

Second Year –First Terminal Evaluation 2019-2020

Subject – Business Studies Code No-SFE-48 -Unofficial

Q.No	Sub Q.No	Answer Key/Value Points	Score	Total
Answer ANY 8 questions from 1 to 9.Each carries 1 Score			(8 X 1= 8)	
1		(a) Route Clerk	1	8
2		(d) All of these	1	
3		(d) None of these	1	
4		(a) Compulsory licencing	1	
5		(c) Individual activity	1	
6		Setting objectives	1	
7		Top	1	
8		Premises / Developing premises	1	
9		<p>Disinvestment Notes for clarification: - Disinvestment means selling of Government's share in a public sector enterprise to private sector. Disinvestment may lead to privatization. When the Government sells only less than 50 per cent of its total stock, it is called merely disinvestment and in this case control and management of the business enterprise remains in the hands of Government. If government sells more than 50 % of its stake in a company to private sector it leads to privatization of that firm.</p>	1	
Answer ANY 5 questions from 10 to 15.Each carries 2 Score			(5 X 2 = 10)	
10		The two terms 'Effectiveness' and 'Efficiency' are different but they are inter-related. A manager is said to be efficient if he accomplishes the task with the optimum utilization and less wastage of resources. For Example a company's targeted production is 2000 units per year. The manager is able to produce 2000 units but higher production cost (more labour cost, material cost etc). In this case manager is effective but not efficient. On the other hand, if the manager produces goods at lower cost but not achieves the target, the manager is efficient but not effective.	2	2
11		<p style="text-align: center;">Limitations of planning-(Any two points)</p> <ol style="list-style-type: none"> 1. Planning leads to rigidity 2. Planning may not work in a dynamic environment 3. Planning reduces creativity 4. Planning involves huge costs 5. Planning is a time-consuming process 6. Planning does not guarantee success 	2 X1	2
12		Globalisation refers to integration of various economies of	2	2

