DEHRADUN PUBLIC SCHOOL
ASSIGNMENT 2019-20
SUBJECT- BUSINESS STUDIES (054)
CLASS –XII

CHAPTER-1 (NATURE AND SIGNIFICANCE OF MANAGEMENT)

1. 'Management increases efficiency.' How?

2. Mr. Solution, who is an MBA, has been appointed at the post of general manager in Saregama Ltd. Company. Just after his appointment, he took a decision to set up a chemical plant near a residential colony. After some time, another important decision regarding the amount of charity being given annually to educational and religious institutions was withdrawn giving the justification that it was an unnecessary burden on the company. More emphasis was given to the share of the company in the market and in search of modern procedures. Apart from this, a long time labour dispute was resolved by taking a balanced decision.
   (i) Tell whether Mr. Solution is at fault?
   (ii) If yes, where does the fault lie?
   (iii) How can the mistake be amended?

3. Mr. Pradeep is working at the post of sales manager in Surabhi Tel Ltd. Last year, the targeted sales increased to 20,000 units from the earlier target of 18,000 units. He achieved this very easily. To achieve this, he increased the expenditure on advertisement to almost double the previous amount.
   (i) Did sales manager perform his duty effectively and efficiently?
   (ii) if not, then how?

4. Is there any difference in planning, organizing, staffing, directing and controlling of various organizations such as school, club, restaurant, and a steel plant? To which characteristic of management is this case related?

5. Ms. Bharti passed her M.B.B.S. examination in the first division in 2008. Later on in the year 2011 she passed her M.S. examination as an eye specialist. She was awarded a gold medal in examination. After completing her studies she joined a big hospital as an eye surgeon. She is performing ten operations successfully everyday. Now tell, what aspect of Ms. Bharti's above experience is a science and what aspect is as an art?

6. Mr. Amol Khan passed his B.Sc. (non medical) examination in the year 2008. After this he successfully ran the business of his father. Suddenly, he thought of seeking employment. He got the job of a finance manager in a company on the basis of his knowledge, experience and proficiency. He is doing his job successfully.
   (i) Now tell, is the appointment of Mr. Khan as a manager valid?
   (ii) Was it not necessary for him to do MBA or some other course for his job?

7. Your grandfather has retired from an organization in which he is responsible for implementing the plans developed by the top management. At which level of management was he working? State one more function performed at this level.

8. Your grandfather has retired from an organization in which he is responsible for overseeing the efforts of the workforce. At which level of management was he working? State one more function performed at this level.

9. Why is coordination known as the essence of the management?

10. 'Interdependence of different processes' is one point of the importance of coordination. Clarify.

CHAPTER -2 (PRINCIPLES OF MANAGEMENT)

1. The production manager 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? State any two consequences of the violation of this principle.
2. Hina & Harish are typists in a company having the same educational qualification. Hina is getting Rs. 3000 per month and Harish is getting Rs. 4000 per month as salary for the same working hours. Which principle of management is violated in this case? Name and explain the principle.

3. Which technique of Taylor acts as the strongest motivator for a worker to reach standard performance?

4. Mohan, a manager, very often speaks to people at all levels, passing on instructions regarding his department and also the other departments. Which principle is overlooked here and why? Give one violating effect.

5. Mohan, a manager expects his subordinates to adapt to the new environment and working conditions without giving them time to settle down. Which principle is overlooked here and why? Give one violating effect.

6. In a particular company, no importance has been attached to the suggestions given by subordinates. In 2007, the company appointed Mr. Lotus as its Chief Executive Officer. He was an MBA degree-holder from IIM Ahmedabad with an experience of a decade. On assuming the charge of his Office he started a sort of campaign asking for the suggestions from every big or small employee of the company. In a very short time, there were about 1000 suggestions. After studying them intensively about 1500 suggestions were implemented in different fields. This campaign fetched the company an additional profit of Rs. 50 crore.
   (i) What principle of management will have been working behind Mr. Lotus’s thinking?
   (ii) What will be the effect of implementing these suggestions on the employees?

