

**BUSINESS STUDIES**  
**Answers for Assignment Questions**

**Imp Instruction - Each Point should be explained from 20-25 words.**

**Ans. 1. Characteristics of Principles of Management.**

- ❖ Universal Application
- ❖ General Guidelines
- ❖ Evolutionary
- ❖ Flexibility
- ❖ Based on cause effect relationship
- ❖ Contingent
- ❖ Behavioural in nature

**Ans. 2. Principles of Scientific Management are:**

- ❖ Science not rule of thumb
- ❖ Harmony not discard
- ❖ Cooperation not Individualism
- ❖ Development of workers to their greatest efficiency and property

**Ans. 3. Planning Process**

**Step.**

1. Setting up of the objectives
2. Developing premises
3. Listing the various alternatives for achieving the objectives
4. Evaluation of different alternatives
5. Selecting an alternative
6. Implement the plan
7. Follow up.

**Ans. 4. Functions of Marketing are:**

- ❖ Market planning
- ❖ Branding
- ❖ Pricing of Product
- ❖ Gathering Analysing Market Information
- ❖ Storage & Warehousing
- ❖ Promotions & Selling

**Ans. 5. Features of Good Brand Name are:**

- ❖ Should be short & simple
- ❖ Should be easy to pronounce
- ❖ Should be suggestive
- ❖ Should be unique & distinctive
- ❖ Should be selected after considering its meaning in other languages & cultures.

**Ans. 6. Types of Plans are:**

- ❖ Goals
- ❖ Objectives
- ❖ Strategies
- ❖ Policies
- ❖ Procedures
- ❖ Rules
- ❖ Methods
- ❖ Programmes
- ❖ Budgets

**Ans. 7. Informal Organisation:** It exists within formal org., the employees develop friendly relationship from social groups. The network of social groups based on friendship is called informal organization.

**Features of Informal organization are:**

- It is created automatically without any intended effort of manager.
- It is formed by employee to get psychological satisfaction.
- It does not follow any fixed path of flow of authority.
- Source of information cannot be known as anyone can communicate with any one in organization.
- It depends upon the formal structure.

**Ans. 8.**

<b>Bases</b>	<b>Functional Structure</b>	<b>Divisional Structure</b>
<b>Formation</b>	This structure is formed on the basis of function.	This is formed on the basis of product.
<b>Accounting</b>	Difficult to make accountable as departments are interdependent.	Easy to make as departments are working independently.
<b>Economy</b>	It is economical.	It is not very economical.
<b>Development of Manager</b>	Less Chances as manager is specialized in 1 function only.	More chances as managers perform multifunction.
<b>Specialized</b>	It is functional Specialized.	It brings products specialized.
<b>Suitable</b>	It is suitable for all types of organization.	It is suitable for multi product organization.

**Ans. 9. Factors of Determining working capital are :**

- Length of operation cycle
- Nature of business
- Scale of operation
- Seasonal factors
- Technology and production cycle.
- Credit Allowed
- Level of Competition
- Inflation

**Ans. 10. Importance of Management are :**

- ❖ Achieving Group Goals
- ❖ Increases Efficiency
- ❖ Creates Dynamic Organization
- ❖ Achieving Personal Objective
- ❖ Development of Society
- ❖ Harmony in work

**Ans. 11. Types of Business Environment are:**

- Social Environment
- Legal Environment
- Political Environment
- Technological Environment
- Economic Environment

**Ans. 12. Internal Sources of Recruitment are:**

- Transfer
- Promotions

**External Sources of Recruitment are:**

- Casual Callers
- Advertisement
- Campus Recruitment
- Web Publishing
- Employment Exchange
- Placement agencies

**Ans. 13. Importance of Controlling are:**

- Helps in achieving organizational goals
- Judging accuracy of standards
- Making efficient use to resources
- Improves employees motivation
- Facilitating coordination in action
- Ensuring order & discipline

**Ans. 14. Barriers of Communication are:**

- Semantic Barriers
  - ❖ Badly expressed Message
  - ❖ Symbols with different meanings
  - ❖ Faulty Translations
  - ❖ Technical Jargon
  - ❖ Unclarified Assumptions
- Organizational Barriers
  - ❖ Organizational policies
  - ❖ Rules & regulations
  - ❖ Status different
  - ❖ Complex Organizational

- Personal Barriers
  - ❖ Lack of incentives
  - ❖ Fear of Authority
  - ❖ Lack of Confidence
- Psychological Barriers
  - ❖ Premature evaluation
  - ❖ Lack of Attention
  - ❖ Distrust
  - ❖ Loss of transmission

**Ans. 15. Importance of Direction are:**

- Initiates action
- Integrate employees efforts
- Means of motivation
- Facilitates changes
- Stability & balance in organization