	<p>world. In globalization entire world is considered as a single market. It means the mixing of the domestic economy with the rest of the world with regard to foreign investment, trade, production and financial matters. Globalization leads to free movement of people, goods, and services across boundaries. Globalization paves the way to many MNC to Indian market.</p> <p>Example-Pepsi, Coca-Cola, McDonald's, and Kentucky Fried Chicken (KFC Chicken).</p> <p>(Any meaning full explanation about globalisation)</p>											
13	<p>Organizational Objectives (Any two)</p> <p>Survival –Survival is the basic objective of every organization. It is possible only when it is able to cover its cost and earn profit.</p> <p>Profit – Management must ensure that the organization makes a decent profit. Profit is essential to cover cost and risk of the business.</p> <p>Growth – The success of any organization is measured by the growth rate and growth is measured in terms of sales, number of branches, number of products, number of employees etc.</p>	2 X 1	2									
14	<table border="1"> <thead> <tr> <th colspan="3">Any two differences</th> </tr> <tr> <th>Plan</th> <th>Policy</th> <th>Rules</th> </tr> </thead> <tbody> <tr> <td> <p>1.A plan provides a comprehensive and detailed course of action directed to achieve a specific result</p> <p>2. It explain in detail what need to be done, when, how and by whom.</p> <p>3. Plans can be classified as policy, strategy, rules etc.</p> </td> <td> <p>1.Policy is a general guideline which brings uniformity in decision making.</p> <p>2.Policies define boundaries within which decisions can be made.</p> <p>3.Example: Sales Policy (Selling product only on cash basis or only wholesale)</p> </td> <td> <p>1.Rules are specific statements of what should or should not be done in specific situations.</p> <p>2.Rules are rigid.Rules are made for the purpose of creating discipline in the organization.</p> <p>Deviations</p> <p>3.Example: No smoking, No admission without permission</p> </td> </tr> </tbody> </table>	Any two differences			Plan	Policy	Rules	<p>1.A plan provides a comprehensive and detailed course of action directed to achieve a specific result</p> <p>2. It explain in detail what need to be done, when, how and by whom.</p> <p>3. Plans can be classified as policy, strategy, rules etc.</p>	<p>1.Policy is a general guideline which brings uniformity in decision making.</p> <p>2.Policies define boundaries within which decisions can be made.</p> <p>3.Example: Sales Policy (Selling product only on cash basis or only wholesale)</p>	<p>1.Rules are specific statements of what should or should not be done in specific situations.</p> <p>2.Rules are rigid.Rules are made for the purpose of creating discipline in the organization.</p> <p>Deviations</p> <p>3.Example: No smoking, No admission without permission</p>	2 X 1	2
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15		<p>Profit: Every management expect profit from its business operations.</p> <p>Growth: Naturally it should be the target of every business to grow gradually. Growth may be in terms of sales, profit, number of workers etc. (Any meaning full explanation)</p>	2 X 1	2
Answer ANY 5 questions from 16 to 21.Each carries 3 Scores (5 X 3 =15)				
16		<p>Economic Environment It consists of economic factors that influence the business of a country. It include factors such as inflation, tax and interest rates,unemployment,fiscal and monetary policies .It will favourably or unfavourably affect the cost of production/ sales figures of a business.</p> <p>Examples for changes of economic environment (Any Two)</p> <ul style="list-style-type: none"> ➤ Introduction of competitors ➤ Changes in demand and fashion ➤ Changes in price of raw material/labour costs ➤ Business cycles-Boom/depression ➤ Inflation rate ➤ Unemployment rate ➤ Interest rates 	2 + 1	3
17		<p>characteristics of Management Principles (Any three with short explanation)</p> <ol style="list-style-type: none"> 1. Universal applicabilityGeneral guidelines 2. Formed by practice and experimentation 3. Flexibility 4. Behavioral in nature 5. Cause and effect relationship 6. Contingent/Dependent 	3 X 1	3
18		<p>Importance of Management (Any three points)</p> <ol style="list-style-type: none"> 1. Management helps in achieving group goals 2. Management creates a dynamic environment 3. Management helps in the development of the society 4. Management helps in achieving personal objectives 	3 X 1	3
19		<p>Management as a profession (Any 3)</p> <p>1.Needs special knowledge and training Profession can be defined as an occupation backed by special knowledge and training. Management also needs special knowledge and training.</p> <p>2.Code of conduct For every profession, there is a set of code of conduct fixed by the professional bodies to be followed. Now All India Management Association (AIMA) has introduced a code of conduct for Indian</p>	3 X 1	3

		managers. 2.Restricted Entry Legally a person must pass certain examinations and be a member of a professional body to become a professional. For example to become a lawyer, a person has to acquire LLB degree and also become a member of Bar Council of India.However,legally no qualification is required to become a manager, but very soon it will be required. That means the management at present does not have the features of a profession.		
20		No. Through the principle of 'Unity of command'Fayol states that there should be one and only boss for every employee. An individual employee should receive orders from one superior at a time. But in 'Functional Foremanship' FW Taylor advocate that each worker will have to take orders from eight foremen in the related process of production. OR Yes. Under 'Functional Foremanship' there are 8 specialists. Each one has their own functions and areas. They never indulge in the duty of other specialists. So there is no possibility to workers to get contradictory orders from different specialist in one particular matter. So we can say Principle of Unity of Command not violated in 'Functional Foremanship. (Both arguments are right)	1 + 2	3
21		Demonetisation is an act of cancelling the legal tender status of a currency unit in circulation. The aim of demonetisation was to control corruption. Impacts of demonetization: 1. Private wealth -Demonetisation controlled the parallel economy prevailed in India. It restricts unofficial money circulation that leads to heavy falls in real estate sector. 2. Digital transaction -Now more people utilise the facilities of online/digital transactions. 3. Income tax - Through this action, government indicating that tax evasion will no longer be tolerated or accepted.Demotisation compel people to disclose their income properly and it leads to rise in income tax collection.	3 X1	3
Answer ANY 4 questions from 22 to 26.Each carries 4 Score (4 X 4 = 16)				
22	(a) (b)	Middle Level Management Functions of Middle Level Management (Any Three) ➤ Implement the policy decision taken by the top management ➤ Organizing the activities of their concerned department. ➤ Middle level management selects and appoints employees of their department. ➤ Motivating employees based on their performance.	1 3	4