7. ‘Taylor’s principles of scientific management and Fayol’s principle of management are mutually complementary.’ Do you agree with this view? Give any four reasons in support of your answer.

CHAPTER -3 (BUSINESS ENVIRONMENT)

1. Government of India is seriously thinking to allow oil marketing public sector undertakings to fix their own price for petrol and diesel. Which economic reform is the reason of this change in government policy?

2. “The Understanding Of Business Environment helps the Managers To Identify ‘Threats’.” What is meant By ‘Threats’ here?

3. “The Understanding of Business Environment enables the firm to identify opportunities.” What is meant By ‘opportunities’ here?

4. Beni, after completing her MBA, took up a job with a multinational company named 'Fortio'. The company was paying good salary and perks to its employees. The wages were within the paying capacity of the company that provided the employees a reasonable standard of living. The company also had a good work-culture and the behavior of superiors was very good towards their subordinates. Beni was very happy in this organization, but due to long working hours she did not have time to cook her meal. She had to depend upon outside food, which was deteriorating her health. She observed that this problem was faced by many of her colleagues, not only in her company but also many other companies. This was because of increase in the number of working women and non-availability of hygienic home-cooked food. She identified this as a great opportunity and decided to give up her job to supply packaged home-cooked food to office goers at a reasonable price. At the end of the day she was also distributing the left-over food in the nearby night-shelters.
   (a) State the dimension of business environment being discussed above.
   (b) State the principle of management being followed by ‘Fortio’.
   (c) Identify any two values being communicated by the company to the society in the above case.

5. Mr. Ajay after completing MBA from USA came to India to start a new business under the banner Ecom Creations Ltd. He launches a new product in e-learning for Senior Secondary School students in Commerce stream, which already has an established market in UK and USA but not in India. His business starts flourishing in India. Now more Indian companies entered into the market with other
subjects also. Identify and quote the lines from above para which highlight the significance of understanding business environment.

(a) “The understanding of Business Environment enables the firm to identify opportunities.” What is meant by ‘opportunities’ here?

(b) The people of some regions translated the slogan of “Come Alive” used by Pepsi company as” come out of the grave”. As a result company lost its market share rather than picking up. This is the effect of which environment & how this dimension of environment affect the business.

6. Business Environment includes both ‘specific and general forces’. List any four general forces.


8. What do you understand by the term ‘Demonetization’? Explain its features.

9. Why does a country take the step of Demonetisation?

CHAPTER-4 (PLANNING)

1. Why is planning prerequisite for controlling?

2. “Planning will be a futile exercise if it is not implemented.” How?

3. Though a budget is a control device from which deviations can be taken care of, yet it comes under planning. Why?

4. An electronic company is facing a problem of declining market share due to increased competition from other new and existing players in the market. Its competitors are introducing lower price models for mass consumers who are price sensitive. For quality conscious consumers, company is introducing new model LED TV and DVD players with added features and new technological advancements. For this, the company raises extra funds Rs.5 crore from banks.

Name the types of plans the company is preparing. State the steps which the company follows to implement this plan quoting the line from the above para.

5. Aditya Ltd. Is a company which manufactures leather bags. The CEO of the company wants to increase their sales and earn more profits. They consulted with a management consultant who suggested the top management of the company to work hard in thinking about the future in making business predictions and achieve the targets since the business environment keeps on changing whether in terms of technological improvement, shifts in consumer preferences or entry of new competitors in the market.

(a) Identify and state the concept of management discussed in the above para.

(b) State the characteristic feature of business environment highlighted in the above para.

6. ‘Though planning is an important tool of management, yet it is not a remedy for all types problems.’ Do you agree? Give any three reasons.

7. Saurabh decides to start a chocolate manufacturing business. He set the target of earning 10% profit on sales in the first year. As a good businessman, he was concerned about the future of the business, which was uncertain. He gathered information that the demand for chocolate is increasing day by day. He used this information as the base for future planning and shared it with his team. On the basis of the gathered information, he scheduled a meeting in the following week to find innovative ways to achieve the objectives. List the first two steps, which have been followed by Saurabh that are related to the process of one of the functions of management.

