

SUBJECT : BUSINESS STUDIES

NATURE AND SIGNIFICANCE OF MANAGEMENT

1 MARK QUESTIONS

1. A.K. Steels Ltd. has decided to contribute to Swaach Bharat Abhiyan by installation of 200 dustbins in Raipur industrial area. Which objective of management is indicated by this act of company?
2. At which level of management are the managers responsible for the welfare and survival of the organization?
3. Jai Hind Enterprises follow Make In India concept and produces low fuel consuming engines. As a result of their success and popularity, they established one more unit in Surat. A group of experts including 10 managers of different departments were appointed to look after the new unit. Within a few months it was felt that managers couldn't harmonize, synchronize and unify each other's efforts. As a result, its performance went down.
 - (a) What is missing in the new group? Mention any two features of that concept.
 - (b) Identify 2 values highlighted/avoided by the company.
4. 'Is management concerned only with doing the right task, completing activities and achieving goals without taking into consideration the cost benefit?' Give reason in support of your answer.
5. Sujata works as a designer in an export house. As per the terms of an order received by the export house, she has to get 1000 units of denim jackets made in 15 days @ Rs 2000 per jacket. She is able to complete her target production in 20 days because in order to complete the order in 15 days she would have made the workers work overtime. As a result, the cost of production per jacket may have increased by Rs. 100.

In the context of the above case:
Is Sujata efficient? Give reasons.
6. Richa has been exporting gent's cotton shirts to Europe since 1970. Her business has been doing well. The main raw material which she requires is cotton yarn. After years of experience, she realizes that using yarn of 42 inches width can cut down the cost significantly. There is only one mill in that area that caters to her requirement. Suddenly there is a labour problem resulting in lock out in that mill. In the given scenario, she is forced to look for some other supplier. At such a short notice, a new supplier can only provide her with yarn of 36 inches width. She decides to go ahead with 36 inches yarn otherwise she would not be able to meet the deadline.

Identify the concept of management discussed in the given case.
7. In the first year of operation the revenues generated by Max Industries are just sufficient to cover the cost of production. What are the two organizational objectives which the company has not achieved?

3 AND 4 MARKS QUESTIONS

8. Ajay and Vijay are friends. Considering the fact that the activities involved in managing an enterprise are common to all organizations. After completing their masters in business management, both of them take up a job at managerial level in different organizations as per their individual areas of interest. Ajay takes up a marketing job in a retail company and strives to increase sales whereas Vijay joins an NGO and works diligently to realize its objectives related to providing employment to specially abled persons. Both of them have to perform a series of continuous, composite but separate functions. The effect of their management is noticeable in their respective departments as the targets are met according to plans, employees are happy and satisfied and there is orderliness rather than chaos.

In context of the above case:

Identify the various features of management highlighted in the above paragraph by quoting lines from it.

9. 'Science is a systematized body of knowledge that explains certain general truths or the operations of general laws'. Based on the statement identify and explain the characteristics of management that establish it as a science.
10. Identify in following situations whether the manager is effective, efficient, both or neither.
- (a) Mr. Allen drafted a well documented and factual report on the financial performance of the company but he could not present it in the board meeting as he could not complete it on time.
- (b) Mr. Albert of Fast Couriers assured to deliver an urgent consignment of its regular customer Mr. Alex on 5th April 2016 and charged extra money from Mr. Alex. But the consignment was delivered on 7th April 2016.
11. After every three months, Mr. Peter sales manager offers new trade promotion schemes to its distributors. He plans to introduce new varieties of products keeping in mind the needs of a customer and promotional schemes from his competitors. This gives him an added advantage over his competitors. Identify and explain which feature of management is reflected in the above situation.
12. Swiss tele-systems is a successful company manufacturing webcams and accessories. Since last two months the profits of the company are declining. The production department blames marketing department for not meeting revenue target. The marketing department blames the production department for not manufacturing quality products. The finance department blames both the production and marketing departments for declining profitability of the company. On the basis of the given information about Swiss tele-systems, answer the following questions:
- a) Identify the aspect of management which is lacking in above situation?
- b) Explain the features of the aspect of management identified in question (a)?

5 AND 6 MARKS QUESTIONS

- 13 Ajay and Sanjay are childhood friends. Sanjay had lost his right hand in an accident in an accident in childhood. They meet after a long time in a restaurant. On being asked sanjay tells Ajay that he feels very discontented in managing his family business after the death of his father as it does not match with his areas of interest. Ajay knows that Sanjay possess extraordinary skills in Management although he has not acquired any professional degree in management. Therefore he asked Sanjay to wind up his business in India and join him in his business in Dubai as an assistant manager in Sales and Marketing division.
- In context of the above case:
- a) Can Sanjay be deployed at the post of assistant manager? Explain by giving three reasons
- b) List any two values that are reflected in this act of Ajay.
- 14 “Management is regarded as an art by some, as science by others. The truth seems to be somewhere in between.” In the light of this statement explain the true nature of management.
- 15 “Coordination is the essence of management” do you agree? Give reasons.

UNIT-2 : PRINCIPLES OF MANAGEMENT

1 MARK QUESTIONS

- 1 Mr. Sham Sunder has recently being appointed General Manager of “Om Auto Parts Ltd.”Immediately after appointment, he undertook a round of the factory. He found that stationery is not at its specific place in the office nor are the employees available at their proper place. He realized that everything was in the state of chaos. What principle of management is being violated here? Clarify.
- 2 In a manufacturing company as many as 100 laborers in the production department. Eight specialists have been appointed to look after their work to issue command to them and to listen to their complaints.
- What technique of scientific management is being followed here?
3. Study Buddy pvt. Ltd. is company dealing in stationary items. In order to establish standards of excellence and quality in materials and in the performance of men and machines, the company adheres to benchmark during production. Moreover its products are available in limited varieties, sizes and dimensions thereby eliminating superfluous diversity of products.
- Identify the technique of scientific management which has been adopted by the company.
- 4 Name the person who has propounded ‘Scientific management’.
- 5 Give any one reason of why the Principles of Management are called contingent?
- 6 What is the job of Speed Boss under Functional foremanship?
- 7 The production of ABC Ltd. Instructs a salesman to go slow in selling the product, whereas the marketing manager is insisting on fast selling to reach the target.
- Which principle of management is being violated in this case?