		<p>➤ Middle level managers keep a watch on the activities of lower level managers and they prepare their performance appraisal reports.</p>														
23		<p>The policy of Liberalization, Privatization and Globalization (LPG) made a significant change on the working of Indian business firms. The following are the main challenges they facing:</p> <ol style="list-style-type: none"> 1. Increasing competition 2. More demanding customers 3. Market orientation 4. Rapidly changing technological environment 5. Need for developing human resource 6. Global effect 	4 X 1	4												
24		<table border="1"> <thead> <tr> <th>Common features</th> <th>Science</th> <th>Management as a Science</th> </tr> </thead> <tbody> <tr> <td>Systematic body of knowledge</td> <td>In science, there is systematic study materials available to acquire the knowledge of science</td> <td>Like science in management also there is systematic and organized study material.</td> </tr> <tr> <td>Principles based on experimentation</td> <td>Scientific principles are formulated based on observation, and later tested through repeated experimentation over a period of time.</td> <td>Managers also test and experiment managerial principle under different conditions.</td> </tr> <tr> <td>Universal validity</td> <td>Scientific principles have universal validity and that can be applied in all situations and will be the same result.</td> <td>Management principles are not exact as scientific principles. So their application and use requires some modifications according to each situation.</td> </tr> </tbody> </table>	Common features	Science	Management as a Science	Systematic body of knowledge	In science, there is systematic study materials available to acquire the knowledge of science	Like science in management also there is systematic and organized study material.	Principles based on experimentation	Scientific principles are formulated based on observation, and later tested through repeated experimentation over a period of time.	Managers also test and experiment managerial principle under different conditions.	Universal validity	Scientific principles have universal validity and that can be applied in all situations and will be the same result.	Management principles are not exact as scientific principles. So their application and use requires some modifications according to each situation.	4	4
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25		<p>Yes.</p> <p>Planning establishes standards for controlling. Through planning management decides the standard of performance. With the help of these standards, comparison can be made with the actual. If there is a difference, proper steps can be taken to correct it. Therefore, we can say that planning is a prerequisite for controlling. Planning and controlling are closely connected. If the actual performance is not as per plans, corrective actions are taken through controlling.</p>	<p>1 3</p>	4				
26		<p>Importance of Understanding of Business Environment (Any 4 Points)</p> <ol style="list-style-type: none"> 1) It helps the firm to identify opportunities and get the first mover advantage: 2) It helps a firm to identify threats and early warning signals 3) Coping with changes 4) It helps in assisting in planning and policy formulation 5) It helps in improving performance 6) Helpful in tapping and assembling resources 	4 X 1	4				
Answer ANY 3 questions from 27 to 30. Each carries 5 scores (3 X 5=15)								
27	<p>(a)</p> <p>(b)</p> <p>(c)</p> <p>(d)</p> <p>(e)</p>	<p>Digital transaction - (3) Technological environment</p> <p>Introduction of Companies Act,2013 - (5) Legal Environment</p> <p>Demonetisation - (1) Economic Environment</p> <p>Women empowerment - (2) Social environment</p> <p>Stable government - (4) Political environment</p>	<p>1</p> <p>1</p> <p>1</p> <p>1</p> <p>1</p>	5				
28		<p>(Any 4 differences and 2 examples)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; text-align: center;">Single-Use Plans</th> <th style="width: 50%; text-align: center;">Standing Plans</th> </tr> </thead> <tbody> <tr> <td style="vertical-align: top;"> <p>A single use plan is developed for a one – time event (eg. Plan for Asianet Film Award Night, conference) or projects.</p> <ul style="list-style-type: none"> ➤ They are for non-recurring situations ➤ Its duration may be a week, month and sometimes only a day,e.g a seminar ➤ It is useless when the project or event is over ➤ Single use plans include- Budgets,Programmes and projects </td> <td style="vertical-align: top;"> <p>A standing plan is used for activities that occur regularly over a period of time.</p> <ul style="list-style-type: none"> ➤ It is designed to ensure that internal operations of an organization run smoothly ➤ Such plan enhances efficiency in routine decision making. ➤ It is usually developed once but used over and over again with necessary modifications from time to time to meet business needs as required. ➤ Standing plans include Policies,Procedures,Met </td> </tr> </tbody> </table>	Single-Use Plans	Standing Plans	<p>A single use plan is developed for a one – time event (eg. Plan for Asianet Film Award Night, conference) or projects.</p> <ul style="list-style-type: none"> ➤ They are for non-recurring situations ➤ Its duration may be a week, month and sometimes only a day,e.g a seminar ➤ It is useless when the project or event is over ➤ Single use plans include- Budgets,Programmes and projects 	<p>A standing plan is used for activities that occur regularly over a period of time.</p> <ul style="list-style-type: none"> ➤ It is designed to ensure that internal operations of an organization run smoothly ➤ Such plan enhances efficiency in routine decision making. ➤ It is usually developed once but used over and over again with necessary modifications from time to time to meet business needs as required. ➤ Standing plans include Policies,Procedures,Met 	4 + 1	5
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		<ul style="list-style-type: none"> ➤ Example-Budget for events like Asianet Film Award Night or Annual General Meeting of Shareholders of a company. 	<ul style="list-style-type: none"> ➤ hods and Rules Example-Selection procedure for a particular post in a company. 		
29		<p>14 Principles of Management developed by Henri Fayol (Any 5 with short explanation)</p> <p>Fourteen principles of management developed by Fayol are:</p> <ol style="list-style-type: none"> 1. Principle of Division of Work 2. Principle of Authority and Responsibility 3. Principle of Discipline 4. Principle of Unity of Command 5. Principle Unity of Direction 6. Principle of Subordination of Individual Interest to General Interest 7. Principle of Remuneration of Employees 8. Principle of Centralisation and Decentralisation 9. Principle of Scalar Chain 10. Principle of Order 11. Principle of Equity 12. Principle of Stability of Tenure of Personnel 13. Principle of initiative 14. Principle of Esprit De Corps (Union is Strength) 		5 X 1	5
30		<p>Importance of management principles (Any 5)</p> <ol style="list-style-type: none"> 1. Providing managers with useful insights into reality 2. Optimum utilization of resources and effective administration 3. Scientific decisions 4. Meeting changing environment requirement 5. Fulfilling social responsibility 6. Base for management training, education and research 		5 X 1	5
Answer ANY 2 questions from 31 to 33.Each carries 8 Scores (2 X 8= 16)					
31	(a)	<p>Characteristics of Coordination (Any 5)</p> <ol style="list-style-type: none"> 1.Coordination Integrate Group Efforts 2.Coordination ensures unity of action 3.Coordination is a continuous process 4.Coordination is a pervasive function 5.Coordination is the responsibility of all managers 6.Coordination is a deliberate function 		5	8
	(b)	<p>Importance of coordination (Any 3)</p> <ol style="list-style-type: none"> 1.Growth in size 2.Functional Differentiation 3.Optimum Utilization of Resources 		3	

