting up of objectives
- (ii) Developing premises.
- (iii) Identifying alternative courses of action.
- (iv) Evaluating alternative courses
- (v) Selecting an alternative.
- (vi) Implementation of plan.
- (vii) Follow up

26. Explain the limitations of planning.

Ans 26.

Limitations of Planning :

- 1.Planning leads to rigidity.
- 2.involves huge costs.
- 3. reduces creativity
- 4.does not work in dynamic environment.
- 5.time consuming

27. Explain any 6 features of Planning.

ANS 27

- 1. Planning provides direction
- 2. Primacy of Planning
- 3. Planning is pervasive
- 4. Planning is flexible/ works in a changing environment

5. Planning is a continuous process
6. Planning is futuristic
7. Planning involves choice/decision making
8. Planning is mental exercise

Types of plans:

(A) **Standing or Repeatedly used Plans:** As their name indicates that these plans are formulated once and they are repeatedly used. These plans continuously guide the managers. That is why it is said that a standing plan is a standing guide to recurring problems. These plans include :

1. Objectives
2. Strategies
3. Policies
4. Procedures
5. Methods and
6. Rules

(B) **Single-use or Special or Adhoc Plans:** These plans are connected with some special problem. These plans end the moment the problems are solved. After having been used once there is no importance of these plans and in future, whenever they are needed they are re-created. These plans include

1. Budget and
2. Programme.

Differences between Standing and Single-use Plans

Basis	Standing Plans	Single-use Plans
1. Period	These plans are formulated for a long period	These plans are for a short period and are repeatedly formulated in case of need.
2. Object	These plans are formulated to bring uniformity in decisions	These plans are designed to run successfully some particular activities
3. Types	They are of six types i. Objectives ii. Strategies iii. Policies iv. Procedures v. Methods and vi. Rules	They are of two types i. Budgets and ii. Programmes
	They guide the managers in	These plans guide in matters of



4.Scope	particular matters like price policy and sales policy	daily routine.
5. Basis	They are based on the main objectives of the organisation	They are based on the standing plans of the organisation.



1) Objectives - Are the ends which the management seeks to achieve by its operation.

- Represent the end point of management.
- Set by top management.
- Defines the future state of affairs.
- Guides the overall business planning.
- Can be expressed in specific terms. They can be measured.

2) Strategy - Provides broad shape of organization's business, refers to the future decisions defining the organization's directions and scope in the long run.

- It involves a comprehensive plan which covers the determination of long term objectives, adoption of a particular course of action and allocation of resources.

3) Policies - are general statements which guide thinking in decision making.

- They are based on objectives.
- They guide managerial action and decisions.
- They exist at all levels and departments of the organization.

4) Procedures - Are a chronological sequence of routine steps on how to carry an activity.

They detail the exact manner in which the work is to be performed.

- It is meant for the insiders to follow.
- Policies and procedures are interlinked.

5) Rules - Are specific statements that inform what is to be done.

- Reflects managerial decision.
- Simplest plan.
- They are to be enforced rigidly.

6) Methods - Are standardized ways or manners in which a task has to be performed considering the objectives.

- Selection of a proper method saves time, money and effort.

7) Programmes - Detailed statements which are combination of goals, policies, procedures, rules tasks, human and physical resources required and the budget to implement any course of action.. All these plans together form a programme.

8) Budget - Is a statement of expected results expressed in numerical terms for a definite period of time in the future.

- It quantifies future facts and figures.
- Serves as a standard for measuring actual performance.
- It is prepared for various groups of activities.

Case study question

An auto company, C Ltd. is facing a problem of declining market share due to increased competition from other new and existing players in the market. Its competitors are introducing lower priced models for mass consumers who are price sensitive. For quality conscious consumers, the company is introducing new models with added features and new technological advancements.

Questions.

(i) Prepare a model business plan for C Ltd. to meet the existing challenge. You need not be very specific about quantitative parameters. You may specify which type of plan you are preparing.

(ii) Identify the limitations of such plan.

(iii) How will you seek to remove these limitations?

Ans:-

i) C Ltd can make use of 'strategy' as a type of plan. The various steps involved in preparing this plan are:

(a) The company should set up its objectives after considering quality expectations of consumers and technological changes.

(b) Like its rival, it can cut down its prices without compromising the quality.

(c) It may use sales promotional tools like full finance and rebate to capture the market share again.

(ii) The limitations of such plan are:

(a) It is a costly process.

(b) It is a time consuming process.

(c) It may not work in a dynamic environment.

(d) It may lead to rigidity in operations.

(iii) The given limitations can be overcome through following measures:

(a) An organisation can keep a strict watch on time limit to achieve the target.

(b) Amount to be spent should be pre-planned by preparing budgets.

(c) Environment should be properly scanned to minimise the risk of competition.

(d) Plan should be flexible, so that there is a scope for initiative and creativity.

Value Based Questions

Q.1 Which quality of employee is restricted by the act of planning?

Ans1

i) Stability in prices

ii) Regular Supply of Goods

iii) Fulfilling social responsibility

iv) Control on hoarding & Black- Marketing

2 Removal of mobile towers from residential area is being planned by the government to

promote which value?

Ans 2

i) Reduction in social responsibilities due to non-cooperation in social work.

ii) Increase in production due to efficient employees

iii) Deterioration in Health of employees due to prolonged working hours.

iv) Reduction in employment opportunities for local persons

v) Increase in salary will increase social respect/standard of living

Q.3 Government is planning to construct a ware house in remote area to store necessary goods.

So as to make them available even at the time of bad weather regularly. Which values are being considered here to be achieved by the government?

Ans3.

i) Bad effect on students health.

ii) Deprivation of Morality.

iii) Instigation of social evil.

Q.4 In order to reduce the cost, an organization is planning the following:

- a) To reduce the charities to the social and religious institution.
- b) To arrange skilled workers from outside inspite of semi-skilled local employees.
- c) To increase the working hours.
- d) To increase the rate of remuneration.

Which value will be affected by the decisions?

Ans4.

i) Lack of Feeling of oneness in an organization.

ii) Lack of Manager's faith in his employees.

iii) Wastage of time.

Q.5 Tobacco manufacturer is planning to sell its products outside the School & colleges. Which values are violated here from your point of view?

Ans5.

i) Women Empowerment.

ii) Promotion of equality.

iii) Making handicapped people independent.

iv) Increase of job opportunity with production.

Q.6 In an organization executive director takes all the decision himself. He does give order only to the subordinates. Which value is overlooked here?

Ans6.

i) Ignorance of democratic values.

ii) Promotion of casteism.

iii) Violation of secularism.

iv) Narrow mindedness.

v) Non- Consideration of abilities.

Chapter -5

Organising

(I.) One Markers:

Q.1 Name the function of management which co-ordinate the Physical, Financial, and Human resources and establishes productive relations among them for achievement of specific goals.

Ans.1 Organising

Q.2 Organising leads to a systematic allocation of jobs amongst the workforce. Which importance of organizing is stated here?

Ans. 2 Benefits of specialisation .

Q. 3 Organising clarifies lines of communication and specifies who is to report to whom. Mention the importance of organizing indicated here.

Ans 3: Clarity in working relationships.

(II.) Three/Four Markers:

Q.4 Name and explain the two steps in the process of organizing which comes after identification and division of work and departmentation.

Ans-4 Assignment of duties and establishing reporting relation ships.

Q.5 Aman Ltd. is manufacturing Toys and has Production Sales, Purchase and finance Department, which type of organization structure would you suggest to them? State any three advantage of this organization structure.?

Ans. 5 I would suggest functional structure fro aman ltd.

Q.6 Hindustan Ltd. is manufacturing computers, soaps and textile . Which type of organizational structure would suit the requirement of such organization? State any three advantages of this organization structure?

Ans. 6 Divisional Structure would suits the requirement of Hindustan ltd.

Q.7 It is a System of consciously coordinated activities of two or more person towards a common objectives. Mention this system of organization and explain its two features.

Ans.7 Formal organization

Q. 8 It is a network of personal and social relations not established or required by the formal organization but arising spontaneously as people associate with one another. Name this organization and give its three advantages.

Ans. 8 Informal organization

Q.9 The directors of Narmada Ltd. An organization manufacturing computer have asked their marketing manager to achieve a target rate of 100 computers per day. The marketing manager has delegates the task to his deputy sales manager working under him. The deputy sales managers could not achieve he target. Is the marketing manager responsible for the failure of his deputy sales manager? Explain in brief , the relevant principle in support of your answer.?

Ans. 9 Yes, marketing manager is responsible for non- achievement of he target sales.

