

UNOFFICIAL ANSWER KEY

SECOND YEAR HIGHER SECONDARY SECOND TERMINAL EXAMINATION , DEC- 2022

PART III

SUBJECT: BUSINESS STUDIES WITH FM

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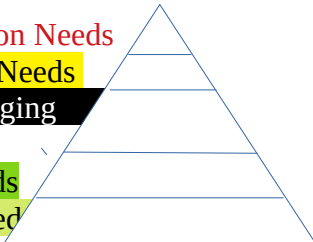
CODE :2048

80 SCORES

2 1/2 HOURS

Qn. No	Sub.Qns	Answer Key / Value Point	Score	Total Score
		I. Answer any 8 questions from 1 to 10. Each carries 1 score. (8x1=8)		
1		c. Lower.	1	
2		Order.	1	
3		a. Social.	1	
4		Planning.	1	8
5		a. Forward looking, b. Continuous activity. c.,Exists at all levels (any one)	1	
6		d. All of these.	1	
7		Negative.	1	
8.		Case study.	1	
9.		Affiliation/Belonging Needs.	1	
10.		Controlling .	1	
		II. Answer any five of the following questions from 11 to 16. Each carries 2 score. (5X2=10)		
11.		Management is the process of getting things done through others with the aim of achieving organisational goals effectively and efficiently.	2	
12.		Planning is done for the future which is uncertain, certain assumptions are made about the future environment .These assumptions are known as planning premises.	2	
13.		An organization structure is formed on the basis of different functions or work to be done in the enterprise. It is called functional structure of organisation.	2	
14.		a. Intelligence test.,b. Trade test.,c. Aptitude test.,d. Interest test.,e. Personality test (any 2)	1+1	10
15.		a. Supervision, b. Motivation. ,c. Leadership., d. Communication.	4X1/2 =2	
16.		When the process of planning employed in finance, it is called financial planning. It involves the estimation, procurement, utilization and administration of funds.	2	
		III. Answer any 5 questions from 17 to 22. Each question carries 3 Scores. (5x3=15) .		
17.		Functional foremanship is a form of organization which involves		

	<p>supervision of a worker by several specialist foremen.</p> <p>a. Instruction Card Clerk – To lay down the exact method of doing a work, use of tools and equipments etc.</p> <p>b. Route Clerk - To lay down the sequence of operation and direct the workers to follow the same.</p> <p>c. Time and Cost Clerk – To lay down the time table for doing various jobs and maintain the records of the cost of work.</p> <p>d. Disciplinarian – To enforce rules and regulations and maintain discipline among workers.</p> <p>e. Speed Boss – Ensures that machines are run at their optimum speed.</p> <p>f. Gang Boss – To assemble and set up various equipments and tools to enable the workers begin their work immediately after entering the shop.</p> <p>g. Repair Boss – Ensures regular cleaning, servicing and repair of machines to keep them in efficient working order.</p> <p>h. Inspector – To ensure that the workers do their work to the desired quality and that the jobs are executed as per specifications.</p>	3	
18.	<p>a. Globalization – Globalization means free movement of goods, capital and labour across the globe. This involves reduction of import duties and encouragement of foreign investment.</p> <p>b. It is just opposite to “Nationalization”. Privatization is a trend all over the world now, in India the priority given to the public sector is gradually being reduced and the role of private sector is being encouraged.</p> <p>c. Liberalization – Liberalization means liberating the economy from the regulations and restrictions on economic growth.</p>	1+1+1	15
19.	<p>In this case an actual work situation is created in a classroom. Employees use the same materials and equipment for training.</p>	3	
20.	<p>a. Accomplishing organizational goals.,b. Judging accuracy of standards.,c. Efficient use of resources.,d. Improving employee motivation.,e. Ensures order and discipline.,f. Coordination (Any three points).</p>	1+1+1	
21.	<p>a. Investment Decision. – It is concerned with how firm’s valuable funds are to be invested in various assets. It will include</p> <p>a. Long term investment decisions (capital budgeting decision) E.g., Purchasing a new machine, opening a new branch etc.</p> <p>b. Short term investment decision (working capital decision) – related to the day to day working of a business. E.g., Level of cash in hand, inventory etc.</p> <p>b. Financing Decision – it is concerned with the quantum of finance to be raised from various long term sources. They are shareholders’ fund and borrowed fund such as shares, debentures, loans etc.</p> <p>c. Dividend Decision – It is concerned with the disposal of profits. Profits are required for different purposes. A portion of the profit is to be retained in the business for growth and expansion. That part of</p>	1+1+1	
		3	