CHAPTER-5 (ORGANISING)

1. Besides ‘Effective management’ and ‘Employee development’, delegation helps the organization in different ways. Enumerate any two such ways.

2. Q. A manager increased the production target from 500 units to 700 units per month but the authority to draw raw material was not given by him. The employees were not able to meet the new target. Who should be held responsible for this and which principle has been violated here?
3. A company is manufacturing sewing machines set up in 1946 follows formal organization structure. It is facing a lot of problems such as delay in decision making. As a result, it is not able to adapt to the changing business environment. The workforce is also not motivated, there is problem of red tapism and employees’ turnover is high.
   (a) Advise the company with regard to change it should bring about in its organization structure to overcome the problems faced by it.
   (b) Give reasons in terms of benefits it will derive from the changes suggested by you.
   (c) In which sector can the company diversify keeping in mind the declining market for the product the company is manufacturing?

4. A manager has kept all right of decision making with himself. Each and every employee has to come to him for orders again and again.
   (a) Identify and state the concept of management not followed by the manager.
   (b) Which values are being violated here?

5. Sarthak Drugs Ltd. is engaged in the production of two drugs products – painkillers and beauty cosmetics. The Board of directors insist on adopting ‘Functional Organisational Structure’. Are the directors right in their decision? Give reasons in support of your answer.

6. Anand Ltd has been awarded recently with the ‘Best Employer of the Year Award’. The company has believed in the ideas and suggestions of its employees. There is systematic dispersal of decision making at all levels. There is no delay in delivery of orders to customers due to prompt decisions of its employees.
   (a) Identify and state the concept of management followed by the company.
   (b) State any two values responsible for the success of the organization.

7. The directors of Gunjan Ltd, an organization manufacturing colour televisions, have asked their production manager to achieve a target production of 150 televisions per day. The Production manager has asked his foreman to achieve this target, but he did not give him the authority for the requisition of tools and materials from the stores department. The foreman could not achieve the desired target. Can the directors blame the production manager, and can the production blame his foreman for not achieving the target? Explain in brief the relevant principles relating to this situation in support of your answer.

8. Progress Ltd. is facing difficulties in introduction of machinery of latest technology as they are facing resistance from the informal groups who are pressurizing the members to work against organizational interests. As the human resources manager of the company would you advised the management of the company to confront them or give them some other suggestion to deal with the informal groups.

CHAPTER-6 (STAFFING)

1. A company is manufacturing paper plates and bowls. It produces 100000 plates and bowls each day. Due to local festival it got an urgent order of extra 50000 plates and bowls per day.
   (a) Name the source of recruitment of labour the company needs to fulfill its order.
   (b) Explain any two merits of this method.

2. A major insurance company handled all recruiting, screening and training processes for data entry/customer service representatives. Their competitor was attracting most of the qualified, potential employees in their market. Recruiting was made even more difficult by the strong economy and the job seeker’s market. This resulted in the client having to choose from candidates who had the soft skills needed for the job, but lacked the proper ‘hard’ skills and training.
   (a) As an HR manager what problems do you see in the company?
   (b) How do you think it can be resolved?

3. An organisation provides security services. It requires such candidates who are reliable and do not leak out the secrets of their clients. What steps should be incorporated in selection process? Explain.
4. The quality of production is not per standard. On investigation it was observed that most of the workers were not fully aware of proper operation of the machinery. What could be the way to improve the accuracy?

5. A company X Ltd is setting up a new plant in India for manufacturing auto components. India has highly competitive and cost effective production base in this sector. X Ltd is planning to capture about 40% of the market share in India and also export to the tune of at least $5 million in about 2 years of its planned operations. To achieve these targets, it requires a highly trained and motivated workforce. You have been retained by the company to advise it in this matter.
   (a) Which sources of recruitment the company should rely upon?
   (b) Which methods of training should company initiate?

6. The workers of a factory remain idle because of lack of knowledge of hi-tech machines. Frequent visit of engineers is made which causes high overhead charges. Suggest the method of training that should be given to the employees. Explain.