Q.10 The Director of Kamal Ltd, an organization manufacturing computer want to double the sales and given this responsibility to their sales manager. The Sales Manager has no authority either to increase , sales expense or appoint new salesman. Hence, he could not achieve this target. Is the sales manager responsible for not achieving the target? Explain in brief , the relevant principal in support of your answer.?

Ans. 10 No, sales manager is not responsible for not achieving the target. The principle involved is purity of authority and responsibility.

Q.11 It refer to the systematic delegation of authority from top management to the lower level managers. Mention the name of it.

Ans. 11 Decentralization.

Q.12 “If we delegate the authority, we multiply it by two if we decentralize it, we multiply it by many “ how?

Ans.. Scope of delegation of authority is limited as it is confined to a manager and his immediate subordinate in work unit. Scope of decentralization- It involves systematic delegation of authority at all levels and in all functions of the organization. It is an extension of delegation to the lowest levels in the organization.

Q.13 The employee of ABC Ltd. Take part in volleyball matches on Sunday. Name the types of organization formed.

Ans. 13. Informal organization.

Q.14 “The first Step in the process of organizing is identification and division of work” Why is the work divided into manageable activities?

Ans 14. The work is divided into manageable activities so that duplication of efforts and resources can be avoided and the burden of work can be shared among the employees.

Q.15 While allocating work to various employees how the work must be assigned?

Ans. 15. The work must be assigned to those who are best fitted to perform it well.

Q. 16 Which Function of management is concerned with building a stable framework or structure of various parts of an enterprise?

Ans. 16. Organizing.

Q17 How can department or division be created?

Ans. 17. It can be created on the basis of-

a) territory and b) products

Q.18 How does an informal organization emerge?

Ans. 18. Informal organization emerges from within the formal organization when people interact beyond their officially defined roles.

Q.19 Name the organization which has the benefit of Easy to fix responsibility?

Ans. 19. Formal organization.

Q.20 Name the type of organization which does not have predetermined objectives?

Ans. 20. Informal organization.

Q.21 A Fashion design house has the following main job:-

(1) Manufacturing (2) Finance (3) Marketing (4) Personal (5) Research and Development

Which organizational structure will you prefer for this type of a company and why?

Ans. 21. Functional organizational structure will be suitable.

Q.22 Rina runs a shoe manufacturing factory. She wants to expand her business. For expansion she contemplated to enter into the manufacturing of leather bags and western formal wear apart from the running business of shoes. By doing this her company will be able to provide many products to working women under one roof. Which organization structure will you suggest her and why?

Ans. 22. In this situation, Divisional Structure will be suitable as it provides equal importance to all products. Also describe the advantages of divisional organization structure.

Q.23 Name the activity which increase the importance of the role of subordinates?

Ans. 23. Decentralization.

Q.24 For which kind of enterprises functional structure is more suitable?

Ans. 24. When the size of the organization is large, has a diversified activities and operations require a high degree of specialization.

(III) Five/Six Markers:

25. What are the advantages and disadvantages of divisional structure?

Ans.25 **A): Advantages:**

- 1).All activities associated with one product. It can be easily integrated.
- 2).Decision making is faster.
- 3).Performance can be easily assessed remedial action can be taken
- 4). It facilitates expansion and growth as new divisions can be added.

Disadvantages:

- 1).This gives rise to duplication of effort among its divisions.
- 2).Manages in each department focus on their own product without thinking the rest of the organization.
- 3).There may not be full utilization of different equipments
- 4).Conflict may arise among different division.

26.Distinguish between formal and informal organizations on the basis of

- a) Formation b. Purpose c. structure d. Behavior of members e. stability and
f. adherence to rules.

Ans.26.

Basis	Functional Structure	Divisional Structure.
Formation	Deliberately Planned	Emerges Spontaneously

		among people
Purpose	To achieve organizational goals	To satisfy social and cultural needs
Structure	Well defined structure	Does not have a clear-cut structure
Behavior of members	Standards of behavior	Mutual consent among members

27) Distinguish between 'delegation' and 'decentralisation' of authority .

Ans.:27

Basis	Delegation	Decentralisation
Purpose	It means getting things done through subordinates	To prepare the organization for handling major expansion of its activities
Parties involved	It is confined with manager and his immediate subordinate	It indicates relationship between top management and various other departments
Withdrawal of authority	The delegated authority can be withdrawn by the delegator	Withdrawal of authority is difficult

Difference between Authority and responsibility

Basis	Authority	Responsibility
Direction of flow	Authority flows downwards	Responsibility flows upwards
Delegation	Authority can be delegated	Responsibility is absolute and cannot be delegated.
Origin	Arises from law	Arises from authority.

CASE STUDIES

- 1. A company, which manufactures a popular brand of toys, has been enjoying good market reputation. It has a functional organisational structure with separate departments for Production, Marketing, Finance, Human Resources and Research and Development. Lately to use its brand name and also to cash on to new business opportunities it is thinking to diversify into manufacture of new range of electronic toys for which a new market is emerging.**

Questions.

Prepare a report regarding organisation structure giving concrete reasons with regard to benefits the company will derive from the steps it should take.

ANS:

Divisional structure. The report is as under:

By : Ashok Kumar

Delhi

Wednesday, 22 January, 14

The organisation enjoys good market reputation. The company is encashing its brand name and reputation. It's venturing into manufacture of a new range of electronic toys. This organisation has got multiple divisions, it should appoint divisional heads for each division. This will ensure product specialisation. Adapting such structure will ensure flexibility and easy fixation of responsibility. The change of structure will also help the business enterprise to make these divisional heads accountable. So, in a nutshell this new structure will ensure growth and expansion for the organisation.

- 2. A company manufacturing sewing machines set up in 1945 by the British promoters follows formal organisation culture in totality. It is facing lot of problems in delays in decisionmaking. As the result it is not able to adapt to changing business environment. The work force is also not motivated since they cannot vent their grievances except through formal channels, which involve red tape. Employee turnover is high. Its market share is also declining due to changed circumstances and business environment.**

(i) You are to advise the company with regard to change it should bring about in its organisation structure to overcome the problems faced by it.

(ii) Give reasons in terms of benefits it will derive from the changes suggested by you.

(iii) In which sectors can the company diversify keeping in mind the declining market for the product the company is manufacturing?

ANS:

(i) To overcome the problems faced, the company should encourage informal organisation.

(ii) The benefits it will derive are:

(a) **Faster communication and quick feedback:** It follows an independent channel of communication as there is no Prescribed lines of communication to be followed. Thus, the informal organisation leads to faster spread of information as well as quick feedback.

(b) **Fulfill social needs:** It helps to fulfill the social needs of the members and allows them to find like-minded people. This enhances their job satisfaction since it gives them a sense of belongingness in the organisation.

(c) **Fulfillment of organisational objectives:** It contributes towards fulfilment of organisational objectives by compensating for inadequacies in the formal organisation. For example, employees reactions towards plans and policies can be tested through the informal network.

(iii) The company can diversify into interlocking machines, automatic buttoning units, embroidery machines.

A company X Limited manufacturing cosmetics, which has enjoyed a preeminent position in business, has grown in size. Its business was very good till 1991. But after that, new liberalised environment has seen entry of many MNC's in the sector. With the result the market share of X Limited has declined. The company had followed a very centralised business model with Directors and divisional heads making even minor decisions. Before 1991, this business model had served the company very well as consumers had no choice. But now the company is under pressure to reform.

Questions.

(i) What organisation structure changes should the company bring about in order to retain its market share?

(ii) How will the changes suggested by you help the firm? Keep in mind that the sector in which the company is FMCG.

ANS:

(i) The company should shift from centralised to decentralised structure. It would ensure quick decision-making, motivate the subordinates and ensure effective communication.

(ii) Even in Fast moving consumer goods (FMCG) industry, there is need for decentralisation. By using decentralisation, a company gets following benefits.

(a) **Develops initiative among subordinates**

l Decentralisation helps to promote self-reliance and confidence amongst the subordinates. This is because when lower managerial levels are given freedom to take their own decisions they learn to depend on their own judgment.

l It also keeps them in a state wherein they are constantly challenged and have to develop solutions for the various problems they encounter. A decentralization policy helps to identify those executives who have the necessary potential to become dynamic leaders.

(b) Develops managerial talent for the future:

l Formal training plays an important part in equipping subordinates with skills that help them rise in the organisation but equally important is the experience gained by handling assignments independently.

l Decentralisation gives them a chance to prove their abilities and creates a reservoir of qualified manpower who can be considered to fill up more challenging positions through promotions.

l It also helps to identify those who may not be successful in assuming greater responsibility. Thus, it is a means of management education as well as an opportunity for trained manpower to use its talent in real-life situations.