3 & 4 MARKS QUESTIONS

8. Kanpur leather Ltd. is a manufacturer of Leather products. It is producing on large scale and its organizational structure is functional. In the productional department various Foremen have been employed. Each foreman has been made responsible for production planning, implementation and control. This has led to a situation of confusion and uncertainty. Suggest a technique of Scientific Management to Kanpur Leather Ltd. which may help it to effectively organize planning and its execution.
9. A three day exhibition was organized at Rashtrapati Bhawan in march 2011 by National Innovation Foundation(NIF),an institute under department of Science and Technology. The mission of NIF is to make India a global leader by building upon genius of grass root technological innovators and traditional knowledge holders. In this exhibition the ordinary people who were facing lack of education and resources showed there extra ordinary innovations which were cost effective as well. The innovations I included portable smokeless stove , solar mosquito killer, washing-cum-exercise machine etc.
- (a) Which principle of management is fulfilled by organizing such exhibitions?
(b) State one value highlighted in this case.
10. Name the personality who succeeded in revolutionizing the working o factory shop-floor in terms of devising the best method. Explain any two scientific management principles given by him, with the help of examples.
11. Principles of management are different from that of pure science as thy deal with the human behaviors and are to be applied creatively given the demands of the situation. Identify and explain the nature of principle of management.

5 AND 6 MARKS QUESTIONS

12. Nikita and Salman completed their MBA and started working in a multinational company at the same level. Both of them worked hard and very happy with their employer. Salman had the habit of backbiting and wrong reporting about his colleagues to impress his boss. All the employees in the organization knew about it. At the time of performance appraisal the performance of Nikita was judged to be better than Salman. Even then their boss, Mohammad Sharif decided dto promote Salman stating that being a female, Nikita would not be able to handle the complicatonsw of a higher post.
- (a) Identify and explain the principle of Management which was not followed by this Multi-national company.
(b) Identify the values which are being ignored.
13. Explain the principles
1. Unity of command.
 2. Unity of direction.
- Also differentiate between these two.
14. Taylor and fayol are mutually complementary. Explain.
15. In its Annual General Meeting the CEO of “ The Pizza King” a leading chain in fast food industry with huge turnover in its present financial year 2015-16, announced that the company has become well known and valuable brand and holds a leading

spare in globally branded quick service fast-food segment. He said “We have been able to reach such great heights of success by following various clear cut strategies. The company establishes system of incentive for meeting the goals. Apart from the base pay, company has incentive programmes for performers”.

Pizza King believes strongly in training its employees and following a proper selection process while recruiting new employees. We ensure that job assigned should match with worker’s skills. The management heartily cooperates with workers and is open to the suggestions made by them. There is almost equal division of work and responsibility between workers and management.

Identify and explain the principles of scientific management referred to in above case study.

UNIT-3 : BUSINESS ENVIRONMENT

1 MARK QUESTIONS

- 1 ‘Make in India’ is an initiative of government of India to encourage companies to manufacture products in India. It was launched by Prime Minister Narendra Modi . Because of it, India is becoming an attractive investing destination. Identify the dimension of Business Environment.
- 2 Government has directed all the leading companies to voluntarily participate in the C Clean India Mission and asked them to make toilets in cities and villages. Which dimension of Business Environment is indicated her?
- 3 India played host to various fast food centres like Mc Donalds, Burger King etc. which are leading to the growth of quick service restaurants. These new entrants generate maximum revenue from online orders. One brand develop a mobile app to receive online orders.
Explain the feature of business environment listed in the above case.
- 4 Define Business Environment .
- 5 What is included in legal environment of business?
- 6 ‘Business Environment includes both specific and general forces .’ List any four specific forces.

3 AND 4 MARKS QUESTIONS

- 7 The court issued the order that for vehicles to be smokeless was most essential and that anyone violating this order shall have to pay a heavy fine. Abiding by this order was necessary for health of people. Making this strict order of the court as the base Ákhil motors Ltd.’resolved to manufacture such vehicles by using modern technology as should not produce any smoke at all. The government also announce to provide help in several ways to setup such industrial units.
 - (a) Identify the 3 dimensions of Business Environment described in the paragraph by quoting the lines.
 - (b) Write any 1 value also.
- 8 After the announcement of demonetization of Rs 1000 & Rs 500 currency notes by the government of India. There has been a sharp increase in th number of downloads

for mobile applications like: Paytm, Paypal, e-wallet etc. Usage of digital currency and online payment systems driven by UPI, wallets and cards is on the rise as customers are increasingly opt. for e-commerce platforms. There have been very strong reactions from general public on platforms like facebook, twitter, instagram etc. where some groups are supporting the decision while many other groups are opposing it.

On the basis of the above information about, identify the dimensions of Business Environment highlighted in the case.

