

ANSWER ANY 8 QUESTIONS, EACH CARRIES 1 SCORE

1. Efficiency
2. Motion study
3. Single use plans
4. Divisional structure
5. Recruitment
6. Financial incentive
7. Controlling
8. Financing decisions
9. Price
10. National Commission

ANSWER ANY 5 QUESTIONS, EACH CARRIES 2 SCORE

11. Management is an art of getting things done through others utilizing scarce resources beneficially for the organisations.
12. L - Liberalisation, **P- Privatisation, G – Globalisation**
13. Planning is done for the future, which is uncertain. Certain assumptions are made about the future environment. The assumptions are known as planning premises. It involves anticipation of future demands, competition, technology, economic conditions etc.
14. Formal organization means the organizational structure designed and established by the management to achieve organizational goals. In this structure authority, responsibility, line of command; clear definition of jobs will be specified.
15. Supervision, Motivation, Leadership, Communication
16. 1) Establishment of standards 2) Measurement of performance 3) Comparison of actual performance with standards 4) Taking corrective actions

ANSWER ANY 5 QUESTIONS, EACH CARRIES 3 SCORE

17. 1. **Standardization and simplification of work:** It refers to a systematic study of every aspect of a work to reduce cost and effort and to increase efficiency and productivity.
2. **Method Study:** It is concerned with the study to know the best method of doing a particular job. Its object is to minimize the production cost. It involves with decision about plant lay out, design of product, material handling, production process, transportation and storage of material and finished goods, etc.
3. **Motion study:** It is concerned with the study of movement of a worker and machines to perform a particular job. The objective is to eliminate useless motion and thereby avoid wastage and inefficiency. It determines the standard number of movements of an average worker to perform a specific job.
4. **Time study:** It refers to a study of the time that required to an average worker to complete a task. It aims at fixing the standard time required to do a particular job. It helps to increase the efficiency and reduce the cost and effort
5. **Fatigue study:** Fatigue means tiredness. Fatigue study is the study of the amount and frequency of rest intervals required in completing a work. Fatigue may be physical or mental. Tired worker will reduce the efficiency and rest time may be granted to recoup the energy.
6. **Functional foremanship:** Functional foremanship is a form of organization which involves supervision of a worker by several specialist foremen. Under this system, the total task of an organization is divided into planning and production and appoints 8 foremen to supervise the workers.

Four of them in the office for planning the work and four of them in the shop for executing the work.

(Any 3 points with meaningful explanation)

18. **1. Recruitment-** Recruitment is the process of searching for prospective employees and stimulating them to apply for jobs in the organization. It involves with identification of different source of manpower and inducing the jobseekers to apply for the job. As it is an invitation to prospective candidates to apply for jobs, it is regarded as a positive process.
- 2. Selection-** Selection is the process of identifying the most suitable and promising candidates from the list of recruited persons. It involves a careful screening and scrutiny of candidates who have applied for the job. In contrast to the process of recruitment, selection is regarded as a negative process because; more candidates will be rejected than offering employment.
- 3. Training-** Training is the method of increasing the knowledge, skills and aptitudes of an employee for performing a particular job. It aims at improving the performance of employees. Training is necessary for new and existing employees.

19. **1) Initiates action:** After planning, organizing and staffing, the work starts only when the manager performs the directing function. Through direction, the management motivates individual in the organisation to perform in the desired way to achieve objectives.

2) Integrates employee's effort: The performance of each individual is related with others.

Directing function integrates the activities of each people in the organization through instruction, guidance, supervision, etc.

3) Means of motivation: Every individual working in the organization has some potentialities and capabilities. Direction helps to motivate employees to contribute their maximum effort towards the achievement of organizational goals

4) Provides stability and balance in the organization: Proper direction minimize conflicts

and maintain stability and balance between individual conflicts and organizational conflicts. Effective leadership, supervision, motivation and communication provides stability in the organization and maintain balance in the organization.