(c) Quick decision-making:

l The management hierarchy can be looked upon as a chain of communication. In centralised organisation, every decision is taken by the top management, the flow of information is slow as it has to traverse many levels. Response also takes time. This reduces the speed of decision-making and makes it difficult for an enterprise to adapt to dynamic operating conditions.

l In a decentralised organisation, however, since decisions are taken at levels which are nearest to the points of action and there is no requirement for approval from many levels, the process is much faster. There are also less chances of information getting distorted because it doesn't have to go through long channels.

(d) Relief to top management:

l Decentralisation is required to reduce the burden of top executives when it increases due to increase in the size and complexity of the organisation.

l In a decentralised organization, top executives have enough time to plan ahead, develop new strategies and concentrate on coordination and control. Since they are not burdened by the routine problems and complexities of administrative details.

Value Based Questions

Q. 1 An electronic company manufacturing TV and Refrigerator wants to bring two new products Washing Machines and AC's in the market. For each product separate division are to be set up. In charge of working machine division and AC's division will be female and disabled person respectively. Which values have been considered here?

Ans1.

- i) Women Empowerment.
- ii) Promotion of equality.
- iii) Making handicapped people independent.
- iv) Increase of job opportunity with production.

Q.2 In an organization top level management has not distributed work among the subordinate according to their abilities and skill but has been distributed on the basis of caste and religions. Which values are neglected here?

Ans2.

- i) Ignorance of democratic values.
- ii) Promotion of castism.
- iii) Violation of secularism.
- iv) Narrow mindedness.
- v) Non- Consideration of abilities.

Q3 A manager has kept all right of decision making with himself. Each and every employee has to come to him for orders again and again. Which values are being violated here?

Ans3.

- i) Wastage of time and resources.
- ii) Frustration in employees.

Q.4 In an organization formal organization is followed strictly where the employees have to work as per the directions only. The employees are performing under pressure. In your view, what changes are required in this company?

Ans4.

- i) Fearful environment will decrease production.
- ii) Increased feeling of insecurity.
- iii) Pressure will create stress among employees.
- iv) Delay in work

CHAPTER-6 STAFFING

- Q-1. Which management function concentrates on employing and retaining right person at the right place? (1)
- A-1. Staffing.
- Q-2. “The scope of staffing is limited to employing people”. Do you agree with this? (1)
- A-2. No. I do not agree with this statement. Staffing function has a wide scope as it includes various activities like recruitment, selection, placement, training, transfer, development, etc.
- Q-3. Why is it said that recruitment is a positive step in the process of staffing? (1)
- A-3. Recruitment is a positive process because it aims at attracting number of candidates to apply for the given job and there is no rejection in this process.
- Q-4. “New talent and new ideas in the organisation’. Which source of recruitment has the give motto ? (1)
- A-4. External source.
- Q-5. Name the method of training in which trainees lean on the equipments they will be using. (1)
- A-5. Vestibule training.
- Q-6. Give the meaning of orientation as a step in the process of Staffing. (1)
- A-6. Orientation refers to the process of introducing new employees to the organization.
- Q-7. What is meant by ‘Estimating man-power requirements’ as a step in the process of staffing? (1)
- A-7. It means forecasting and determining number and type of employees required in the organisation

- Q-8. Give the meaning of 'Placement' as a step in the process of staffing. (1)
- A-8. Placement refers to assigning specific jobs to the candidates, selected for appointment.
- Q-9. What is meant by 'Induction Training'? (1)
- A-9. Induction training refers to the process of introducing the selected employees to other employees and familiarizing him with the rules and policies of the organization.
- Q-10. What is meant by 'Performance Appraisal'? (1)
- A-10. Performance Appraisal means evaluating an employee's current and/or past performance as against certain predetermined standards.
- Q-11. Why is it said that selection is a negative process? (1)
- A-11. Selection is said to be negative process because it aims at rejection employees. At every stage many people are eliminated from the process and only a few more to next stage.
- Q-12. A company gets applications on and off even without declaring any vacancy. However as and when the vacancy arises, the company makes use of such applications. Name the source of recruitment used by the company. (1)
- A-12. The source of recruitment is casual callers.
- Q-13. What is meant by 'Democratic style' of leadership? (1)
- A-13. Democratic style of leadership is one in which a leader gives order only after consulting the group and work out the policies with the acceptance of the group.
- Q-14. Give the meaning of 'Authoritative style' of leadership. (1)
- A-14. Authoritative style of leadership is one in which a leader gives order and insists that they are obeyed. He determines the policies for the group without consulting them.

- Q-15. Why informal system of communication is generally referred as the 'grapevine communication'? (1)
- A-15. Informal system of communication is generally referred to as grapevine communication because it spreads throughout the organization with its branches going out in all directions in utter disregard to the levels of authority.
- Q-16. What is important while analyzing deviations in controlling? (1)
- A-16. While analyzing deviations, it is important to determine the acceptable range of deviations/ Key result areas.
- Q-17. What should be the 'focus point' for a manager while controlling' as controlling at each and every step is not possible? (1)
- A-17. Focus point for a manager while controlling should be key Result Areas.
- Q-18. Why is controlling called a backward looking function? (1)
- A-18. It is said that controlling is looking back because it conducts a post mortem of part activities to find out deviations from the standards.
- Q-19. Enumerate four points of importance of staffing. (1)
- A-19. Staffing is considered an important function of management because of the following reasons :(any three):
1. It helps in discovering and obtaining competent personnel for various jobs.
 2. It results in improved performance by putting right person on the right job.
 3. It ensures continuous survival and growth of the enterprise through the succession planning for managers.
 4. It ensures optimum utilization of human resources. It avoids disruption of work by indicating in advance the shortage of personnel.
 5. It improves job satisfaction and morale of employees through objective assessment and fair reward for their contribution'

6. It avoids wastage of material, time, effort and energy.

Q-20. State any three advantages of Internal Sources of Recruitment. (3)

A-20. Advantages of internal sources of recruitment:

(a) Motivate employees as promotion at a higher level may lead to a chain of promotions at lower levels in the organization.

(b) Simplify the process of selection as the candidates are already known to the organization.

(c) No needs for induction training as the employees are already familiar with the organization.

(d) Help in adjustment of surplus staff in those departments where there is shortage of staff.

(e) Economical source of recruitment.

Q-21. Give the meaning of 'Placement', 'Orientation' and 'Training' in the process of falling. (3)

A-21. (1) Placement refers to the employee occupying the position or the post for which he/she has been selected.

(2) Orientation refers to introducing the selected employee to other employees and familiarizing him with the policies and rules of the organization.

(3) Training refers to the process by which aptitudes, skills and abilities of employees to perform specific jobs are improved.

Q-22. Explain any three assumptions of Maslow's need hierarchy theory.(3)

The following are the assumption of Maslow's need hierarchy theory.

(i) People's behavior is based on their need. Satisfaction of such needs influences their behavior.

- (ii) People's needs are in hierarchical order, starting from base needs to higher level needs.
- (iii) A satisfied need no longer can motivate a person; only next higher level need can motivate him.

A-22. A person moves to the next higher level of the hierarchy only when the lower need is satisfied. The following are the assumptions of Maslow's need hierarchy theory.

- (i) People's behavior is based on their need. Satisfaction of such needs influences their behavior.
- (ii) People's needs are in hierarchical order, starting from base needs to higher level needs.
- (iii) A satisfied need no longer can motivate a person; only next higher level need can motivate him.
- (iv) A person moves to the next higher level of the hierarchy only when the lower need is satisfied.

Q-23. Blue Birds Ltd. offers to its employees to issue shares at a price which is less than the market price.

- (i) Name and explain the type of incentive offered to the employees.
- (ii) Explain one more incentive of the same category. (3)

The following are the assumptions of Maslow's need hierarchy theory.

- (i) People's behavior is based on their need. Satisfaction of such needs influences their behavior.
- (ii) People's needs are in hierarchical order, starting from base needs to higher level needs.
- (iii) A satisfied need no longer can motivate a person; only next higher level need can motivate him.
- (iv) A person moves to the next higher level of the hierarchy only when the lower need is satisfied.

A-23. (a) Stock option

(b) Explanation of any one of the following incentives.

Q-24. There are some barriers in communication which are concerned with organizational structure and rules and regulations'. State any three such barriers. (3)

A-24. Organizational barriers:

- (i) Organizational policy is not supportive to free flow of communication.
- (ii) Rigid Rules and regulations
- (iii) Status of the superior may not allow his subordinates to express their feelings freely.
- (iv) Complexity in organization structure leads to delayed and distorted communication.
- (v) Lack of organizational facilities like frequent meetings, suggestion box etc.

Q-25. Explain why it is said that controlling is a forward looking as well as backward looking function. (3)

Ans-25. Controlling is forward looking because corrective action in controlling seeks to improve the performance in the future or to revise future plans.