7. Sahil, the director of Garments Company, is planning to manufacture bags for the utilization of waste material of one of his garment unit. He decided that this manufacturing unit will be set up in a rural area of Odisha where people have very less job opportunities and labour is available at very low rate. He also thought of giving equal opportunities to men and women. For this he selected S. Chatterjee, Inderjeetkaur, Aslam and Sarabjeet as heads of sales, accounts, purchase and production departments. Identify and state the next two steps that Sahil has to follow in the staffing process after selecting the above heads and explain them.

CHAPTER-7 (DIRECTING)

1. Why it is said that “the supervisor is a link between the management and the operative employees”?

2. Ramesh, a manager in a company, sets the targets for his subordinates without discussing it with them. He firmly tells them that if the task is not completed within time, then strict action will be taken against the defaulter which form of leadership is he following?

3. Mr. Rohan, a manager in a telecom company, is really appreciative of fresh ideas given by his subordinates. He frames policies only after consulting them. Which style of leadership is he following?

4. Mr. Sumit, a manager in a textile company, has given complete freedom to his subordinate. He avoids the use of power and depends largely upon the group to establish its own goals and work out its own problems. Which style of leadership is he following?

5. To create a desire among employees to perform to the best of their abilities is an important aspect of directing. Explain how it contribute to the success of an organization.

6. It takes place throughout the life of the organization irrespective of people occupying managerial positions. Mention the characteristic of directing highlighted here and also explain two more characteristics.

7. Rakesh is working under his superior, Neeraj. He always communicates useful ideas and suggestions to his superior regarding reduction of cost, improvement in the product, etc. Neeraj implements his suggestions and has always found favourable results, but he never appreciates Rakesh for his suggestion. Rakesh decided not to communicate any suggestion or idea to Neeraj. Identify the factor which acts as a communication barrier. Explain three other factors of the same group of a communication barriers.

8. Rahim was working in an enterprise on daily wage basis. It was difficult for him to fulfill the basic needs of his family. His daughter fell ill. He had no money for his daughter’s treatment, to meet the expense of her treatment, he participated in a cycle race and won the prize money. The cycle company offered him a permanent pensionable job which he happily accepted.
   (i) By quoting the lines from the above para identify the needs of Rahim that are satisfied by the offer of Cycle Company.
   (ii) Also, explain two other needs of Rahim followed by above that are still to be satisfied.
9. Mohan and Sohan are friends working in Surya Ltd. As production and Sales Manager respectively. In an inter-departmental meeting, Sohan informed Mohan about a change in the marketing policy of the company.
   (i) Identify the type of communication used in the above example.
   (ii) Name and explain any two networks of the type of communication identified in part (i).
10. What do you mean by barriers to effective communication? Name these barriers and how they can be overcome?
11. The workers always try to show their inability when any new work is given to them. They are always unwilling to take up any kind of work. Due to sudden rise in demand a firm wants to meet excess orders. The supervision is finding it difficult to cope up with the situation. Suggest ways for the supervisor to handle the problem.
12. Workers of a factory often seek guidance of Production Manager. The production manager finds himself overburdened with so many tasks. Advisory a way to relieve the production manager.
13. Y Limited is a bank functioning in India. It is planning to diversify into insurance business. Laterly, the government of India has allowed the private sector to gain entry in the insurance business. Previously, it was the prerogative of LIC and GIC to do insurance business. But now with Liberalisation of the economy and to make the field competitive other companies have been given licenses to start insurance business under the regulation of 'Insurance Regulatory and Development Authority'. Y Limited plans to recruit high quality employees and agents and exercise effective direction to capture a substantial part of life and non-life insurance business.
   (i) Identify how the company can supervise its employees and agents effectively. What benefits will the company derive from effective supervision?
   (ii) What financial and non-financial incentives can the company use for employees and agents separately to motivate them? What benefits will the company get from them?
   (iii) How can the company ensure that higher order needs i.e. esteem and self-actualization as specified by Abraham Maslow are met?
   (iv) Identify the qualities of leadership in this line of business that the company managers must possess to motivate employees and agents.
   (v) Give a model of formal communication system that the company can follow. Identify the barriers in this model. How can they be removed?
   (vi) How can informal communication help to supplement formal communication model given by you in answer to question (v)?
14. In an organization all the employees take things easy and are free to approach anyone for minor queries and problems. This has resulted in everyone taking easy to each other and thus resulting in inefficiency in the office. It has also resulted in loss of secrecy and confidential information being leaked out. What system do you think the manager should adopt to improve communication.
15. In an organization employees always feel they are under stress. They take least initiative and fear to express their problems before the manager. What do you think is wrong with the manager?