22.	<p>profit is called retained earnings and the rest of the profit is to be distributed to the shareholders in the form of dividends.</p> <p>Trading on equity refers to the use of fixed income securities such as debentures and preference capital in the capital structure so as to increase the return on equity capital. In other words, equity share holders get additional profits with the help of employing others fund. It is also known as financial leverage or capital gearing.</p>	3					
<p>Answer any 4 questions from 23 to 27. Each carries 4 scores. (4 x4 =16)</p>							
23.	<p>Coordination is the essence of management. It is the process of achieving unity of action among interdependent activities and departments of an organisation.</p> <p>(i) Coordination integrates group efforts.,(ii) Coordination ensures unity of action.,(iii) Coordination is a continuous process.,(iv) Coordination is an all pervasive function.,(v) Coordination is the responsibility of all managers.,(vi) Coordination is a deliberate function. (Any 2 points).</p>	2					
24.	<table border="1" data-bbox="354 907 1262 1160"> <thead> <tr> <th data-bbox="354 907 943 958">A</th> <th data-bbox="943 907 1262 958">B</th> </tr> </thead> <tbody> <tr> <td data-bbox="354 958 943 1160"> a. No smoking inside the premises. b. Promotion on the basis of merit only. c. Increase sales by 20 %. d. Time rate system of wage payment. </td> <td data-bbox="943 958 1262 1160"> a. Rule. b. Policy. c. Objectives. d. Method. </td> </tr> </tbody> </table>	A	B	a. No smoking inside the premises. b. Promotion on the basis of merit only. c. Increase sales by 20 %. d. Time rate system of wage payment.	a. Rule. b. Policy. c. Objectives. d. Method.	1x4=4	16
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25.	<p>i) <u>Basic Physiological Needs</u>: These needs are most basic in the hierarchy . Eg: Hunger, thirst,shelter, sleep and sex etc.,</p> <p>(ii) <u>Safety/Security Needs</u>: These needs provide security and protection from physical and emotional harm. Eg: job security, stability of income, Pension plans etc.,</p> <p>(iii) <u>Affiliation/Belonging Needs</u>: These needs refer to affection, sense of belongingness, acceptance and friendship.</p> <p>iv) <u>Esteem Needs</u>: These include factors such as self-respect, autonomy status, recognition and attention.</p> <p>(v) <u>Self Actualisation Needs</u>: It is the highest level of need in the hierarchy. Self actualization is the need to maximize one’s potential, whatever it may be.</p> <div data-bbox="354 1697 981 1937" style="text-align: center;">  <p>Self Actualisation Needs Esteem Needs Affiliation/Belonging Safety/Security Needs Basic Physiological Need</p> </div>	4					

26.		<ul style="list-style-type: none"> i. Nature of Business ii. Scale of Operations iii. Choice of technique iv. Technology up gradation v. Growth prospects vi. Diversification vii. Method of acquiring fixed assets viii. Collaboration. (Any 4 points) 	1x4=4	
27.		<ul style="list-style-type: none"> a. 1. Difficulty in setting standards Controlling will be effective only when standards are fixed in quantitative terms. b.. Little control on external factors : External factors such as Government policy, technological changes, competition etc. cannot be controlled by the organization . c. Resistance from employees: Employees may oppose the control measures taken by the firm, because they may feel that it will reduce their freedom. d. Costly affair Small organizations cannot afford to install an effective control system as it is very costly. (Any 2 points) 	2x2=4	
28.		<p>IV. Answer any 3 of the following questions from 28 to 31 . Each carries 5 Scores (3X4=15)</p> <ul style="list-style-type: none"> a. Management is goal oriented – Management aims at achieving certain specified objectives (goals) of the enterprise. b. Management is Pervasive – Management activities are universally applicable in all types organizations anywhere in the world. c. Management is multidimensional – Management has three dimensions: <ul style="list-style-type: none"> i. Management of work – All organizations are engaged in doing some work such as school for education, factory for production of goods, hospitals for treatment etc. ii. Management of people – Managing human resource as individual and group. iii. Management of operations – Management is also focusing in the production process by which the inputs are transformed into output with help of technology. d. Management is a continuous process - which involves planning, organizing, staffing,directing and controlling. e. Management is a group activity – Management cannot exist independent of the group or organization it manages. Goals and objectives of an organization can be effectively attained by a group rather than by an individual. f. Management is a Dynamic Function – Management principles are not static in all situations. It must be adopted according to the changing needs of the organization. g. Management is an intangible force – Its presence is felt by the result of the organization. e.g. increase in profit. (Any 5 points) 	1x5=5	15
29.		Business environment is the aggregate of all conditions, events and	2	