- 9 Due to the opening up of the Indian economy to the international market the Indian business concerns faced a lot of challenges. The consumers had more options to choose from and hence they have become more selective. The firms had to plan their activities after doing research work about the needs and wants of the consumers. In order to tackle the competition the firms had to spend more on training and development of the employees.
- a) State by quoting the lines the effect of government policy changes on business and Industry.
- b) State any one value highlighted in the above case.
- 10 Why it is necessary to understand business environment? Explain by giving four reasons

5 AND 6 MARKS QUESTIONS

- 11 . Samarth papers Ltd. Decides to set up its new industrial unit in backward village of Madhya Pradesh due to unemployment, cheap labour is available in abundance there. However, to protect the villagers from exploitation, the government has passed the Minimum Wage Act. The village has no electricity. The company decides to tap renewable solar energy instead of using diesel generators to meet its power requirements. The government offers cheaper industrial land for development of backward area and also provide subsidy for installing solar panels and loan at a lower rate of interest. The company offers equal job opportunities to both men and women. This helps increase the disposable income in the hands of the villagers. Identify and explain the dimensions of business environment specified above.
- 12 Explain the features of Business Environment,
- 13 Identify the dimension of business environment highlighted in these statements:-
- (i) Customers income is rising.
- (ii) People have developed a taste for better quality products even though they may have to pay more.
- (iii) The government permitted cent percent foreign direct investment in some sectors of retailing.
- (iv) The government restricted the use of LPG cylinders to only nine per family per year.

UNIT-4 : PLANNING

1 MARK QUESTIONS

- 1 Name the primary function of management.
- 2 Pankaj Electronics sells its goods only through recognized dealers. What type of plan it is?
- 3 Vipin Pumps Ltd. was in the business of manufacturing water pumps for room coolers in Delhi and NCR. The business was doing very well and the company was easily able to achieve the position of market leader. Mr. Vipin the managing director of the company set an ambitious target of 30% increase in sales for the next year by entering into the markets in the nearby states of Rajasthan, Punjab, Haryana etc. The same year, local wholesalers started importing Chinese water pumps which were equally price efficient.
As a result the company could not achieve its target.
Identify the limitation of one of the function of management.
- 4 Hindustan Uniliver Ltd. started a promotional offer of 1 kg. of Rin detergent free on purchase of 5 kg. of Rin detergent. In response to this Procter and Gamble Ltd. came up with a promotional offer of a free bucket on a purchase of 5 kg. of tide detergent.
Identify the type of plan formulated by procter and gamble ltd.
- 5 James an employee with Team computers is given a target of assembling three computers per day. Due to his habit of doing things differently an idea struck him which would reduce the assembling time of computer as well as production cost. His superintendent instead of appreciating his idea scolded him and asked him to complete the work as per standard methodology.
Identify the limitation of planning is reflected in above situation.
- 6 Name two single use plans.
- 7 What are standing plans?

3 AND 4 MARKS QUESTIONS

- 8 Udaipur Rugs is the India's biggest exporter of hand knitted carpets. The company connects woven products directly to global markets, and employs a range of weavers, including tribal women. The company has to dispatch a consignment to France, but due to the announcement of demonetization of currency and shortage of valid currency the manager is unable to pay to suppliers and workers. The company officials are unable to make the payments for packaging and transportation of consignment. Due to this consignment gets delayed and importer cancelled the order. Udaipur rugs have to bear a huge loss.
 - a) Identify the function of management whose limitation is discussed here.
 - b) Also explain the limitation of function identified I para A
- 9 'BETI BACHAO, BETI PADHAO' is a campaign launched by PM Modi. The scheme aims to generate awareness and to improve the efficiency of welfare services meant for women . For implementation of this campaign, District Collectors, heading district task force will network with schools and colleges and one nodal officer will be deputed in each department for monitoring district plans. The initial focus

on campaign will be Haryana having lowest sex ratio. The government also proposed Rs. 150 crores to be spent by Ministry of Home Affairs on a scheme to increase safety of women in cities.

- a) Identify the function of management highlighted in the above case. Quote the lines which helped you to identify the function.
 - b) Mention the type of first function as identified in part a. quote the lines which helped to identify the type.
 - c) State any two values reflected in the above case .
- 10 Abhi started a business of manufacturing bed sheets and curtains. Although, he is good in planning but performance of his business is always below average and not does well. He analyzed his problems and noticed some facts about his business. Once the plan is made, managers follow them blindly. Employees are only carrying out orders and not showing any initiative. Sanjay, his manger has a tendency to rely on previously tried and tested successful plans. Identify the limitations of planning which are referred here by quoting the lines paragraph.
- 11 Differentiate between Single Use Plans and Standing Plans.
- 12 Sahil Ltd. has a plan of increasing sales by 20%.it has devoted a lot of time and huge money on this plan. Soon after the plans implemented, competition started increasing and it could not change its plan to beat its competitor as huge amount of money had already been allocated to Pre-decided plan. It resulted in heavy losses to the company. Identify the three limitations of planning by quoting the lines.

5 AND 6 MARKS QUESTIONS

- 13 “Failing to plan is planning to fail”. Explain.
- 14 “Planning is not a guarantee of success.”Do you agree with this statement? Justify your answer by giving reasons.
- 15 Developing premises is one of the step of a function of Management. Identify the function & explain the other steps of the function.
- 16 Two years ago, Madhu completed her degree in food technology. She worked for sometime in a company manufacturing chutneys,pickles and marabouts. She was not happy in the company and decided to have her own organic food processing unit for the same. She set the objectives and the target and formulated action plan to achieve the same. One of her objective was to earn 10% profit on the amount invested in the first year. It was decided that raw material like fruits, vegetables etc. will be purchased on the months credit from farmers cultivating organic crops only. She also decided to follow the steps required for marketing of the products through her own outlets. She appointed Mohan as a production manager who decides the exact manner in which the production activities are to be carried out. While working on the production table a penalty of Rs. 100 per day for not wearing the caps, gloves and apron was announced. Quoting the lines from above case identify and explain various types of plans.