Controlling is looking back because it is like a postmortem of past activities to find out deviations from the standards.

Q-26. Explain the concept of 'Critical Point Control'. (3)

A-26. * Since it is neither easy nor economical to check each and every activity in an organization, the control should focus on key result areas

- These KRAS are very essential for the success of an organization and act as critical points.

Therefore , the entire organization has to suffer if anything goes wrong at these points.

For example, in a manufacturing organization , an increase of 10% in the material cost is more troublesome than 15%increase in stationery expenses.

Q-27. Explain how 'Management of Exception' helps in the controlling process.
(3)

A-27. Benefits of management by exception are as under:

- (i) Management by exception helps in the controlling process by identifying only significant deviations which go beyond the permissible limit and bringing them to the notice to the management. It saves the valuable time of the management.
- (ii) It helps the management to identify important deviations which need timely action to keep the organization on the correct path.
- (iii) It facilitates delegation of authority because it is based on the belief that an attempt to control everything results in controlling nothing. Thus, it helps in increasing morale of employees.
- (iv) It helps the management to concentrate on important matters beneficial for the long-term profitability of the organization.

Q-28. Mr. Ram murti, the director of "bahuguna ispat udyog ltd." Is of the opinion that an employee is prudent and sensitive resource of the organization. As such, special attention must be paid to his emotions. This is the reason why Mr Bahuguna always formulate such plans are beneficial to both the employees and the organization. With a view to giving a practical shape to his opinion, he has chalked out a plan. According to this plan, employees should be inspired to visit popular management institutes to acquire latest knowledge. This will enhance their performance level and prove beneficial to the organization as well as the employees. Keeping it in view, mr Bhauguna, contacted IIM, ahmedabad. The latter agreed, on the

undertaking that their (IIM) MBA students be allowed to visit a company so that they may get practical knowledge. Both reached an agreement.

- (i) What objective of the management has been referred to at the beginning of the above paragraph? Identify it?
- (ii) Plan of Mr Bahuguna relates to which component of management? Identify and describe the same.
- (iii) What value is being affected here? (1+2+1)

A-28.

- (i) it refers to 'individual objectives' of the management. It refers to the objectives to be determined with respect to the employees of the organization.
- (iii) Mr Bahuguna's plan relates to the training of the employees. He is making use of 'internship training method'. It is that training which is imparted jointly both by the educational and business organization to strike balance between the theoretical and practical knowledge of their members.
- (iv) Realizing of insignificance of human sentiments here humanity has been dealt with.

Q-29.

Sahil, the director of a garments company, is planning to manufacture bags for the utilization of waste materials of one of his garments unit. He decided that this manufacturing unit will be set up in a rural area of Orissa where people have very less job opportunities and lab our is available at very low rate. He also thought of giving equal opportunities to men and women.

- (i) Identify and state the next two steps that Sahil has to follow in the staffing process after selecting the above heads.
- (ii) Also identify two values which Sahil wants to communicate to the society by setting up this manufacturing unit. (4)

A-29.

- (i) Next two Steps of staffing process:

(a) Placement and Orientation: Placement means to join the post for which he/she has been selected. Under orientation the employee is given a brief presentation about the company and is introduced to his superiors, subordinates and colleagues.

(b) Training and Development: At this step of process of staffing, training and development are imparted to the employees so that their efficiency and effectiveness is increased.

(i) Values:

(a) Development of backward areas.

(b) Equality.

Q-30.

Love and Kush are two friends. Both are MBA (Final year) students. One day, their professor called them to class stage for a surprise test. He told that one of them will establish relationship between any two functions of management. Then, the other one will establish reverse relationship between the same two functions. Both will have to give justification for the relationship explained by them. It was a test carrying 50 marks. Both the students were intelligent and skillful. Love was the first to speak.

Love said that in his opinion of the two functions of management selected by him one is always looking ahead (future) and the other is looking back (past).

No sooner did love express his opinion, than Kush identified the functions selected by him (Love). In his reply, Kush said that the one function stated by Love to have been looking ahead was in his opinion, looking back and the other one stated by him (Love) to have been looking back was looking ahead.

(a) Identify the functions of the management discussed in the above paragraph.

(b) Justify the contrary relations of management functions as viewed by Love and Kush. (1+3)

A-30.

(a) Planning and Controlling

(c) (i) Love's reply and relations between the functions of management.

Planning is Looking Ahead whereas controlling is Looking Back.

(ii) Kush's reply and relationship between the functions of management.

Planning is looking back whereas Controlling is looking ahead.

Q-31. Kumari Ekta Bhandari is working as the personnel Manager in 'Jaishri Limited'. The specialty of her company is that the financial position of all its employees is good. The CEO of Kumari Ekta asked her to suggest a Method of Motivation. He said that the method should be such as should be happily acceptable to all the employees. Ekta spoke to several employees in the connection. The thoughts of some of the employees gave the feeling that they give more importance to Individual Autonomy. One group of the company stressed that good performance should be rewarded. Another group of employees pleaded for recognizing the importance of the employees in the company. On the basis of this investigation Ekta suggested to the CEO a very good method of Motivation, with made him very happy. This method was immediately implemented. Consequently, within a few days the company's growth rate appeared to have become fast.

(a) Identify the sub-function of management described in the paragraph above.

(b) Which Motivation Method, in your view, might have been suggested by the Personnel Manager? Explain this Motivation Method.

(c) Identify the value that has been discussed here. (1+2+1)

A-31. (a) Here one of the elements of Directing Function of Management, Motivation has been described.

(a) In my view, the personnel Manager might have suggested the Motivating Method of Organizational Climate.

(b) Motivating the employees.

Q-32. Mr. Nath, a recently appointed production manager of snitch Ltd. Has decided to produce jute bags instead of plastic bags as these are banned by the government. He set a target of producing 1000 jute bags a day. It was reported that the employees were not able to achieve the target. After analysis he found that employees were demotivated and not putting in their best for achieving the target. Mr. Nath's behavior is good towards the employees. His attitude is always positive. So he announced various incentive schemes for the employees like:

- Installing award or certificate for best performance
- Rewarding an employee for giving valuable suggestions
- Congratulating the employees for good performance

(a) Identify the functions of management highlighted in the above paragraph.

(b) State the 'incentive' under which the employees are motivated.

(c) State any two values which the production manager wants to communicate to the society by his work and behavior.

(4)

A-32 (a) Directing and Controlling

(b) Employee recognition program me (non-monetary incentive)

(c) Value:

- * Sensitivity of environment
- * Good behavior towards employees.

Q-33. Mr. Sidharth Pandey is the Marketing Manager of 'Swastik Limited'. He is a loyal employee of the company. He makes all possible efforts to enhance the public image of company's products. That is the sole reason of continuous rise in company's sales. Whatever sales target he determines, he realizes much more sales every time. It means that every time there occurs positive deviation. Mr. Pandey remains in constant rapport with production manager. He always endeavors that the products of the company should be of high quality. On account of maintaining high quality of the products, he is always ahead of his competitors. As a Marketing

Manager, he also fixes price of company's products. While fixing the price he takes special care to ensure that prices should have no adverse impact on the budget of the consumers. His main aim is to present true image of the company and its products in advertisement.

(a) Which step of controlling process has been referred to in the above paragraph? Clarify.

(b) Identify any two values directed to the society by Mr Pandey.
(2+2)

A-33. (a) Third step of Controlling process i.e., "Comparison of actual performance with standards" has been discussed.

(c) Values:

- Good health
- Reasonable price.

Q-34. Business of "Shardha Auto Pvt Ltd." is confined only to one state. Now it intends to extend the same to two other states. Mr Jatin Jain, the managing director of the company, is busy in making a plan to this effect. First of all, he contacted Mrs Rukmani Rana, the HR manager of the company. Both were of the opinion that they would require more 75 employees to extend their business to two new states. On looking at the record of the existing employees, it transpired that 8 employees were going to retire very shortly. Besides two employees were on long term study leave abroad for two years. Thus, company would now acquire 85 employees in all. Mrs Rana recommended to Mr Jatin that out of the total vacant posts, 15 be reserved for women. Mr Jatin gladly accepted the proposal. Now HR Manager was to decide as to what arrangement to be made for the appointment of new person. She hit upon a plan according to this plan some employees would be recruited with the help of existing employees, for some other interview would be approached and or the remaining potential employees placement agencies operating in the market would be contacted.

(i) Describe what function of management has been referred to in the above paragraph?

(ii) What sources of recruitment are being used by H.R manager?
Explain briefly.

(iii) Identify the value hinted at. (1+3+1)

A-34.