CHAPTER 8 (CONTROLLING)

1. “If planning is done carefully and accordingly other functions of management are going in the right direction, then there is no need of the controlling function of management”. Do you agree with the statement? Give reasons in support of your answer.
2. Deviation is a term used in controlling. Explain the term in the light of the statement that if you try to control everything you may end up by controlling nothing.
3. Kanu is appointed as a factory manager in a gel pen manufacturing company. He was given a target of producing 1 lac gel pens per month. He knew that the ‘essence of management is to achieve desired result’ but he does not know how to ensure that the work goes on according to plan’. Guide him by explaining process so that he is able to achieve the desired result.
4. Rajeev and Sanjeev are managers in the same organisation 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 whereas 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?

5. K & K Company Ltd. Is engaged in manufacturing of machine components. The target of production is 200 units daily. The company had been successfully attaining this target until two months ago. Over the last two months it has been observed that daily production varies between 150-170 units. Identify the possible causes for the decline in taken to achieve the desired targets.

6. A manager observes that an old employee is not doing the required work. Manager scolds him rudely without asking him the reasons. In your view how the manager would have behaved and which values he should have kept in his mind?

7. A company ‘M’ Limited is manufacturing mobile phones both for domestic India market as well as for export. It had enjoyed a substantial market share and also had a loyal customer following. But lately it has been experiencing problem because its targets have not been met with regard to sales and customer satisfaction. Also mobile market in India has grown tremendously and new players have come with better technology and pricing. This is causing problems for the company. It is planning to revamp its controlling system and take other steps necessary to rectify the problems it is facing.

   i) Identify the benefits the company will derive from a good control system.
   ii) How can the company relate its planning with control in this line of business to ensure that its plans are actually implemented and targets attained?
   iii) What techniques of control can the company use?
   iv) Give the steps in the control process that the company should follow to remove the problems it is facing.

   In all the answers keep in mind the sector of business the company is in.

CHAPTER 9 (FINANCIAL MANAGEMENT)

1. Explain briefly the objectives of financial management.

2. Pranav is engaged in ‘Transport-Business’. Identify the working capital requirements of Pranav stating the reason in support of your answer. Pranav also wants to expand and diversify his Transport-Business. Explain any two factors that will affect his fixed capital requirements.

3. Financial planning is essential for the success of any business enterprise explain this statement by given any six reasons.

4. What is meant by capital structure? What are the factors to be kept in mind while determining the capital structure of a company?

5. You are a finance manager of a company. The board of director has asked you to determine the amount working capital requirement state the factors that you would kept in considerations while determining the requirement of working capital for the company?

6. Identify the decision in financial management which affects the liquid as well as the profitability of business.

7. State why the working capital need for a service industry is different from that of any manufacturing industry?

8. You are a Finance Manager of a newly established company. The Directors have asked you to determine the amount of Fixed Capital requirement for the company. What factors he has to consider?

9. What are the factors affecting Financing decision, Investment decision, dividend decision?

10. ‘S’ Limited is manufacturing steel at its plant in India. It’s enjoying a buoyant demand for its products as economic growth is about 7 to 8% and new steel plant to cash on the increased demand it is facing. It is estimated and it will require about Rs.5000 crores to set up and about Rs.500 crores working capital to start new plant.
11. What is the role and objective of financial management for the company?