UNIT 5 : ORGANIZING

1 MARK QUESTIONS

- 1 'Keshav Ltd. is engaged in manufacturing of washing machines. The target of the company is to manufacture 500 machines a day. There is an occupational specialization and no duplication of efforts in such type of organizational structure. Identify the organizational structure.
- 2 To make the annual function of the school successful the Principal of the school divided all the activities into task groups each dealing with a specific area like decoration, stage management, refreshment etc. each group was placed under the supervision of a senior teacher. Identify the function of management performed by the principal of the school.
- 3 The employees of Many Ltd. have formed a dance club for their recreation. Identify the type of organization.
- 4 Name the two elements of delegation which cannot be delegated either totally or partially.
- 5 What is span of control?
- 6 In which situation functional structure is suitable?
- 7 National Vritech Ltd. has grown in size. It was a market leader but with changes in business environment and with the entry of MNC's its market share is declining. To cope up with the situation the CEO starts delegating some of his authority to the General Manager, who also felt himself overburdened and with the approval of CEO disperses some of his authority to various levels throughout the organization. Identify the concept of management discussed above.

3 AND 4 MARKS QUESTIONS

- 8 Neeraj Gupta started a company 'YO YO Ltd.' with ten employees to assemble economical computers for the Indian rural market. The company did very well in its initial years. As the product was good and marketed well, the demand went up. To increase production the company decided to recruit additional employees. Neeraj Gupta who was earlier taking all the decisions for the company, had to selectively disperse the authority. He believed that people are competent, capable and resourceful and can assume responsibility for the effective implementation of their decisions. This paid off and the company was not only able to increase its production but also expanded its product range with different features.
 - A) Identify the concept used by Neeraj Gupta through which he was able to steer his company to greater heights.
 - B) Also explain any three points of importance of this concept.
- 9 The activities and employees in Tiffco Pvt. Ltd. A foot wear manufacturing company can be broadly grouped into five departments namely production, purchase, marketing, accounts and personnel. Over the years the company has grown and expended its operations manifolds. The company now instance to diversify into leather bag segment. So its management has decided to restructure its operation. They planned to create separate product divisions will be further divided into five

departments namely; production, purchase, marketing, accounts and personnel.

In context of the above case:

How is the company's future organizational structure likely to be different from existing one? Also explain any three points of difference between these two.

10 Organizing is the harmonious adjustment of specialized parts for accomplishment of some common purpose or purposes, In the light of this statement explains any three points of importance of organizing.

11 Raghav works as a human resource manager in Vanshika housing Ltd engaged in the real estate business. He suggests to the managing director of the company to start a sports club in the office where friendly indoor matches can be organized amongst the employees on every Saturday.

In context of the above case on the basis of

a) Identify the type of organization that raghav is desirous of promoting in the company.

b) State any three advantages of this type of organization.

12 If you have to choose one type of organization from Formal and Informal, which you will choose and why?

13 Differentiate between Formal and Informal organization on the basis of :

a) Meaning

b) Origin

c) Behavior

d) Flow of communication.

5 AND 6 MARKS QUESTIONS

14 To setup and run a successful business it is not only essential to lay down the clear cut objectives but it is also necessary to identify the different activities to be performed and develop relationship between the physical and human resources.

a) Which function of management is being refer to?

b) Also explain the importance of this function.

15 Authority can be delegated but responsibility not" Do Youo agree with this statement? Justify your answer by giving reasons.

16 Ajanta food is engaged in the trading of noodles. It has its registered office in Kolkata, manufacturing unit in Solan and marketing department in Delhi.

a) Which type of organizational structure the company should adopt to achieve its target?

b) Explain any four advdantages of this type of organization.

17 Explain the stages involved in organizing process.

UNIT 6 : STAFFING

ONE MARK QUESTIONS

1 Mr. Narayan Murti, the CMD of the Infosys Ltd. Advocates in his speech while addressing to their employees – "Every single person employed in my company is very important for me and the foundation and more important asset of my company who will decide the fortune of my company."

a. Identify one of the function of management speech of Narayan Murti.

- 2 Anuroop runs a law firm in Hyderabad. His firm offers valuable financial and legal consultancy services to the clients. Whenever the firm hires any new employee, on the first day of their joining they are welcomed to the organization and are given details about hours of work, holidays, dress code leave procedure etc.
In the context of the above case:
Name the type of training mentioned here.
- 3 Name the concept which relates to the assessing of the present and future requirement of the workers.
- 4 What is workload analysis?
- 5 Differentiate between aptitude test and trade test.

(3 AND 4 MARKS QUESTIONS)

- 6 Mr. Kumar, the president of Kumar Ltd. is worried about the poor functioning of the organisation. When discussed, he found that Mr. Ram having qualification and experience in marketing is working in finance department, Mr. Rohit having specialisation in Human resource is working in production department and Ms Puja having experience in handling Accounts is working in sales department. There is lot of misbalance and chaos in the organisation.
Identify and explain the function of management ignored in the above case.
Explain any two points of the importance of the function.
- 7 Sharma Ltd. is in the field of producing air conditioners for cars. due to increasing demand of cars demand for their product is also increasing. They wished to open up a new production unit in remote areas of Orrisa where there is abundant workforce available. They also advertised in the nearby developed areas for trained skilled employees. Due to abundant unemployment, they recieved a large no. of applications.
1. Mention the process which Ram, the human resource manager should perform to have an efficient team of employees.
2. Also mention the value reflected by Sharma Ltd.
- 8 Lakme Ltd. purchased a new high- tech machine from U.S.A for manufacturing high quality cosmetics in a cost effective manner . But during the production process, the manager observed that the quality of production was not as per standard. On investigation it was found that there was lack of knowledge amongst the employees of using these high –tech machines. So,frequent visits of engineers were required from U.S.A which resulted in high overhead charges.
A) Suggest what can be done to develop the skills and abilities of employees for producing high quality products by using these high-tech machines.
B) Also state how the organization will be benefitted from your suggestion.
- 9 Business of Rama Auto Pvt. Ltd. is confined to one state. Now it intends to extend the same to two other states. Mr. Rohit Nath , the Managing Director of the company, is busy in making a plan to this effect. First of all, he contacted Mrs. Rangini ,the H.R Manager of the company. Both were of the opinion that they would require 75 more 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, 2 employees were proceeding on long term study leave for 2 years. Thus, company would now require 85 employees in all. Mrs. Rangini recommended to Mr. Rohit that out of the total vacant posts, 15 be reserved for women. Mr. Rohit gladly accepted the proposal. Now, H R Manager was to decide as to what arrangement be made for the appointment of needed persons. She hit upon a plan. According to this plan some employees would be recruited with the help of existing employees, for some other internet would be approached and for the remaining potential employees, placement agencies operating in the market would be contacted.