(i) staffing

(ii) A. recommendation

B. internet/websites

C. private placement agencies

(iii) Women empowerment

Q-35.

Mr Anil Garg is working as Managing Director of “CLS Packaging Limited “. He is not in favor of selling waste material in the market. Instead he is planning to make himself new products of this material. For this purpose, a new unit will have to be set up. Accordingly, he decided to establish this unit in an area where large numbers of persons are unemployed and so labor is available at cheap rate.

In order to attract workers to this new unit, a special Remuneration Scheme was introduced. As per this scheme, workers will get their remuneration on the basis of their work. There will be two rates of wages: higher wage rate and lower wage rate. A worker who will work up to a given standardized units or beyond will be paid his/her remuneration at a higher rate. On the other hand, a worker who will work less than the given standardized units will be paid his/her remuneration at a lower rate.

In order to operate this new unit, Mr Garg established a separate ‘Waste Material Division’. It consisted of four departments, such as, purchase, sale production and Accounts. Company required four managers to run these departments, of these, two managers were appointed from the existing business, by way of promotion: while the other two were selected out of the waiting List maintained by the company.

- (i) Which form of organization structure is being adopted by the company?
- (ii) Identify and give the meaning of wage payment scheme adopted by the company to motivate the workers.
- (iii) What methods of recruitment have been adopted by the company?
- (iv) Identify these two values that Mr Garg has been dedicating to the society by establishing this new unit. (1+2+1+1)

A-35.

- (i) Divisional Organisation Structure.
- (iii) Differential wage system: It refers to that technique of scientific management which differentiates between efficient and inefficient workers.
- (iv) Promotion
 - Casual callers
- (v) Development of backward area
 - Rise in employment opportunities

Q-36.

Anjali had been working with 'Tata Enterprises' for the last ten years. She was famous for her dedication towards the work. When the Manager senior to her retired, all her colleagues thought that now Anjali would be promoted. But to everyone's surprise the vacant post was filled by an outsider, 'Miss Monika'. Anjali felt demoralized and her performance started declining. She would absent herself often and could not meet her targets.

Miss Monika was a good leader who would not only instruct her subordinates, but also guide and inspire them. She noticed Anjali's behavior and felt that her performance could be improved. She started involving Anjali in decision-making issues related to the organization and made her a part of a high-level joint managements committee. Anjali was now punctual to office and her performance started improving.

- (a) Identify the function of management being performed by Monika.

(b) Name the element of the above function of management which helped Monika to improve Anjali's behavior.

(c) State any three features of the element identified in (b) above.

A-36.

(1) Directing

(2) Motivation

(a) Features of Motivation:

(i) It is an internal feeling.

(ii) It produces good directed behavior.

(iii) It can be either positive or negative.

Q-37.

Mr Stanley Anthony is production Manager of 'Coconut Oil and General Mills Ltd., His main virtue is that prior to doing anything, he ponders over it. To explore and analyze different options of each and every activity that is to be undertaken by him in future has become his habit. Besides, he quickly brings his subordinates under his own influence. They do what he wants. Inspire of all this, for the last few months performance of his department failed to achieve the expected level. This situation put him into lot of worry. To counter this situation, he sought help from some external specialists. Finally, he concluded that the poor performance was due to reasons:

First inefficiency of some newly recruited employees and second, wears and tears of machines. In order to remove these shortcomings he took the following corrective action:

(i) To remove inefficiency of the employees he established a training centre and gave its charge to an expert trainer.

(ii) To deal with the wear and tear of machines he decided to replace them with new ones.

In the context of the above paragraph, answer the following questions:

(a) Identify, by quoting the lines any two functions concerning management taken by Mr Anthony.

(b) Identify the two steps of controlling process mentioned here.

(c) Identify training method. (2+2+1)

A-37. (a) Planning:

“To explore and analyse has.....become his habit.”

Leadership

“Besides his.....own influence.”

(b)* Analysing deviations

* Taking corrective action

(c) Vestibule training.

Q-38. “prakash Limited” is a company manufacturing electrical goods. Smt. Renu Bala Jhingan is its managing director. By virtue of her wise direction, company has achieved great heights. A management institute one day invited her for a lecture. There she got an opportunity to dialogue with the students of management studies. She narrated to them the story of her success. She told them two main things. First, the employees should know that their work is being evaluated and progress report prepared. Second, optimum use of human and physical resources should be made possible.

(a) Identify the above said function of the management.

(b) On the basis of the aforesaid paragraph write four points regarding the importance of the functions of management as identified in point (a) above. (1+4)

A-38. Controlling

(c) Importance of controlling

(i) Improving Motivation of Employees.

(ii) Making Efficient Use of Resources.

- Q-39. Mr. Ekant Miglani, after completing his studies of B.B.A is working in the production Department of 'Jai Chemicals Limited'. There are fifty persons working at different posts in his Department. He tries hard to keep a watch over the Routine Activities of all the employees. He observed one of the employees, Bhola Ram and a few others working on machines. They were running the machines in a wrong manner. The machines were very sophisticated. Mr Miglani at once explained the right method of working to them. He wanted to solve this problem of the employees for good. He called a meeting of his subordinates. He took this decision that the company will have to organize training of the employees immediately. They also decided that all the employees will drop a suggestion each in the suggestion-box daily, so that the different activities of the department may be improved speedily. It was announced that the employees giving valuable suggestions shall be rewarded.

On the basis of the above paragraph answer the following questions:

- (a) Which function of management is being discharged by Mr Miglani by keeping a watch over the Routine Activities?
- (b) Which method of training of the employee's will be suitable to be adopted here? Explain.
- (c) Which style of leadership is being followed by Mr Miglani?
- (d) Which method of Motivation will be decided to be adopted in the meeting of employees? (1+2+1+1)

- A-39. (a) Supervision

(b) Here the Vestibule Training Method will be suitable to be adopted. Under this training method a separate training centre is set up. In this centre factory like atmosphere or circumstances is/are created and the employees are trained to work on sophisticated machines.

(c) Democratic leadership Style.

(d) Employee Recognition Program me.

- Q-40. Five students of BBA took part in a discussion. The subject of their discussion was: "Why do people get motivated to do anything?" The main portions of their discussion are as under:
- The first student said, "People work because they want to deposit wealth enough to protect themselves from diseases and to be relieved of the tension of old age."
- The second student said, "People work because they want to arrange food, cloth and shelter for themselves at any rate."
- The third student said,"
- People work because they want to reach the top of the field in which they are. They, therefore, put in untiring efforts."
- The fourth student said, "People work, so that when they have money, people will become friendly with them and they will stand by them through thick and thin."
- The fifth student said, "People work, so that they may get respect in the society and that they may be recognized as exceptional persons."
- (a) The discussion given above relates to which function of management?
- (b) The five friends spoke about the different needs of people as the basis of their doing work. Identify these needs. (6)

- A-40. (a) Motivation
- (b) First friend: Safety Needs
- Second friend: physiological Needs
- Third friend: Self Actualization Needs
- Fourth friend: Social Needs
- Fifth Friend: Esteem Needs

- Q-41. "Kitchen saj Limited.' Is a company manufacturing plastic goods? Mr. Shah is its Marketing Manager and Mr sahu, its Production Manager. Style of working of both the managers is entirely different. Mr Shah set such standards for different activities of his department as were quite easy to achieve. On the

other hand, Mr Sahu set standards for different activities of his department as were very difficult to achieve. As a result, marketing department achieved its targets very easily. Mr Shah and his team were very pleased with these results. But the situation prevailing in the production department was quite contrary to it. Mr sahu was far behind his tar gets. Now he and his team were very much worried.

- (a) Which step of controlling process has been discussed in the above paragraph?
- (b) In your opinion, both the managers would have set standards for which activities of their respective departments? Write two standards each.
- (c) Of the two managers, one set easily achievable standards whereas the other set such standards as could be achieved with great difficulty. In your opinion, how affect situation would have on the employees?
- (d) State in one word, what should be the type of standards? (1+2+2+1)

A-41. (a) Here, first step of the controlling process i.e., setting of performance Standards, has been discussed.

(c) Main standards of Marketing Department

- Sales Volume
- Sales Expenses

Main standards of production Department

- Quality
- Quantity

(d) Effect of easily achievable standards:

In this situation employees turn lazy (idle.)

Effect of those standards which are achieved with difficulty:

In this situation employees are worried.

(e) Reasonable.

Q-42. “mohinda rice land ltd.” Is known as the king of rice trade. The company has large market share. Company’s internal environment is exceedingly pleasant. Chief executive officer of the company has delegated most of the decision making authorities to departmental managers. For instance. All departmental managers have the authorities to appoint any employee getting a salary upto rs 50000 per month. They need not obtain prior permission from the CEO for this purpose it is the practice of the company to entrust one person the responsibility of performing identical activities. It increases the efficiency of the organization.