5) Facilitates changes in the organization: Proper direction can persuade the employees to accept changes and bring about improvement in the business organization

(Any 3 points with meaningful explanation)

20. **1) It makes planning meaningful:** Planning is meaningless without controlling and all efforts in making planning is a waste.
- 2) It helps in correction of deviation:** Controlling evaluates the actual performance with planned performance and correct if any deviation. Taking corrective action will help to avoid future occurrence of mistakes
- 3) Decision making:** Controlling helps to take proper managerial decision and actions to achieve the standards
- 4) Better planning:** An effective control system helps to recognize the drawbacks of plan and facilitate future planning.
- 5) Co-ordination:** In order to co-ordinate the activities of individuals and departments in an organization, efficient controlling system is necessary.

(Any 3 points with meaningful explanation)

21. Money required for carrying out business activities is called finance. Finance is essential for the commencement, existence and growth of the business. It is the lifeblood of each business.
22. **Branding:** A brand is a name, term, symbol or design or a combination of them which is intended to identify the goods of one seller or group of sellers and to differentiate them from those of the competitors. **Trade mark:** Trade mark refers to brand which is registered with the government under Trade and Merchandise Marks act, 1958.

ANSWER ANY 4 QUESTIONS, EACH CARRIES 4 SCORE

23. (1.) Receive order and instructions from the top level and pass on lower level. (2). Interpret and implement the policies and plans of top management (3). Supervise direct and control the lower level managers (4). Planning the activities to be carried out their respective departments (5). Evaluate the performance of the departmental employees and taking remedial actions if necessary. (6). Reporting to the top level management (7). Recruit and select the subordinates and provide them leadership and motivation.

24.

Inflation rate	Economic environment
Customes and Tradition	Social environment
Scientific improvements	Technological environment
Ideology of government	Political environment

25.

FUNCTIONAL STRUCTURE	DIVISIONAL STRUCTURE
1. Focus on Functions- production, finance, sales etc.	1. Focus on products, territories etc
2. Occupational specialization	2.Product specialization
3. Less autonomy in operation	3. More autonomy in operation
4. It is economical	4. It is expensive
5 .Simple Structure	5. Complicated Structure
6. Control of department is simple	6. Control of division is difficult
7. Coordination between departments is difficult.	7. Coordination between divisions is simple.

26. The amount of fixed capital varies from business to business. This is determined by the following factors.

1. **Nature of business:** - The nature and character of business determine how much fixed capital is required. E.g.: A trading concern needs lower investments in fixed assets compared with a manufacturing organization.

2. **Scale of operations/ size of business:** A large sized business will generally require huge investment in fixed assets as compared to a small sized business.

3. **Choice of techniques:** - Some industries are capital intensive while others are labour intensive. The requirement of fixed capital would be higher in capital intensive industries.

4. **Technology up gradation:** - In certain industries assets become obsolete sooner. Consequently, their replacement becomes due faster. Higher investments in fixed assets may therefore require for such business.

5. **Growth prospects:** - Higher growth of an organization generally requires higher investments in fixed assets.

6. **Diversification:** When a firm diversifies its activities, requirements for fixed capital will increase.

7. Financing alternatives: - when an asset is taken as lease, the firm pays lease rentals and uses it. By doing so it avoids huge sum required to purchase it and thereby reducing investment in fixed assets.

(Any 4 points with meaningful explanation)

27. **1. Right to safety:** The consumer has the right to be protected against marketing of goods which are hazardous to life and health.

2. Right to informed: The consumer has a right to have complete information about the product he intends to buy including its ingredients, date of manufacture, price, quality, direction to use, possible side effects etc.

3. Right to choose: The consumer has the freedom to choose from a variety of products at competitive prices. This implies that marketer should offer a wide variety of products in terms of quality, brand, prices, size etc.

4. Right to be heard: The consumer has the right to file a complaint and to be heard in case of dissatisfaction with goods and services. Therefore, many reputed firms have, set up their own consumer service and grievance cells. (Any 4 points with meaningful explanation)

ANSWER ANY 3 QUESTIONS, EACH CARRIES 5 SCORE

28. **1. Division of Work:** Division of work implies the subdivision of total tasks into small elements and each element is assigned to the workers. This led to specialization of work. The workers gain speed and accuracy while they are doing the same work again and again. This principle is applied to technical as well as managerial activities. When the individual efficiency of worker increased, it leads to increase the total efficiency of the organization.