CHAPTER 10 (FINANCIAL MARKET)

1. What do you mean by stock exchange and what are its functions?
2. Distinguish between primary & secondary market.
3. Explain money market & its instrument.
4. “Financial market plays an important role in the allocation of scarce resources in an economy by performing many important functions.” Explain any four such functions.
5. Differentiate between capital and money market.
6. What is the Trading procedure of stock exchange?
7. What are the objective & Function of SEBI?
8. “Mission Coach Ltd.” Is a large and creditworthy company manufacturing coaches for Indian Railways. It now wants to export these coaches to other countries and decides to invest in new hi tech machines. Since the investment is large it requires long term finance. It decides to raise funds by issuing equity shares which involves huge floatation cost. To meet the expenses of floatation cost the company decides to tap the money market.
   a) Name and explain the money market instrument the company can use for the above purpose.
   b) What is the duration for which the company can get funds through this instrument?
   c) State any other purpose for which the instrument can be used.
9. ‘SEBI’ is a watchdog of security market. Comment.

CHAPTER 11 (MARKETING MANAGEMENT)

1. Radhika was a student of class 12th. Her father was a farmer and grew different varities of rice and was well versed about various aspects of rice cultivation. He was also selected for a pilot project on rice cultivation. As a project work in business studies she decided to study for feasibility of marketing goods quality rice at a reasonable price. Her father suggested her to use internet to gather customer view and opinions. She found that there was a huge demand for packed organic rice. She knew that there was no per determined specifications in case of rice because of which it would be difficult to achieve uniformity in the output. To differentiate the product from its competitors, she gave it the name of “Malabari Organic Rice” and classified into three different varieties namely – popular, classic and supreme based on the quality. She felt that these name would help her in product differentiate. (2015) Explain the three function of marketing with reference to the above paragraph.
2. What do you mean by public relations and what are its role?
3. What do you mean by advertising and what are the objections against advertising?
4. What do mean by channel of distribution and how the choice of it is made?
5. What is the factor determining price?
6. What are the different marketing management philosophies?

CHAPTER 12 (CONSUMER PROTECTION)

1. Rajiv, a consumer purchased medicines without noticing the date of expiry. He also did not obtain the cash memo. Do you think he will be able to protect himself by the loss caused due to expired medicine? Give reasons to support your answer.
2. “Bhuvan, who was a vegetarian went to a snack bar for having French fries and later found out that it had non vegetarian content. Neither the advertisement nor the packing of the product displaced that
the product has non vegetarian content. Will Bhuvan be able to claim compensation which right of the consumer is violated”?

3. Against whom a complaint can be filed under Consumer Protection Act, 1986?

State whether following are treated consumer under consumer protection act

(a) Nikita purchased washing machine for her house
(b) Rakesh purchased DVD Player for resale
(c) Utkarsh uses new mobile phone connection

4. Identify the relevant rights of a consumer being violated in the following instances.

(a) A bottle of acid sold but the cap was not properly sealed.
(b) Medicine sold without date of manufacturing and date of expiring printed on its packaging.
(c) Madan bought a cooler with 2 years warranty. The cooler started giving problem within 6 months. Madan approached the seller. The seller did not listen to his grievances.
(d) The seller compels the consumer to purchase the available product.
(e) The common consumers are not aware of their rights, right path and procedure for filing the complaints.

5. Non – government organisations perform several functions for the protection and promotion of interests of consumers. State any six functions performed by them.

6. Himesh after completing his graduation, started working with a multinational company in Delhi. But due to ill health of his parents he had to go back to his village. There he noticed that the villagers were literate but ignorant about their rights. Many vegetable vendors were using stones as weights to sell their vegetables. Some shopkeepers were selling food items without having ‘FPO mark’. Villagers did not find anything wrong with these practices. So to create awareness among villagers Himesh decided to publish a weekly Journal ‘Jan Jagriti’. State there ‘Right’ which Himesh has exercised by doing so. Explain any other four rights as well.

7. I saw an advertisement in the newspaper regarding a domestic iron and orders for the purchase of the same to the shop keeper. What will be my responsibilities of a customer so that I should not be exploited by the shop keeper? State any four such responsibilities.

Note: Go through the conceptual and objective questions given on the back side of chapter.