- A) Describe what function of management has been referred to in the above para?
 B) What sources of recruitment are being used by H.R. Manager? Explain briefly.
 C) Identify the values hinted at.

10



- i) Identified the aspect of staffing from the above and explain its various sources.
 ii) Explain other two aspects also other than the identified in part (i)

11 Harish, the director of a company is planning to manufacture stuffed toys for utilizing waste material from one of his garment factories. He decided that this manufacturing unit will be set up in a rural area so that people of that area will have more job opportunities. For this, he selected Rehman, Anita Banerjee, Harpreet kaur and Umesh (a differently abled but very intelligent) as the heads of Sales, Accounts, Purchase and production departments respectively.

- A) Identify and state next three steps that Harish has to follow in the staffing process.
 B) Identify any two values that Harish wants to communicate by setting up this manufacturing industry.

12 Differentiate between Training and Development.

5 AND 6 MARKS QUESTIONS

13 Mohit Gupta is working with "Yellow Security services Ltd" he is also recruiting security guards for the company. The company provides security services in Delhi and Noida at short notice to various companies. The guards are recruited on temporary basis. The guards provided by this company are known for their honesty and punctuality. Mohit gupta is well known in his village for providing employment to unskilled people.

- A) Name the source of recruitment used by “Yellow Security Services Ltd.”
- B) State any one advantage of this source of recruitment.
- C) Identify any two values communicated to the society.
- 14 Identify the source of recruitment in following cases.
- a) Recruitment for casual workers during Diwali season is placed on a cracker manufacturing factory notice board.
- b) Taj Hotel goes to institute of Hotel Management for recruitment.
- c) Unitech Ltd. considering the unsolicited applications
- d) United Amusement park has a ‘BOND’ program where an employee can refer his friend or relative who is qualified for a post.
- e) Tasty Bite Ltd. is searching for eligible candidates for the post of marketing executive using www.jobstreet.com
- 15 Identify the process in which persons are eliminated at every stage and a few move on the next till the most suitable is found. Explain its various steps.
- 16 Expense on training is an investment not the wastage” “Do you agree? Justify your answer by giving reasons.
- 17 A newly appointed manager is of the view that staffing is the least important function of management as so many people are available in the market. Do you agree? Justify your answer by giving reason.
- 18 “The right people can help to take a business to the top whereas wrong people can break the business on the other hand wrong people can break the business” this statement reflects one of the management. Identify it also explain its importance.

UNIT 7 : DIRECTING

1 MARK QUESTIONS

- 1 Mr. Naman has a very laid back attitude towards work. He comes late to office, avoids meetings with his subordinates and expects them to complete work as they think right. In fact he just informs his subordinates about the work to be done. Identify the type of leadership the leader has adopted in this case.
- 2 Which function of management is known as ‘Management in action’?
- 3 What is meant by decoding as an element of Communication?
- 4 In an organization employees always feel that they are under stress. They take least initiative and fear to express their problems before the manager. The manager does not give any information about future plans but simply tells the employees what immediate steps they must take. What type of leadership is adopted by the manager.
- 5 Sanya has been awarded ‘Talented face of the year’ award in annual function of the company Identify the type of incentive given here.?
- 6 ABC Ltd. threatened its workers that if the workers will not perform well either they will be demoted or will be kicked out. What type of motivation it is?
- 7 What is communication network?
- 8 Give any two characteristics of organizational climate that influence the behavior of individuals and act as a non financial incentive.

3 AND 4 MARKS QUESTIONS

- 9 M/s Unnati Ltd. Was a leading firm manufacturing shoes. It had its own distribution network throughout the country. For the past two years, it was observed that the sales figures started declining in its Sothern division. The C.E.O. of the company sent Mr. Akshay to analyze the situation and find out causes for this decline. His report was that
- (a) one area sales supervisor Mr. Rohit was tense because of his inability to meet medical expenses of his wife who was bed ridden and the rising costs of education of his son, who was doing engineering. So, Mr. Rohit was lacking Interest in his Job.
 - b) The Branch Sales Manager, Praful was unhappy as he had never been given credit for his hard work and he had started feeling monotony in his job of 10 years. He did not have any social groups to discuss and share his problems.
 - c) The Assistant Sales manager, Mr. Shekhar, who had done his MBA from IIM was an intellectual and had great ideas to improve sales, but was never given a chance to give his suggestions to the top level management. He had been instructed to follow the policy of top management strictly, which was not fruitful in the present scenario He was feeling depressed due to his inability to accomplish what he was capable of.
 - d) The salary of all the salesmen was fixed and did not match the efforts which they were putting. This led to discontentment and resulted in low turnover.