2. Authority and Responsibility: Authority is the right of a superior to give orders and instructions to subordinates. Responsibility is the obligation of subordinates to perform the duties assigned by the superiors. There should be parity between authority and responsibility. Giving authority without fixing responsibility is useless. Responsibility without adequate authority is ineffective to the workers.

3. Discipline: Discipline means getting obedience to rules and regulations of the organization. According to Fayol, discipline is obedience, obligation, energy and outward mark of respect. It is necessary for smooth running of the business. Maintenance of discipline depends on quality of leader or supervisor, clear and fair rules, application of reward and punishment, etc.

4. Unity of command: It implies that, each subordinate should receive orders and instruction from only one superior at a time. If a subordinate receives orders from more than one superior, he cannot able to perform in a proper manner. It leads to confusion to worker and a conflict among superiors.

5. Unity of direction: It implies that, there should be one head and one plan for a group activity having the same objective. There must be one manger and one plan for all operations having the same objective. The effort of all the members in an organization should be directed towards the common goal. This will enable unity of actions and effective co-ordination.

(Any 5 points with meaningful explanation)

29. **1. Planning is goal oriented:** - Planning involves selecting the objectives and developing steps necessary to achieve them.

2.Planning is the primary function of management (Primacy of management):- It is the primary function of management because all other functions are performed within the framework of plan drawn. Without planning, there is nothing to organize, no one to coordinate and no need to control. Thus, planning lays the foundation for other managerial function.

3. Planning is pervasive: -Planning is required at all levels of management as well as in all departments of the organization. Managers at the top level prepare long-term plans for the organization as whole.

4. Planning is Futuristic (forward looking):_- Planning is looking ahead and preparing for the future. Planning is concerned with deciding in the present what has to be done in future.

5. Planning involves decision making: -Planning is the process of choosing the best alternative among the alternative courses of action. There is no need of planning if there is only one way of doing things.

6. Planning is continuous: - Planning is continuous and never-ending process. Plans need to be modified or new plans are to be undertaken. Thus, planning is a continuous process.

7. Planning is a mental process: - Planning is a mental exercise involving creative thinking and imagination. Planning requires a conscious determining of course of action on the basis of goals, facts and considered estimates. Thus, planning is a process of thinking before doing.

(Any 5 points with meaningful explanation)

30. 1. **Amount of earnings:** It is the main determining factor of dividend policy, because dividend can be paid out of current and past earnings.
2. **Stability earnings:** - A company having stable earnings is in a position to declare higher dividend, otherwise strict dividend policy followed.
3. **Stability of dividend:** - Companies generally follow a stable dividend policy. They follow increasing dividend policy when there is confidence that their earning capacity has gone up.
4. **Growth opportunities:** - Companies having good growth opportunities retain more money. Out of their earnings so as to finance the required investment
5. **Cash flow position:** Dividend involves an outflow of cash. A company may be profitable but short in cash. Availability of enough liquid cash in the company is necessary for declaration of dividend.
6. **Shareholder's preference:** Desire of shareholders for dividends depends upon their economic status. Small shareholders and retired people prefer regular income wealthy investors are interested in capital gain
7. **Taxation policy:** -The taxation rate affects the net earnings of a company and thereby its dividend policy also. If tax on dividend is higher, it is better to pay less by way of dividends.
8. **Stock market reactions:** -An increase in dividend policy has a positive impact on the share price. It is good news for the investors and hence stock price increase. Decrease in dividend has a negative impact on the share price.