30.	<p>influences that surround and affect it.</p> <p>a. Identification of business opportunities and getting the first mover advantage –Identification of opportunities at an early stage helps the firm to be able to exploit them without losing them to competitors.</p> <p>b. Identifying threats and early warning signals – Environmental awareness helps the managers to identify various threats; it provides the business early warning signals to plan its future course of action. E.g., Entry of multinational companies in Indian market gave a warning signals for the domestic industries to make some preparations like cost reduction, improving quality, reducing wastages etc.</p> <p>c. Tapping useful resources – Environment provides various resources to the business like materials, machinery, water, finance, electricity, labour etc.</p> <p>d. Coping with rapid changes – Business environment is highly dynamic such as change in market condition, technology, competition etc. To cope with these changes managers must be dynamic. This is possible through proper environment scanning.</p> <p>e. Assisting in planning and policy formulation – Environment scanning gives vital information which can be taken as the basis for deciding future course of action (planning) or framing guidelines for decision making (policy formulation).</p> <p>f. Helps in improving performance – Those enterprises which continuously monitor their environment and adopt suitable policies will improve their performance. (Any 3 points)</p> <p>a. Rigidity (inflexibility) – Planning restricts the individual skill, initiative and creativity, because employees are required to work strictly in accordance with the plans.</p> <p>b. Planning may not work in dynamic environment – The scope for planning is limited up to a certain extent especially in the organizations having rapid changing situations e.g. Fashionable products.</p> <p>c. Planning reduces creativity – Managers at middle and lower levels are just implementing the plans formulated by the top management, thus it reduces the creativity among them.</p> <p>d. Huge Cost – Planning is a very expensive and time consuming process which involves the collection of data, analysis, interpretation etc. Hence it is not suitable for quick decisions as well as for small concerns.</p>	3	1x5=5
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31.

e. Time consuming – Sometimes plans to be drawn up take so much time, but there is no much time left for their implementation.
 f. Does not guarantee success – Planning may create a false sense of security in the organization that everything is going smooth; it affects independent thinking and creativity of managers.
 (Any 5)

Basis	Formal Organization	Informal Organization
1. Meaning.	1. Structure of authority created by management.	1. Network of social relationship among the employees
2. Origin.	2. Established on the basis of company rules and regulations.	2. Originated as a result of social interaction.
3. Authority.	3. Based on the position in the management.	3. Based on personal qualities.
4. Behavior.	4. It is directed by rules.	4. There is no set behavior pattern.
5. Flow of Communication	5. Through the scalar chain.	5. It can take place in any direction (Grapevine).
6. Nature.	6. Rigid.	6. Flexible.
7. Leadership.	7. Managers are leaders.	7. Leaders are chosen by the group.

1x5

32.