		4.Reconciliation of goals 5.Encouragement of team spirit		
32	(a)	Features of Planning (Any 4) 1.Planning focus on achieving objectives 2.Planning is a primary function of management 3.Planning is pervasive 4.Planning is continuous 5.Planning is futuristic (Forward-looking) 6.Planning is a mental exercise	4	8
	(b)	Importance of Planning (Any 4) 1.Planning provides directions 2.Planning reduces the risks of uncertainty 3.Planning reduces overlapping and wasteful activities 4.Planning promotes innovative ideas 5.Planning facilitates decision making 6.Planning establishes standards for controlling 7.Planning improves efficiency	4	
33	(a)	F W Taylor	1/2	8
	(b)	Principles of Scientific Management (Any 3 with explanation) 1. Science, not rule of thumb 2. Harmony, Not Discord (Conflict) 3. Co-operation, not individualism 4. Scientific selection, training and development of workers	4.5	
	(c)	5. Maximum, not restricted output Techniques of Scientific Management (Any 2 with explanation) 1. Functional Foremanship 2. Standardisation and simplification of work 3. Work Study: 4. Differential Piece Wage System	3	

Thank You,

Prepared by, **BINOY GEORGE, HSST, MKNM HSS, Kumaramangalm, Idukki**

Mob:9447980247