(Any 5 points with meaningful explanation)

31. **Rebates:** A deduction is made on the price of the product to make it attractive to the buyers is called rebate
- Discounts:** Certain percentage of the price of the product is reduced as discount from the price of the product. This induces the buyers to purchase more.
- Free gifts:** The consumer is given a free gift along with the product to t attract the buyers
- Contests:** In this case consumers are required to participate in some competitive event and winners are given some reward
- Refunds:** In this case, the seller offers to refund a part of price paid by the customers on production of some proof of purchase
- Packaged premium:** Marketers pack some gifts inside the product package and this will create motivation among the consumers to buy the product.
- Samples:** Free samples are distributed to promote sales. E.g., Sample products like soap, toothpaste, detergents. Etc.

(Any 5 points with meaningful explanation)

ANSWER ANY 2 QUESTIONS, EACH CARRIES 8 SCORE

32. The process of staffing involves the following steps:

- 1) Manpower planning:** Manpower planning is concerned with forecasting the future requirements of manpower for the various sections of the organization. It involves the determination of the quantity and quality of manpower.
- 2) Job Analysis:** It involves the process of collecting and analysing the basic elements of each and every job. It includes study of job, responsibilities, relation with other jobs, qualification and skill required, etc.
- 3) Recruitment:** It is the process of identification of different sources of personnel and stimulating them to apply for the job in the organization
- 4) Selection:** Selection involves a careful screening and choosing the right candidates who have applied for the job
- 5) Placement:** Placement involves putting the right person on the right job. Proper placement helps to reduce labour turnover, absenteeism and accidents
- 6) Orientation:** Orientation is the process of making new employees familiar with the organization, work environment, existing staff and work rules. A formal orientation system helps the new employees to reduce initial nervousness.
- 7) Training and Development:** Training and development is the process of increasing the knowledge and skill of the employees so as them enable to perform better.
- 8) Performance Appraisal:** It is the evaluation of the job performance and behaviour of the employees periodically. It is necessary to for future improvement
- 9) Compensation:** It is concerned with the amount and form of remuneration payable to every employee on the basis of job evaluation and performance appraisal. The pay structure of the employees should be fair and provide incentive to employees
- 10) Promotion and Transfer:** Moving an employee from his current position to positions of higher responsibility is called Transfer. Moving and employee from one place to another without changing his job position and responsibility is called Promotion

(Any 8 points with meaningful explanation)

33. The process of communication can be depicted as follows:
1. Sender: Sender or communicator is the person who sends a message or an idea.
 2. Message: Message is the subject matter of communication. It may be words, facts, opinion, ideas, appeal, views, suggestion, grievance, etc.
 3. Encoding: In order to transmit the ideas, the sender translates the idea into a language known to both the parties.
 4. Channel: Channel is the medium or route through which the message is passed from the sender to receiver. It may be face to face talk, letter, telephone, radio, Television, etc.
 5. Receiver: Receiver or communicate is the person who is supposed to receive the message.
 6. Decoding: The receiver translates the message into words for the purpose of understanding, called decoding.

7. Feedback: It is the reaction, reply or response which the receiver sends to acknowledge his understanding of message.

(Diagram required)

34. Marketing mix is a plan which designs marketing strategy regarding controllable variable of marketing system. These marketing variables include Product, Price, Place (Distribution) and Promotion called 4 Ps. These four elements are inter-related and inter-dependent.

The four components of marketing mix include product mix, price mix, promotion mix and distribution mix. These components are also called 4 P's.

1. **PRODUCT MIX**- The different type of product a firm manufactures and marketing is called product mix. While determining the product mix, the quantity of output, shape, size and weight, quality and standard, product design, product range, brand name, packaging and labelling, etc are considered.
 2. **PRICE MIX**- Price means exchange value of goods or services in terms of money. The decisions relating to pricing of a product are called price mix. The basic objectives of the firm, cost of production, competition in the market, demand for the product, and govt. control should be the basic conditions in determining the price mix
 3. **PLACE MIX (Distribution Mix)**- Product which are manufactured at a particular place, but the products are consumed at different places during different seasons or throughout the year. Thus, the marketing manager has to take decision regarding supply of product at the right time in right place.
 4. **PROMOTION MIX**- Decision with regard to informing and persuading the customers about the firm's product is called promotion mix. Promotion mix involves decisions about advertising, personal selling, sales promotion and publicity.
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