Since everything is positive in the company, all persons are keen to seek employment there. Some of the employees are conversing with one another as to how they got appointment in the company.

Deepak miglani told that he applied for the job after reading an advertisement in the news paper. He was called for interview. He was selected on this basis.

Deepak Sharma told that he was introduced by by the existing finance manager.

Deepak pathak told that he had neither seen any advertisement in the newspaper nor was he introduced by the company by any person, rather he was directly appointed on the basis of interview conducted in the university where he was about to finish his M.A economics (hons.) course.

Answer the questions on the basis of the above paragraphs.

- (a) Which factor of the organizing function of the management has been referred to here ?
- (b) Which principal of management has been highlighted here? Clarify the same.
- (c) Which factor of the staffing function of the management has been referred to here?

(d) Describe the above mentioned three methods concerning the sources of recruitment as identify vide point. (6)

A-42

- (a) decentralization
- (B) principle of unity of direction
- (C) recruitment
- (D) Deepak meglani: advertising media

Deepak Sharma: recommendation

Deepak pathak: campus recruitment

Q-43.

Mr Vikas Goel is an H.R. Manager of “sanduja furniture pvt. Ltd.” At the beginning of the New Year he anticipated that the company will need new 30 additional persons to fill up different vacancies. He gave an advertisement in the newspaper inviting applications for filling up different posts. As many as 120 applications were received. The same were scrutinized. Out of these, conditions of 15 applicants were not acceptable to the company. Letters of regret, giving reasons, were sent to them. Remaining candidates were called for preliminary interview. The candidates called for were asked to fill up blank application form. Thereafter, they were given four tests.

The objective of the first test was to find out how much interest the applicant does take in his work.

The objective of the second test was to find out ‘specialisation’ of the applicant in any particular area.

Third test aimed at making sure whether the applicant was capable of learning through training or not.

The purpose of the fourth test was to find out how much capability a person has to mix-up with other persons, and whether he can influence other persons and get influenced by them.

Answer the following question on the basis of the above information:

- (a) Identify different tests given to the applicants by Mr Goel. (2+4)

A-43. (a) (i) " at the beginning of the new year.....different vacancies".

*estimating man power

(ii) " He gave an advertisement120 applications
were received".

*recruitment

(b) Mr Goel gave tests in the following order:

(i) interest test

(ii) special trade efficiency test

(iii) Aptitude test

(iv) Personality test

Q-44. Two friends, Nancy and Poonam, are working as managers in the different departments of 'Libra Limited'. They often talk about the performance level in their respective departments. Both of them are not satisfied with their subordinates. They tried to ascertain when the employees got their full salaries, what problem they had in working honestly. After investigating for some days, they arrived at the conclusion that there was lack of motivation in their company. Both held a meeting together in order to find out the solution of the problem. Nancy suggested participation of the employees in the Company's profits, which she thought would create in the employee's the feeling of belongingness to the company. Such a feeling, she was of the view, would have a direct influence on their performance level. Poonam, on the basis of her experience, said that if the feeling of job security was aroused in the employees, there could be improvement in their performance level. Both of them contacted their Chief Executive Officer-CEO with their suggestions. All the three of them deliberated over this issue. The CEO listened to them very attentively. He said, " Both of you are right, but I too have a suggestion. If the employees are made participants in taking decisions, they will feel good and their performance level will improve". Ultimately, the company implemented the suggestions of all the three of them.

In the above paragraph, three different persons have spoken about the three methods of motivation. Identify these methods and explain.

(6)

A-44. (1) Nancy gave the suggestion of profit Sharing.

Profit Sharing.

Poonam gave the suggestion of job Security.

Job Security.

Q-45. Mr jay prakash Gupta is the General Manager of “Bhagwati Udyog Pvt. Ltd.” With a view to running his business in a careful manner, he divided all the activities into seven departments. These departments were: Purchase, Marketing, Production, Personnel, Finance, Accounting and Correspondence. Later on, he realized that accounting and correspondence department can be merged into finance department. Thus, all business activities were divided into five departments. Mr Gupta is now thinking on the lines as to which are the departments, out of these five that will have significant role in the success of the business. After complete analysis, he concluded that marketing, production and finance were the department on which success of the business depended. It meant that every of some shortcoming occurred in the departments of purchase and personnel, it would not affect much the success of the business. Thereafter, Mr Gupta determined deviation tolerance limits of these three main departments. It meat that if deviation of these departments remains within this tolerance limit, them it will be looked after by the concerned manager. However, in case the deviation is beyond this limit then the same will be brought to the notice of General Manager.

(a) Identify two functions of the management referred in the above paragraph.

(b) Describe the relevant concepts of identified functions. (2+4)

A-45. (a) Organizing and Controlling.

(b)(i) Concept related to Organizing Under it, second step of organizing process i.e., Departmentalization, has been described.

(ii) Concept related to Controlling Following two concepts related to controlling have been described:

- Critical point Control
- Management by Exception.

Sure shot questions
Business Studies

1 marks questions

Financial management

1. When can a business use trading on equity to increase the earnings of its shareholders.

ANS: When ROI is greater than Rate of interest on debts.

2. State the objective of financial management.

Ans To maximise the shareholders wealth

3. . Name the financial decision which affects the liquidity as well as profitability of a business.

Ans Investment decision

4. Name the type of investment decision which relates to short-term and affects day to day operation of a company.

Ans. Working capital decisions or short term investment decisions

5. Give the second name for fixed asset management?

Ans. Capital budgeting.

6. A Company wants to establish a new unit in which a machinery of worth Rs10 lakhs is involved. Identify the type of decision involved in financial management.

Ans. Investment decision/capital budgeting decision.

Financial markets

7. Financial markets facilitate easy purchase and sale of financial assets. which function of financial markets is highlighted here?

Ans Provide liquidity to financial assets.

8. How many Depositories are operational in India. Name them.

ANS: NSDL National Securities Depository Ltd and
CDSL Central Depository services ltd

9. What are the instruments of capital market?

An

s. Equity shares or Debentures.

10. What is 'demutualization' of stock exchange?

Ans. It separates the ownership and control of changes from trading rights of members.

3 and 4 marks questions

Financial management

1. What is the aim of financial management? State the value that should be kept in mind while setting the objectives of financial management.

Ans: wealth maximization of shareholders

Honesty

Social Responsibility

Commitment

2. Explain in brief any four objectives of financial management.

Ans. Objectives of financial management are as follows:-

(1) Wealth maximization: (2) Profit maximization: (3) Efficient Utilization of resources: .

(4) Meeting financial commitments:

3.Explain the factors affecting financing decisions.any four

Ans. Financing decision is the decision about the quantum of finance to be raised from various long term sources and how much is to be raised from each source.

The following are the main factors affecting decision:

- i. **Cost:** the cost of obtaining funds through debt or equity is different and the least expensive source is opted for.
- ii. **Risk:** like cost, the risk associated with different sources for obtaining finance is different.
- iii. **Flotation Cost:** higher floatation cost makes the source for raising funds less attractive.
- iv. **Cash flow position of the business:** If a business enterprise is having a strong cash flow position, it would be beneficial for it to opt for debt financing instead of equity.
- v. **Control Consideration:** fear of reduction in management's control over business enterprise results in giving more preference to debt financing rather than equity.

Vi .State of capital markets: health of capital market greatly affects the choice for a source of fund. people are willing to invest in the market when it is rising. However, it may be very difficult for a company to issue equity shares in depressed capital market.

4. How does trading on equity increase return on equity shares? Explain with an example.

Ans Trading on equity is a practice followed by a company under which **earning per share is increased by employing cheaper debt**. The sole objective enterprises are always interested in employing debts whose interest is less than the average rate of return on capital employed.

The position will be reversed if interest on debt is much more than the average rate of return on capital employed.

Financial markets

5. Distinguish between the primary market and secondary market on any four basis:

Sale of securities,ii)capital formation,iii)determination of price,iv)location

Ans :

basis	Primary market	Secondary market
Sale of securities	Sale of securities by new companies to the investor directly.	ownership of existing securities is exchanged between investors.
Capital formation	It contributes directly for capital formation	Contributes indirectly in capital formation
Determination of price	Price of securities is fixed by the management of the company	Prices of securities is fixed by the demand and supply factors of stock exchange market.
location	No fixed geographical location.	It is located at fixed place.

6. Define financial markets. Explain any four functions of financial markets

Ans : correct meaning.

Functions”:

- i) Mobilisation of saving and channelling them into the most productive uses
- ii) Facilitate price discovery
- iii) Provide liquidity to financial assets
- iv) Reduces the cost of transaction

7. What is a money market? Explain any three money market instruments.

ANS: Money market is a market for short term funds dealing in monetary assets whose maturity period is up to one year.

