

Answer Key - Unofficial

Business Studies – Class 12 – Model Exam _ March 2022 – ME 548

Score 1

1. a) Production Managerial
2. b) External
3. c) Staffing
4. b) Budget (others are standing plans)
5. b) Capital structure
6. d) Social
7. a) Planning
8. a) Training
9. b) Controlling
10. b) Scientific Management

Score 2

11. a) Social objectives – Employment opportunities (any other correct answer)
b) Personal objectives – Fair wages (any other correct answer)
12. Two examples of Money Market Instruments: a) Call Money, b) Certificate of Deposit,
c) Treasury Bills, d) Trade Bills, e) Commercial Paper (any 2)
13. Rights of Consumers:
a) Right to safety b) Right to be informed c) Right to choose d) Right to be heard e) Right to seek redressal f) Right to consumer education (any 4)
14. Elements of Delegation: a) Authority b) Responsibility
15. **Distinction between Money market and Capital market**

Money Market	Capital Market
1. It is a market for short term instruments having a maturity period of less than one year	1. It is for medium and long term instruments having maturity period of more than one year.
2. It helps to meet the working capital needs.	2. It helps in meeting fixed capital needs.

(Any other two)
16. a) Examples for Financial incentives – Salary, Bonus (any other 2)
b) Examples for Non-Financial incentives – Status, Organisational climate (any other 2)
17. Benefits of Training and Development to the organisation:
a. Reduces wastages, b) Enhance productivity, c) Equips the future managers, d) Reduces absenteeism and employee turnover, e) Effective response towards the changing environment. (any 2)

18. Impact of Government Policy changes on business and industry:

Increasing competition - More demanding customers - Rapidly changing technological environment – Necessity for change – Need for developing human resource – Market orientation – Loss of budgetary support to the public sector (any 2)

Score 4

19. Controlling Process:

Setting performance Standards – Measurement of actual performance – Comparison of actual performance with standards – Analyzing deviations – Taking corrective actions (Minimum 4).

20. **Marketing mix**

a) It is the term used to describe the combination of four inputs which constitute the core of the company's marketing system, the product, the price structure, the promotional activities and the place of distribution. It is also known as four 'Ps' of marketing mix, namely Product, Price, Place (distribution) and Promotion.

b) Complete the diagram: a) Price, b) Place (Distribution)

21. **Economic Environment** - Economic condition, economic system, economic policy, inflation rates, interest rates, tax rates etc. are the main components of economic environment. Some economic policies of Government may favorably affect the business whereas it may adversely affect some others.

Legal Environment – It includes the Acts that have been passed by the Central and the State Governments. The laws related to business made by government are of utmost importance. All members of business community must follow these laws.

22. a) 1. On the job training, 2. Off the job training

b) 1. Coaching, Job rotation – On the job training
2. Films, Case study – Off the job training

23. Match the following:

a) Act of overseeing something	– Supervision
b) Act of stimulating people to actions	– Motivations
c) Act of sharing information	– Communication
d) Ability to influence people	– Leadership

24. Effectiveness means completing the task in time.

Efficiency means maximum output with limited resources (Meaningful explanation)

25. **Limitations of Planning** - Rigidity (inflexibility) – Planning may not work in dynamic environment – Planning reduces creativity – Huge Cost – Time consuming – Does not guarantee success (any 4 with brief explanation)

Score 6

26. Levels of Management:

Top Level Management: Top level management consists of managers at the highest level in the management hierarchy.

Middle Level Management: This level of management consists of different departmental heads.

Lower Level Management: This level is also known as Supervisory Management or Operational Management.

27. a) 1. Formal organisation 2. Informal organisation

b) **Differences between formal and informal organization**

Basis	Formal Organization	Informal Organization
1. Meaning	Structure of authority created by management	Network of social relationship among the employees
2. Origin	Established on the basis of company rules and regulations	Originated as a result of social interaction
3. Authority	Based on the position in the management	Based on personal qualities
4. Behavior	It is directed by rules	There is no set behavior pattern (any other 4 differences)

28. **Qualities of a Good Leader:** Physical features – Knowledge – Integrity – Initiative – Communication Skill – Motivation skills – Self confidence – Decisiveness – Social skills

29. Major financial decisions:

Investment Decision – It is concerned with how firm's valuable funds are to be invested in various assets.

Financing Decision – it is concerned with the quantum of finance to be raised from various long term sources.

Dividend Decision – It is concerned with the disposal of profits. A portion of the profit is to be retained in the business for growth and expansion. That part of profit is called retained earnings and the rest of the profit is to be distributed to the shareholders in the form of dividends.

30. **Nature of Management Principles:** Universal Applicability - General Guidelines – Formed by practice and experimentation - Flexible - Mainly behavioural - Cause and effect relationship – Contingent (any 3 with brief explanation).

31. **Importance of Communication:** A basis for coordination – Smooth working of the enterprise – Basis for decision making – Increases managerial efficiency – Promotes cooperation and industrial peace – Establishes effective leadership – Boosts morale and provides motivation (any 4 with explanation).

32. **Convenience products** – They are the consumer products that people usually purchase frequently, and with least purchasing efforts. E.g., soap, toothpaste, bread, magazines, biscuits etc.

Shopping products - These are the products purchased by the consumers by spending considerable time in comparison of features like price, quality, size, style etc. e.g., home appliances, clothes, jewellery, furniture, TV, Computer, Washing machine etc.

Speciality Products – These products have unique characteristics and brand loyalty of the highest order for which consumers willing to make special purchasing effort. E.g., paintings, artwork, antiques, idols etc.

Score 8

33. a) **Unity of Command** – This principle states that each employee should receive orders from one superior only. More than one superior at a time leads to confusion.

b) **Unity of Direction** – This principle states that the activities, which have a common objective must be grouped together and under one head. In other words, all the operations and departments in the organization should be directed towards the common goal.

c) **Scalar Chain** – Scalar chain refers to the line of authority or the chain of superiors starting from the highest and moving towards the lowest rank. It is a must that communication should pass through this chain of command.

d) **Order** – All materials are to be kept in proper place (**Material Order**) and the right man is to be assigned the right job (**Social Order**).

34. **Planning Process:** Setting the objectives – Develop Planning Premises – Identifying alternatives – Evaluating alternatives – Selecting the best alternative – Implementation of plans – Follow Up
(Explain each point).

35. **External Sources of Recruitment:** Direct recruitment – Casual callers from waiting list – Advertisement – Employment Exchanges – Placement Agencies and Personnel Consultants – Campus interviews – Recommendations of Present Employees – Labour Contractors – Advertising on Television – Web Publishing
(any 4 with explanation).

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