Questions :

- i) Identify one of the elements of one of the functions of the management described in the above case.
 - ii) Identify the concept of Maslow ignored in the above situations.
 - e) Suggest the suitable remedies for the problems mentioned in this case.
- 10 Mr. Fernandes is the owner of Unibie Enterprises, carrying on the business of manufacturing electrical appliances. There is a lot of discontentment in the organization and targets are not being met. He asked his son Michel who has recently completed his MBA to find out the reason. Michel found that all decision making of the enterprises were in the hands of his father. Moreover his father did not have confidence in the competency of the employees. Thus the employees were not happy.
- a) Identify any two communication barriers because of which Unibie enterprises was not able to achieve its target.
 - b) State few more barriers of the category identified in Para A
- 11 Laxmi Ltd. is an IT company having 1000 employees. All its employees take things easy and are free to approach anyone even for minor queries and problems. Because of this the operations of company are disturbed and its revenues have declined. Everyone is seen talking to each other resulting in inefficiency in its offices. It has also resulted in loss of secrecy and confidential information being leaked out. Explain the measures that the manager should adopt to improve communication in Laxmi Ltd.

- 12 Alfa Ltd. was dealing in renewable energy. To get the business, the team leader and his team used to travel to different states to give presentation to their clients. As per the policy of the company, the leader used to travel by air, where as his team travelled by road/train. It was not only time consuming but also at time forced female team members to travel alone. As a result, the subordinates were not acting in a desired manner to achieve organizational goals. The CEO came to know about it. He called the team leader, discussed the matter with him and decided to change the travel policy of the company. It was decided that all the members including the leader would travel together in future and would use fully utilized the travelling time in discussion with the subordinate about the state the features of the element of the function of management used by the CEO.
- 13 Mr. John is working as the human resource consultant in Horizon Private company. The company manufactures squashes and soft drinks. The company is facing a problem of high employee turnover due to which the production and supply situation of its product has been on declined. The personnel manager of the company asked Mr. John to look into the situation and offer a suitable solution for retaining the talented employees and solve the problem of employee turnover. On analyzing the situation Mr. John suggests that the good employees of the organization should be rewarded in a manner that creates the feeling of ownership among the employees and thus motivates them to contribute their best towards the organizational goals. On the basis of the given information about Mr. John, the human resource consultant in Horizon Pvt. Ltd., answer the following questions
- Identify and explain the incentive that has been suggested by Mr. John
 - Also explain any two other incentives of the same category.

5 & 6 MARKS QUESTIONS

- 14 Ashok, a qualified Hotel Management graduate, works as a salesperson, in a large retail outlet for women apparels. Although he is qualified for a much higher job in a different profession, but still he is contented here. His manager Mohit, who is also his best friend, coaxes him to change his job for better prospects, but fails. Ultimately, Mohit threatens Ashok to throw him out of the job. In this fear, Ashok starts looking for a new job. Soon he gets an offer from a 5 star Hotel in Mussorie. Ashok accepts the new calling and in no time rises to a position at Middle Level through his hard work and efficient performance.
- Should Ashok give the credit of his new found success to Mohit?
 - Name & State the element which is instrumental for Ashok's success.
 - Give any 2 features of that element by quoting lines from above
 - Explain the process also.
- 15 Rajesh is working as a production manager in an organization. His subordinate Suresh discussed with him a method of production which will not only reduce the cost of product but will improve the quality of product also. Rajesh's mind was preoccupied and he did not pay any attention towards Suresh's suggestion. Suresh was disappointed by this behavior of his boss.

Explain the communication barrier discussed in this case.
Also explain any three barriers of the same category.

- 15 Anjali had been working with Tata Enterprises for the last ten years. She was famous for her dedication towards 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 demoralised 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 behaviour and felt her performance could be improved. She started involving Anjali in decision making issues related to the organisation and made her a part of a high-level joint management committee .Anjali was now punctual to office and her performance started improving.
- Identify the function of management being performed by Monika.
 - Name the element of the above function of management which helped Monika to improve Anjali's behaviour .
 - State any three features of the element identified in (b) above.
- 16 "All managers are leaders but all leaders are not managers". Explain.
- 17 Name that function of management which initiates action. Also explain its elements in brief.
18. What is grapevine communication ? Explain any three advantages of this type of organisation.

UNIT 8 : CONTROLLING

1 MARK QUESTIONS

- Name the function of management which ensures accomplishment of goals.
- "If anything goes wrong with the key activities the whole organization suffers. Therefore the organization should focus on them" explain the statement.
- Planning is prerequisite for which function of management?
- Name two functions of management which go hand in hand.
- "If you want to control everything you may end up by control nothing" name the concept mentioned here.

3 AND 4 MARKS QUESTIONS

- 6 Taste Buds limited is a company formed for manufacturing good quality confectionary products. The automated system of production ensures uniformity in production and quality maintenance. The quality assurance team conduct stringent checks at all stages, records and analysis the deviations and takes the necessary corrective actions right from the procurement of raw material to its processing, production and packaging. The company has a well equipped in- house quality inspection cell where confectionary products are tested on various parameters of quality by the team of experienced quality staff.
- In the context of above case:

- (a) Identify and explain the function of management being performed by the quality assurance team of 'Taste Buds Ltd.
- (b) Explain the statement, "records and analyses the deviations and takes the necessary corrective actions."
- 7 Anubhav has set up an export house after completing his masters in fashion designing. As the quality of garments depends on the quality of raw material used, he assures that the fabric meets the requirement by conducting a series of tests for the fabric like shrinkage test, testing color fastness to washing, color fastness to light, color fastness to perspiration etc. through laboratory tests. Later on, at the production area, fabric inspection is also conducted by stopping the production process. The tests help to detect the deviation and also take corrective action. Moreover, he ensures that complete training about production work was given to every worker at the timing of joining his export house.
- In context of the above case:
- a) Identify the function of management being performed by Anubhav by conducting tests to assure for the quality of the garments manufactured in his export house.
- b) Briefly explain the term 'deviation'
- 8 Rajeev and Sanjeev are managers in the same organization heading different units. While discussing about the functions of management, Rajeev says that 'Planning is looking ahead whereas controlling is looking back.' But sanjeev says you are wrong because 'Planning is looking back, where as controlling is looking ahead. 'both are giving reasons in favour of their statements. Explain the possible reasons given by both and justify who is correct.
- 9 A.S. Ltd. is a large company engaged in assembly of air conditioners. Recently the company has conducted the Time and Motion study and concluded that on an average a worker can assemble 10 air conditioners in a day. The target volume of the company in a day is assembling 1000 units. The company is providing attractive allowances to reduce labour turnover and absenteeism. All the workers are happy. Even then the assembling of air conditioner per day is 800 units only the reason the company compared actual performance of each worker and observed through c.c.t.v. that some of the workers were busy in gossiping.
- a) Identify the function of management discussed above.
- b) State those steps in the process of the function identified which are discussed in the above para.