Answer any 2 questions from 32 to 34. Each carries 5 scores. (3 x5 =15)

i) Division of Work: Work is divided into small tasks/ jobs. A trained specialist who is competent is required to perform each job. Thus, division of work leads to specialisation. Specialisation is the most efficient way to use human effort. This principle is applicable to both technical and managerial activities.
 (ii) Authority and Responsibility: Authority is the right to give orders and obtain obedience.
 Responsibility means obligation to perform the work in the manner desired and directed by authority.
 (iii) Discipline: Discipline is the obedience to organisational rules and employment agreement which are necessary for the working of the organisation. It ensures the smooth running of the organization and applicable for workers and management.
 (iv.) Unity of Command – This principle states that each employee should receive orders from one superior only. It helps to avoid and confusion and conflict in the workers.
 (v) Unity of Direction : Each group of activities having the same object must have one head and one plan. This ensures unity of action and coordination.
 (vi) Subordination of Individual Interest to General Interest: The business enterprise is superior to individuals. So the interests of an organisation should take priority over the interests of any one individual employee.

1X8

16

(vii) Remuneration of Employees: Remuneration should be just and equitable. This will ensure pleasant atmosphere and good relations between workers and management.

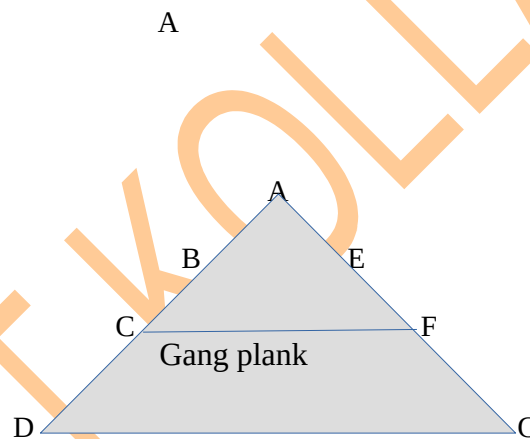
(viii) Centralisation and Decentralisation:

Centralisation: The concentration of decision-making authority is called centralisation .

Decentralisation: Decentralisation means dispersal of authority to the lower levels in the organisation.

(ix) Scalar Chain: An organisation consists of superiors and subordinates. The formal lines of authority from highest to lowest ranks are known as scalar chain.

According to Fayol, "Organisations should have a chain of authority and communication that runs from top to bottom and should be followed by managers and the subordinates." In case of urgency the established chains can be violated and Gang Plank (direct contact) between two concerned authorities may be established. Short-circuiting the chain of command where emergency decisions are to be taken is known as Gang Plank.



(x) Order: According to Fayol, "People and materials must be in suitable places at appropriate time for maximum efficiency." The principle of order states that 'A place for everything (everyone) and everything (everyone) in its (her/his) place'.

(xi) Equity – (Equality) This principle says that superiors should be impartial while dealing with their subordinates. This will ensure loyalty and devotion.

(xii) Stability of Personnel: According to Fayol, workers should not be moved from one job to another frequently.

(xiii) Initiative: Initiative means taking the first step with self-motivation. It is thinking out and executing the plan. It is one of the traits of an intelligent person. Initiative should be encouraged.