Call Money-to maintain CRR banks borrow from each other for 1-15 days.

T-Bills in form of promissory notes maturing in less than 1 year. Issued by RBI.

Minimum denomination 25000. Also known as zero coupon bonds

Commercial Bills: trade bills and accommodation bills

Commercial Papers: unsecured, negotiable promissory note for 15days to 1 year, issued by large creditworthy companies for bridge financing ie to meet floatation cost of raising long term funds from capital market

Certificate of deposits: short term, unsecured, negotiable instruments in bearer form issued by developmental financial institutions and commercial banks, individuals and companies and corporations. These are issued during periods of tight liquidity, when the deposit growth of banks is slow but demand for credit is high, helps mobilise large funds for short term requirements.

8. Nature of money market can be well explained with the help of its features. State any three such features of money market.

Ans. Features of money market:

1. The money market is a market for short term securities with a maturity period up to one year.
2. It is a market where **low risk**, unsecured and short term debt instruments are traded.
3. It has **no physical location**, but is an activity conducted over the telephone and through the internet.

9. Explain any three functions of financial market.

Ans. Functions of a financial market:

1. Mobilization of saving and canalizing them into most productive use.
2. Facilitating price discovery.
3. Providing liquidity to financial assets.
4. Reducing the cost of transactions.

5 and 6 marks questions

Financial management

1. Identify the financial decision which determines the amount of profit earned to be distributed and to be retained in the business. Explain the factors affecting this.

ANS:

Dividend Decision.
factors affecting this

Amount of earning
Stability of earning
Stability of dividends
Growth opportunities
Cash flow position
Shareholders preference
Taxation policy
Stock market conditions
Access to capital markets
Legal constraints
Contractual constraints.

2. One of the major decisions taken by a Finance Manager is the decision regarding maintenance of liquidity and at the same time maximization of profitability. Which type of decision is referred to in the statement and what are the factors responsible for it. Explain in brief.

ANS: Working Capital Decision

Factors affecting:

1. Nature of business
2. Scale of operations
3. Business cycle
4. Seasonal factors
5. Production cycle
6. Credit allowed
7. Credit availed
8. Availability of raw materials

3. What are the factors to be kept in mind while deciding the capital structure of a company.

Ans : factors affecting

- i) cost of capital
- ii) control

- iii) risk
- iv) cost of equity
- v) cost of debt
- vi) ROI

Any other suitable points with explanations

4. What is meant by 'Fixed capital'? Describe any four factors which affect the requirement of fixed capital requirement of a company.

Ans. Fixed capital: investment made in fixed assets is known as fixed capital. It is usually financed through long term source of finance.

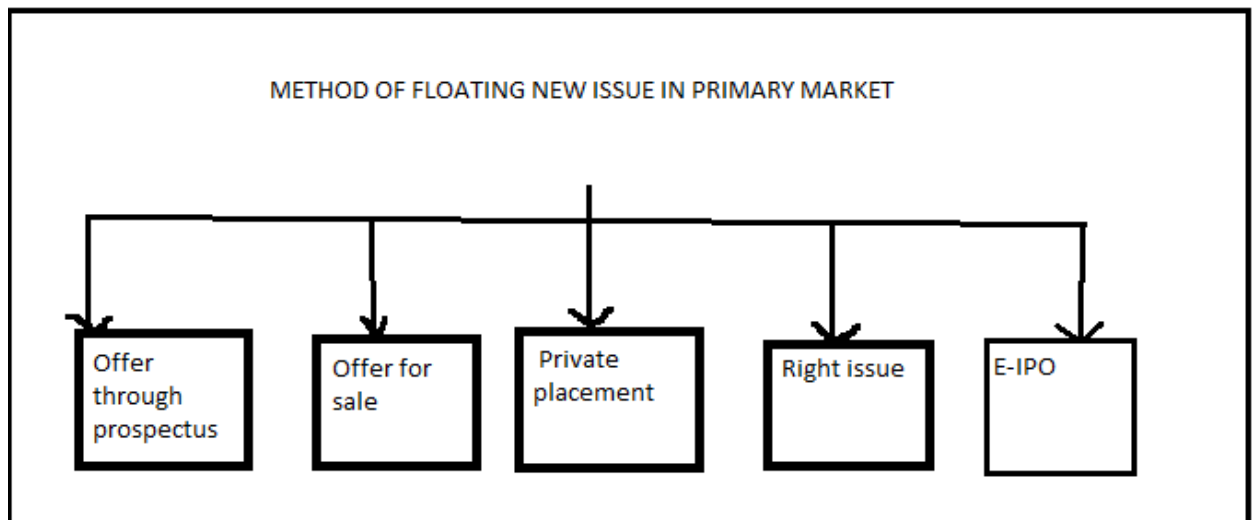
Factors affecting fixed capital needs are:

1. nature of business
2. scale of operation
3. Growth Prospects
4. Diversification

Financial markets

5.State any five methods of floating new issues in the primary market.

Ans. The methods of floating new issues in primary market are :]



6.Explain the procedure of trading in the stock Exchange.

Ans. Few years back trading on a stock exchange took place through a system of auction or public outcry. But at present the trading is conducted through a computer at the broker's office.

Trading in stock exchange involves the following steps:

- (i) **Selection of brokers:** the first step is to select the broker who will buy and sell the securities on behalf of the investor. A broker can be **an individual, corporate body or partnership firm.**
- (ii) **Openings demat account:** A demand account through which share certificates and money are transferred in case of sale or purchase of securities.
- (iii) **Placing order:** After openings demat account the investor **specifies the number** and type of securities that he want to purchase or sell.
- (iv) **Execution of order:** According to the instruction of investor the broker **buys or sells the securities.**
- (v) **Settlement:** the transaction on a stock exchange is carried out either on cash basis or on a carryover basis. The carry over basis is known as 'badla'.

7. The directors of a company want to modernize its plant and machinery by making a public issue of shares. They wish to approach the stock exchange, while the finance manager prefers to approach a consultant for the new public issue of shares. Advise the director whether to approach the stock exchange or a consultant for new public issue of shares and why. Also advise them about different methods which the company may adopt for the new public issue of shares.

Ans. The director should approach a consultant for new public issue of shares. The stock exchange deals with sale and purchase of existing securities only, not in new issue of securities.

Different methods which the company may adopt for the new public issue of shares:

Offer through prospectus.

- I. Offer for sale
- II. Private placement
- III. Rights issue
- IV. e-Ipos

SURE SHOT QUESTIONS FOR CBSE BOARD EXAM 2017
CLASS- XII, BUSINESS STUDIES, CHAPTER-11
MARKETING MANAGEMENT

Q.1	It is important that the goods must be available to the consumers at the right time, right place and in the right quantity. (a.) Name and explain the concerned element of marketing mix. (b.) Explain the various components of this element.	2+4
A-1	(a.) Physical distribution- handling and movement of goods, place of production to place of distribution. (b.) Transportation, warehousing, inventory control and order processing with proper explanations.	
Q.2	Name the important function of giving a name, sign or symbol to a product. Also highlight its various characteristics for success.	1+5
A-2	Branding Characteristics of a good branding: (i.) Short and easy to recognize, spell or understand. (ii.) Suggest the product benefits and qualities. (iii.) Distinctive and capable of being registered. (iv.) Versatile with staying power. (v.) Adaptable to packaging and labeling requirements.	
Q.3	The purchase consideration for the product might get affected due to various factors. Explain.	6
A-3	(i.) Product cost (ii.) Utility and demand (iii.) Level of competition (iv.) Marketing methods used (v.) Pricing objective (vi.) Government policies	
Q.4	You don't close a sale, you open a relationship, if you want to build up a	1+2

	long term successful enterprise. Identify the promotional tool used by the marketer. State two features of this communication tool.	
A-4	Personal selling Features: (i.) Direct face to face dialogue. (ii.) Immediate feedback and flexibility.	
Q.5	Identify the marketing concepts used: (i.) Identify needs and wants and fill them. (ii.) Create products and sell them. (iii.) Earn profit through volume. (iv.) Trading of herbal products with due care of the environment. (v.) Introduction of silver wash technology in Samsung washing machines.	5
A-5	(i.) Marketing (ii.) Selling (iii.) Production (iv.) Societal (v.) Product	
Q.6	Identify the sales promotion techniques used: (i.) Limited period offer of ₹ 10,000 on all models of Maruti. (ii.) 1 GB memory card, back case and tamper glass free with purchase of any mobile. (iii.) Selling of free sachets of recently launched shampoo brand. (iv.) 3 up front and 9 post dated cheques @ 0% interest. (v.) 20% extra on Surf Excel's big pack. (vi.) On every purchase of ₹ 5,000 or above, free gift hampers worth ₹ 2,000.	6
A-6	(i.) Rebate (ii.) Product combinations (iii.) Sampling (iv.) Full finance (v.) Quantity gift (vi.) Usable benefit.	
Q.7	State a misconception regarding marketing.	1
A-7	Some people believe that marketing is same as merchandising and selling.	
Q.8	Identify the key difference between advertisement and publicity.	1
A-8	Former is a paid form of promotion while the latter is unpaid.	
Q.9	Define public relations.	1
A-9	It involves a variety of programmes such as news, events, publications, sponsorships, etc to promote and protect the image of a company and its products.	