5 AND 6 MARKS QUESTIONS

- 10 "Planning & controlling are interdependent & interrelated functions of management." Do you agree? Explain.
- 11 How controlling helps in achieving managerial objectives and it judges accuracy of standards. Explain.

UNIT -9 : FINANCIAL MANAGEMENT

1 MARK ANSWER QUESTIONS

- 1 A Textile company is diversifying and starting a steel manufacturing plant. State with reason the effect of diversification on the fixed capital requirement of the company
- 2 Quick Transport company is specialized in delivering milk product. It has a good reputation in the market as it delivers the products at right time. State with reason the requirement of working capital of Quick Transport company.
- 3 Rishabh Malhotra decided to start a private Ltd. Company with his friend. His friend was interested in starting mobile company. Rishabh Malhotra suggested him not to start mobile company as mobile phone technology becomes obsolete very soon so it requires heavy fixed capital. Therefore he convinced his friend to start Shoes Company.
Identify the factor affecting fixed capital requirement which forced Rishabh Malhotra to start Shoes Company.
- 4 What is financial leverage?
- 5 Radhika and Vani who are young fashion designers left their jobs with a famous fashion designer chain to set up a company, 'Fashionate Pvt. Ltd'. they decided to run a boutique during the day and coaching classes for entrance examination of National Institute of fashion designing in the evening. For the coaching center they hired the 1st floor of a nearby building. Their major expenses were money spent on photocopying of notes for their students. They thought of buying a photocopier knowing fully that their scale of operations was not sufficient to make full use of photocopier.
In the basement of the building of 'Fashionate Pvt. Ltd'. Praveen and Ramesh were carrying on a printing and stationery business in the name of 'New Prince Pvt. Ltd.' Radhika approached Praveen with the proposal to buy a photocopier jointly which could be used by both of them without making separate investment, Praveen agreed to this.
Identify the factor affecting fixed capital requirement of 'Fashionate Pvt. Ltd.'
- 6 The market price of a company's share is linked to the three basic financial decisions. Name those decisions.
- 7 Name those decisions which affect the liquidity as well as profitability of business.
- 8 Name the essential ingredients of a sound working capital management.

3 AND 4 MARKS QUESTIONS

- 9 Nilesh, a post graduate from Delhi University visited Mumbai to see his family. He took Shatabdi to Chhatrapati Shivaji Terminus station. He decided to take taxi to reach his home which is in Bandra. Many taxi drivers refused to go by meter and asked for inflated fare. As he had no option he took the taxi at higher fare. After reaching home he discussed the matter with his father and thought a business idea to start a private app based taxi service with genuine fare to relieve the Mumbai public from monopoly of taxi union.

For arranging finance they decided to approach bank for loan. The bank asked them to prepare a detailed report and let them know about the amount required to start the business.

You are required to answer the following:

- a) Which aspect of Financial Management is discussed here?
- b) Also mention the significance of above aspect

- 10 Tata Iron and Steel company decided to set up a new plant in the remote areas of north east India and give employment to unemployed educated youth of the region. They had an option to issue equity shares of Rs. 500 crores or to take the loan of Rs. 500 Crores for arranging finance to set up the plant.

The company could not maintain good cash flow position from last year as they had to pay interest on their long term borrowings. Apart from it they are also bearing huge operating cost in terms of salaries of the staff. But being the market leader in its sector the company was earning good profits in comparison of its competitors from last decade.

You are required to answer the following:

- a) Identify the financial decision involved when the company decides to raise money.
- b) Identify and explain the factors affecting above decision in this case by quoting the lines from the above para.

- 11 New Delhi has been declared as the most polluted city in the world. Bangalore, Mumbai, Patna, Ahmedabad Kanpur etc are also some highly polluted Indian cities. This has resulted into a dramatic increase in the sale of home air purifiers. The price of these devices range from 2000 to 20000 depending upon the type of pollutant these purifier remove. Looking at the increasing demand of these air purifiers. "Pure Air Technology India Ltd." has developed a low cost home air purifier. The company has estimated that a commercial production of 1 lac units per year may cost the company 500 per unit. For this capital of 15 crores will be required. The company decided to have both equity and debt in its capital structure. Explain any four factors that the company should consider while deciding its capital structure.

- 12 "The size of assets, profitability and competitiveness are all decided by this decision" Name this decision and also explain its significance.

- 13 Explain the following terms.

- a) Financial risk
- b) Flotation cost
- c) Financial leverage.

- 14 It is essentially the preparation of a financial blueprint of an organization's future operations." Name the concept also explain its significance.

15. The directors of Alpha Ltd. are thinking about increasing its debt equity ratio from 2:1 to 3:1. Explain the risk involved in this decision.