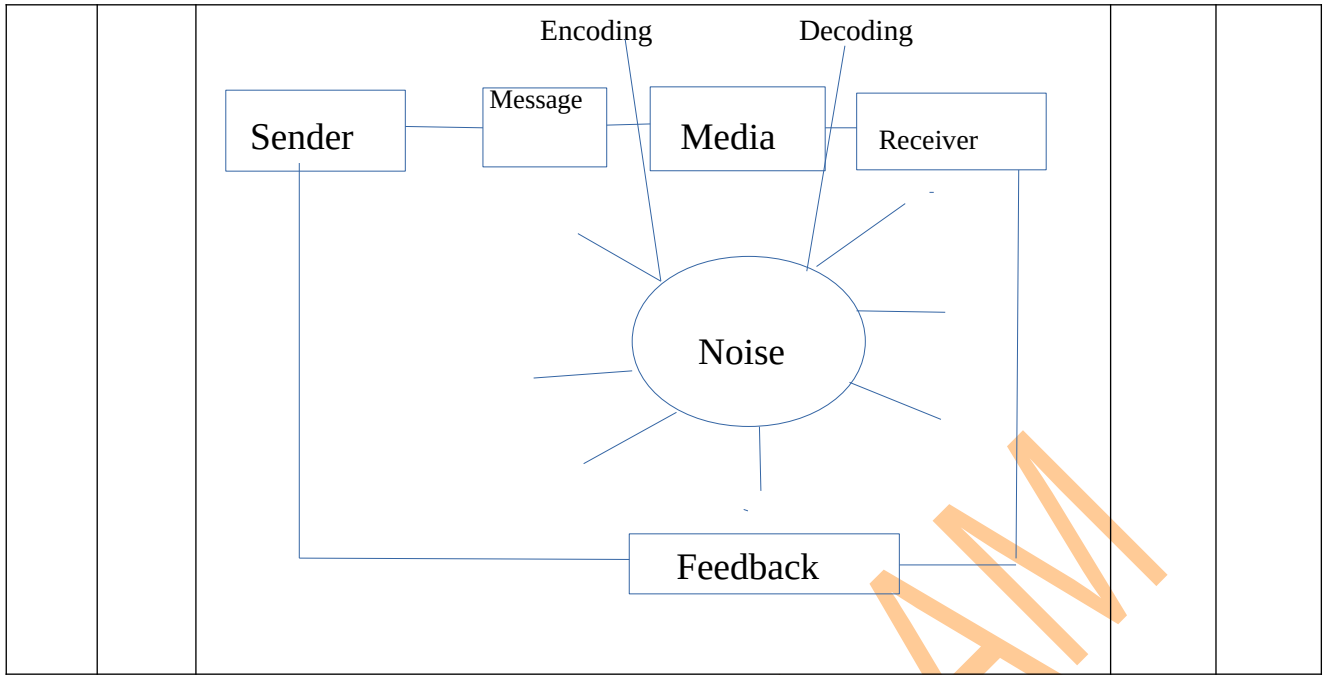
(xiv) Esprit De Corps (Union is Strength): According to Fayol, management should promote a team spirit of unity and harmony among employees.

(Any 8)

33.

1. Direct recruitment – Under this method a notice is published on the notice board of the enterprise regarding job vacancies. The candidates are assembled on a particular date and the selection is done on the spot.
2. Casual callers from waiting list – Most of the employers are maintaining

34.	<p>a database with details of applications received from casual applicants and it may be used as a source of recruitment.</p> <p>3. Advertisement – It is the most effective means to search potential employees from outside the organization.</p> <p>4. Employment Exchanges – This is a network of employment exchanges run by the government. Job seekers get themselves registered with these exchanges and their names will be supplied to the business organizations on the basis of their requisition.</p> <p>5. Placement Agencies and Personnel Consultants – Some specialized agencies in the form of personnel consultancy services have been developed in recent times. These agencies also undertake total functions of recruiting and selecting personnel on behalf of the employer and they charge fees for these services.</p> <p>6. Campus interviews – Many organizations conduct preliminary search of employees by conducting campus interviews in universities and colleges.</p> <p>7. Recommendations of Present Employees – Some employers treat the recommendations of their present employees as a useful source of recruitment. This ensures reliability and suitability for the post and it helps in boosting the morale of existing employees.</p> <p>8. Labour Contractors – This is a method of hiring skilled, semi-skilled and unskilled workers. The contractors keep in touch with a large number of workers and bring them at the places where they are required.</p> <p>9. Advertising on Television – This method of recruitment is gaining importance these days. The detailed requirements of the job and the qualities required to do the job are published by the organisations through television.</p> <p>10. Web Publishing – It is now a common source of external recruitment. (Any 4 points)</p> <p>1. Sender – is the person who sends a message. He initiates the process of communication.</p> <p>2. Message – is the subject matter of communication consists of words, facts, ideas etc.</p> <p>3. Encoding – In order to transmit an idea, the sender translates the idea into meaningful languages like words, actions, pictures, diagrams, gestures etc.</p> <p>4. Media/Channel – It is the medium through which the message is passed. Eg: face to face talk, telephone, letter, radio, television etc.</p> <p>5. Decoding – Receiver converts the symbols received from the sender to give him the meaning of the message.</p> <p>6. Receiver – is the person or a group who is supposed to receive the message. Eg: Listener, reader, observer etc.</p> <p>7. Feedback – It means the reaction, replay, response which the receiver sends to acknowledge his understanding.</p>	2X4	5
			3



For Association of Commerce Teachers (ACT) Kollam

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