Q.10	Name the level of channel of distribution in which there are wholesalers and retailers as intermediaries.	1
A-1 0	Two-level	
Q.11	<p>Satya found ants in the newly bought pack of dairy milk silk and decided to call the customer care of the company for reporting her complaint. When she did not get any positive answer from them, she went to a customer activist group to seek help. The group took measures to impose restrictions on the sale of the firm's products of the particular batch and urge people to refrain from buying the products of the company. Satya also made the incidence viral on the social net workings and due to all this, the company lost its image in the market. The CEO gives the responsibility of bringing back the lost image of the company to the Manager.</p> <p>(a.) Identify and explain the concept of Marketing Management which will help the Manager getting the firm out of the above crisis.</p> <p>(b.) Also explain the role of above identified concept by stating any two points.</p>	2+2
A-1 1	(a.) Public relations, It involves a variety of programmes such as news, events, publications, sponsorships, etc to promote and protect the	

	image of a company and its products. (b.) Product publicity, Counselling.	
Q.12	Haldiram's is a famous chain selling a variety of snacks in the Indian market. Their product includes sweets, mixtures, chips, etc. It charges a comparatively higher price as it sells high quality products. Besides, it offers regular discounts to its customers. It has several shops located in different cities at convenient locations. It also sells its products through grocery stores so that the products are made easily available to the customers at the right place, in the right quantity and at the right time. It regularly uses different communication tools to increase its sales. The above para describes the combination of variables used by Haldiram's to prepare its market offering. Identify and explain the variables.	6
A-1 2	The 4 Ps of marketing mix- Product, Price, Physical distribution/place and Promotion.	1 1/2 for each pt.
Q.13	"Advertisements are social waste". Comment.	6
A-1 3	Demerits: (i.) Undermines social values. (ii.) Encourage sale of inferior products. (iii.) Confuses the buyers rather than helping. (iv.) Are generally in bad taste. (v.) Adds to the cost. Logics to refute the above criticisms: (i.) only informs not compels the customers to buy. (ii.) Everyone can't afford to buy superior products, so , it also informs about the qualities of the inferior products. (iii.) Increases the demand, thereby increasing the sales and production; leading to economies of scale and overall economic progress. Conclusion: It is not a social waste rather adds to the value to the social cause by giving a boost to production and generating employment. It becomes wasteful and objectionable only when it is used unscientifically and dishonestly.	
Q.14	XYZ Ltd. Had the business of manufacturing large varieties of FMCG products including biscuits, squashes, rice, flour, shampoo, oil, nutritional supplements, etc. To differentiate its product from that of its competitors, it decided to put a unique symbol on all of its products and also got it registered. It also classified its various products on the basis of use, quality, contents, etc. On the launch of any new product, the company also undertakes market survey for the product's feasibility.	6

	Explain the three functions of marketing with reference to the above paragraph.	
A-1 4	(i.) Gathering information and analyzing market information. (ii.) Standardisation and Grading. (iii.) Branding.	
Q.15	A company selling toothpastes provides different quantities of the product, well packed in an adequate size of the tube, which is then put inside a box which contains its full label giving useful informations. It has a wide market and thereby the company uses three level channels of distribution for timely and speedy coverage of its widespread consumers. Adapting to the needs of the changing environment, the company has also recently launched a web portal for placement of orders in bulk by the customer sitting in any part of the world. For the geographical distribution of its products, the company uses roadways through which its products are transported using large sized trucks in big corrugated boxes. (i.) Identify the various levels of packaging being used by the company. (ii.) Give two values as conveyed by the company from the above para.	3+2
A-1 5	(i.) Primary- the tube, secondary- the cardboard box, transportation- the corrugated boxes. (ii.) adaptability, care for its consumers needs.	

SURE SHOT QUESTIONS FOR CBSE BOARD EXAM 2017
CLASS- XII, BUSINESS STUDIES, CHAPTER-12
CONSUMER PROTECTION

Q.1	What is the constitution of District Consumer Dispute redressal Forum?	1
A-1	One president and two other members, one of whom should be woman.	1
Q.2	Besides a consumer, name any two parties who can file a complaint before the appropriate consumer forum.	1
A-2	(i.) Any registered consumer association. (ii.) The Central or State government.	
Q.3	Give the definition of 'Consumer' as per the Consumer Protection Act, 1986.	4
A-3	(i.) Any person who buys any goods for a consideration, which has been paid or promised, or partly paid and partly promised, or under any scheme of deferred payment. It includes any user of such goods, when such use is made with the approval of the buyer, but does not include a person who obtains goods for re-sale or any commercial purpose.	2+2

	(ii.) Any person who hires or avails off any service for a consideration, which has been paid or promised, or partly paid and partly promised, or under any scheme of deferred payment. It includes any user of such goods, when such use is made with the approval of the buyer, but does not include a person who avails off such services for any commercial purpose.	
Q.4	Give any one responsibility of the consumer in addition to obtaining an invoice while purchasing an air conditioner.	1
A-4	To look for the ISI mark.	
Q.5	Mukul purchased a house for ₹50 lakhs from a housing company and found it being defective. Despite many complaints, the defect was not rectified. In which consumer forum should he file the case? Where should he go for appeal and on what condition?	3
A-5	State forum He can appeal in the National forum if not satisfied by the decision of the State forum that too within 30 days of passing of the order.	
Q.6	At a railway platform, a vendor was selling the packet of chips for ₹20 each instead of the printed M.R.P. of ₹15 per packet on it. Name the right that can be exercised by the consumers in this case.	1
A-6	Right to be heard	
Q.7	Name the quality certifications that are associated with the following products. (i.) Food products (ii.) Electrical goods (iii.) Agricultural products	3
A-7	(i.) FPO, FSSAI (ii.) ISI (iii.) Agmark	
Q.8	On ordering the products online, what responsibilities any consumer should assume to avoid any kind of exploitation?	4
A-8	(i.) Buying only the standardized goods. (ii.) Reading labels carefully before buying. (iii.) Learning about the various risks associated with the product. (iv.) Asking for the cash memo. (v.) Conducting an intelligent survey to get information about various brands and facilitating comparisons.	
Q.9	Shilpa purchased a pure honey from the market. After using it for a while, she doubted its purity since it got crystallized. She sent it for laboratory testing which confirmed that it contained sugar molecules. State any six reliefs available to Shilpa, if she files a complaint and the consumer court is satisfied about the genuineness of the complaint.	6
A-9	(i.) To remove the defects.	

	(ii.) To replace the defective good with a non-defective one. (iii.) To refund the price paid. (iv.) To pay reasonable compensation for the loss. (v.) To discontinue unfair trade practice. (vi.) To pay adequate costs by seller to consumer.	
Q.10	Meetu purchased a carom board from Prakhar Toys and Gifts shop. Within few days, she observed various cracks on the board and came to the conclusion that the wood used is not of appropriate quality. She went to the shopkeeper with the complaint who had recently started to keep the stock of such boards. The shopkeeper satisfied meetu by assuring her to get it replaced by the manufacturer. He also approached the manufacturer who refused to replace the products and ultimately Prakhar toys decided to file a complaint in the consumer court. Can Prakhar Toys and Gifts do this? Why or why not?	2
A-10	No, Prakhar Toys and Gifts cannot file a complaint in consumer forums as they are not 'consumers' as per the definitions of the consumer Protection act, 1986 since they bought the goods for commercial purpose or for resale.	
Q.11	Which consumer right is highlighted in the advertising for 'Apne Adhikar'?	1
A-11	Right to consumer education	
Q.12	There are few organizations that specifically work for looking after the different plights of a consumer and supports them in numerous ways for protection of their rights. Explain atleast six functionings of such organizations.	6
A-12	(i.) Educating the consumers. (ii.) Publishing periodicals for knowledge. (iii.) Carrying out comparative laboratory testings. (iv.) Encouraging consumers to strongly protest. (v.) Providing legal assistance to consumers. (vi.) Filing complaints in consumer courts.	