5 AND 6 MARKS QUESTIONS

16. State whether the working capital requirement of manufacturing concern will be big or small.

- | | |
|------------------|---------------|
| A) Biscuits | b) Sugar |
| c) Water heaters | d) Motor cars |
- e) Furniture made against order.
- 17 Vivo Ltd. is a company manufacturing textiles. It has a share capital of Rs. 60 lacs. The earning per share in the previous year was Rs. 0.50. for diversification the company required the additional capital of Rs. 40 lacs. The company raised funds by issuing 10% debentures for the same. During the current year the company earned profit of Rs. 8 lacs. On capital employed. It paid Tax @ 40%
- a) State whether the shareholders gained or lost. In respect of earning per share on diversification. show your calculations clearly.
- b) Also state any three factors that favour the issue of debentures by the company as part of its capital structure.
- 18 “Shareholders of a company are likely to gain with a loan component” do you agree? Justify by giving example.
19. As finance manager of Tifco Ltd. you have to decide the requirement of working capital for your company. Explain the factors you will keep in mind while taking this decision.
- 20 What is financial management? Explain its objectives in brief.

UNIT 10 : FINANCIAL MARKET

1 MARK QUESTIONS

- 1 Rehman limited is a credit worthy company operating in the state of Jammu and Kashmir it is an export oriented unit, dealing in exclusive embroidered shawls. The floods in the valley have created many problems for the company many craftsman and workers have been dislocated and raw material has been destroyed. The firm is therefore unable to get an uninterrupted supply of raw material, at the duration of the production cycle has also increased. To add to the problems of the organization the supplier of the raw material who were earlier selling on credit are asking the company for advance payment or cash payment on delivery. the company is going through a period of tight liquidity.
- Questions
- As a finance manager of the company name the type of short term source the company can use for mobilizing large amount of short term finance.
- 2 Name the market that which helps to create a link between savers and investors by mobilizing funds between them.
- 3 Name that market which deals in those assets which are close substitute to money.
- 4 What is bridge financing?
- 5 When SEBI was given a statutory status?
- 6 Diksha’s father has gifted her shares of a large automobile company with which he had been working. The securities were in physical form she already has a bank account and does not possess any other forms of securities. She wished to sell the

shares and approached a register broker for a purpose. Mention one mandatory detail which she will have to provide with the broker

3 AND 4 MARKS QUESTIONS

- 7 An automobile company 'COMBO Ltd.' has launched a new car in the market named "COMFORT". Comfort being a common man car has created craze in the market which has forced the Combo Ltd. to increase its production. To fulfill its increased demand Company needs 100 crore rupees which company divides in 10 lakh Equity shares of rupees 1000 each. Company is not interested in direct subscription from public as it contains certain mandatory and non-mandatory expenditure.

An Insurance company ROLAT INSURANCE has agreed to purchase the entire issue made by COMBO Ltd. The company also decided to distribute the 5% of its profits to disadvantaged section of society.

Questions :

- Identify the method of floatation discussed above.
 - Apart from this method explain one more method coming under this market.
 - Also explain two values which the company wants to communicate.
8. Ajay works in an investment firm HORIJAN STANLEY as an Investment Analyst. Snapcart is E-commerce firm is client of Horijan Stanley. The company looks the investment made by Snapcart and Mr. Ajay as an analyst knows that snapcart is about to earn huge profit because company has recently invested in a very profitable project. Snapcart is about to issue its offering in the market. Ajay being the employee, knows in and out of Snapcart. Being the part of the company, Ajay himself cannot invest in those IPO's, so he gave the idea to his friend Karan to invest in the IPO's and assured that their will be capital gains and they will share the gains.

Questions :

- Name and explain the concept which prohibits Ajay from involving in these kinds of activities.
 - Which regulatory body controls such type of practices?
- 9 Mr. Madhav was a top broker in the stock market, indulged into trading of shares of leading companies. He was a trusted broker and pretty well known to the market. Therefore he used to have almost all the trading information about the leading companies. He took disadvantage of it and started giving the surety to his clients about the returns on the various securities held by him in the market. This made the market mere a puppet of his hands. He used to trade and invest in such a manner that whenever he wanted to raise the price of the securities he increased the demand and vice versa, but he was never into losses even when market used to be a very low level of index. All this gave a rise of doubt in the minds of authorities and formed a committee to investigate about the trading practice of this broker. The committee found the following results.
- Mr. Madhav used to be informed in advance about the financial conditions and operations of the organization. Due to which he used to manipulate the prices.

- Companies used to place shares privately for Mr. Madhav without informing to the concerned authorities.
All these activities lead to the cancellation of Broker Licence of Mr. Madhav and he was penalized too.
- 10 Mohan Ltd a Leading E- Commerce Company, has well established itself in the market in last five years. Earlier the company was indulged only into only B2B commerce, but now wants to expand its business as soon as possible. The Board of directors have decided to start a BPO for which Rs. 45 Crores were required as capital. Therefore suggestions to raise the funds were asked. Many suggestions were given by the directors, but following advises given by two directors were considered best.
- Ravi – I suggest not diluting the ownership of the shareholders with new one. Therefore, first offer is to be made to the existing shareholders.
Karan- As I feel company wants to start the BPO as soon as possible. Therefore it is suggested to chalk out the list high net worth Individuals of the company and allot shares to them. It will save time and cost of issue of the company and investors.
- Suggestion given by Karan was accepted, and company made a press release of its new project (BPO). Immediately after the announcement of this project, the prices of existing shares of Mohan ltd. were steeply increased, due to high demand.
- a) The above Para highlights one of the functions of financial market. Identify. 1
 - b) Identify and explain the type of markets given in the Para.
 - c) Suggestions given by Karan and Ravi Indicates the methods of floatation. Identify them.
 - d) Explain one method of the floatation NOT given in the Para.
- 11 Differentiate between capital market and money market.

5 AND 6 MARKS QUESTIONS

- 12 This institution helps in assisting, regulating and controlling the business of buying and selling or dealing in securities. Name it also explain its functions .
- 13 What is primary market? How it is differ from secondary market?
- 14 Explain the functions performed by financial market.

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