**Ans. 16. Factors Determining Capital Structure are:**

- Control
- Cash flow position
- Return on Investment
- Cost of Debt
- Tax Rate
- Stock Market Condition

**Ans. 17. Three major decision while performing the finance function are:**

- Investment decision
  1. Capital Budgeting
  2. Working capital
- Financial decision
  1. Debt
  2. Equity
- Divided decision
  1. Profit
  2. Retained earning

**Ans. 18. Steps in 'Trading Procedure' of stock exchange are:**

- Selection of Broker
- Opening Demat Account with depository
- Placing the order
- Executing the order
- Settlement

**Ans. 19. Money market Instruments are:**

- Call Money
- Treasury Bills (T. Bills)

- Commercial Bills
- Commercial Paper (C.P.)
- Certificate of Deposits. (C.D.)

**Ans. 20. Methods of Floatation of new issues in primary market are:**

- Public issue through prospectus
- Offer for sale
- Private placement
- Right Issue
- E.IPOS

**Ans. 21. Sales promotions techniques are:**

- Rebate
- Refunds
- Contests
- Discount
- Quantity deal
- Sampling

**Ans. 22. Tools of Promotions**

- Public Relations:
- Advertising:
- Personal Selling:

**Ans. 23. Consumer Rights are:**

- Right to safety
- Right to information
- Right to make choice
- Right to be heard
- Right to consumer education
- Right to seek redressal
- Right to healthy environment
- Right to basic need.

**Ans. 24. Consumer Responsibilities are:**

- Consumer must exercise his right
- Consumer must be quality conscious
- Cautious consumer
- Consumer must insist on cash memo
- Filing complaints for genuine grievances.

**Ans. 25. Function of 'Stock Exchange' are:**

- Liquidity
- Safety
- Scope for speculation
- Valuation of securities
- Better allocation of capital
- Promote the habits of saving & Investment

**Ans. 26. Impact of Govt. Policy changes on Business are:**

- Increasing competition
- Necessity for change
- Market orientation
- Export a matter of survival
- Need for development of human resources
- Rapidly changing technological environment

**Ans. 27. Factors effecting Dividend Decisions are:**

- Earning
- Stability of Earning
- Cash flow position
- Growth opportunities
- Legal restriction s
- Taxation policies
- Stock Market reactions

**Ans. 28. Factors effecting financial decisions are:**

- Cost
- Risk
- Cash flow position
- Control
- Floatation cost
- Fixed operating capital

**Ans. 29. Controlling process:**

- Establishing standards
- Measuring performance
- Comparing actual with standards
- Analyses deviations
- Taking corrective measures
- Feedback

**Ans. 30. Selection process**

- Preliminary screening
- Selection test
- Employment interview
- Checking the reference
- Selecting decision
- Medical examination
- Job offer
- Contract of employment

**Ans. 31. Staffing process**

- Estimating manpower requirement
- Recruitment
- Selection
- Placement & Orientation

- Training & Development

**Ans. 32. Management as a profession:**

- Well defined body of knowledge
- Restricted entry
- Presence of professional association
- Existence of ethical codes
- Service notice

**Ans. 33. Concepts of Marketing are:**

- Production concept
- Product concept
- Selling concept
- Marketing concept
- Societal concept

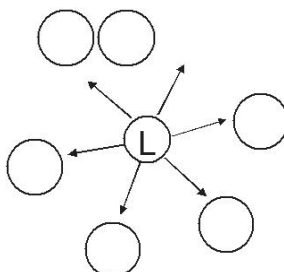
**Ans. 34. Fayol's 14 Principle of Management with positive & negative aspects are:**

- Principle of Divisions of work
- Principle of Authority & Responsibility
- Principle of Discipline
- Principle of Unity of Command
- Principle of Unity of Direction
- Subordination of Individual Interest to General Interest.
- Remuneration of Persons
- Centralization & Decentralization.
- Principle of scalar chain.
- Principle of order.
- Principle of equity.
- Stability of tenure of Personnel.
- Principle of Initiative.
- Principle of Esprit De corps.

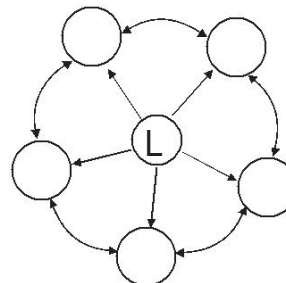
**Ans. 35. Styles of Leadership are:**

- Autocratic leadership
- Participative leadership
- Free-rein leadership

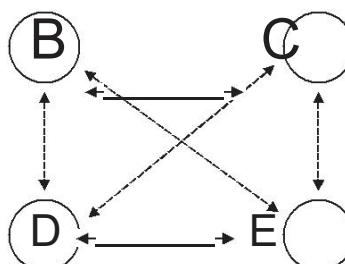
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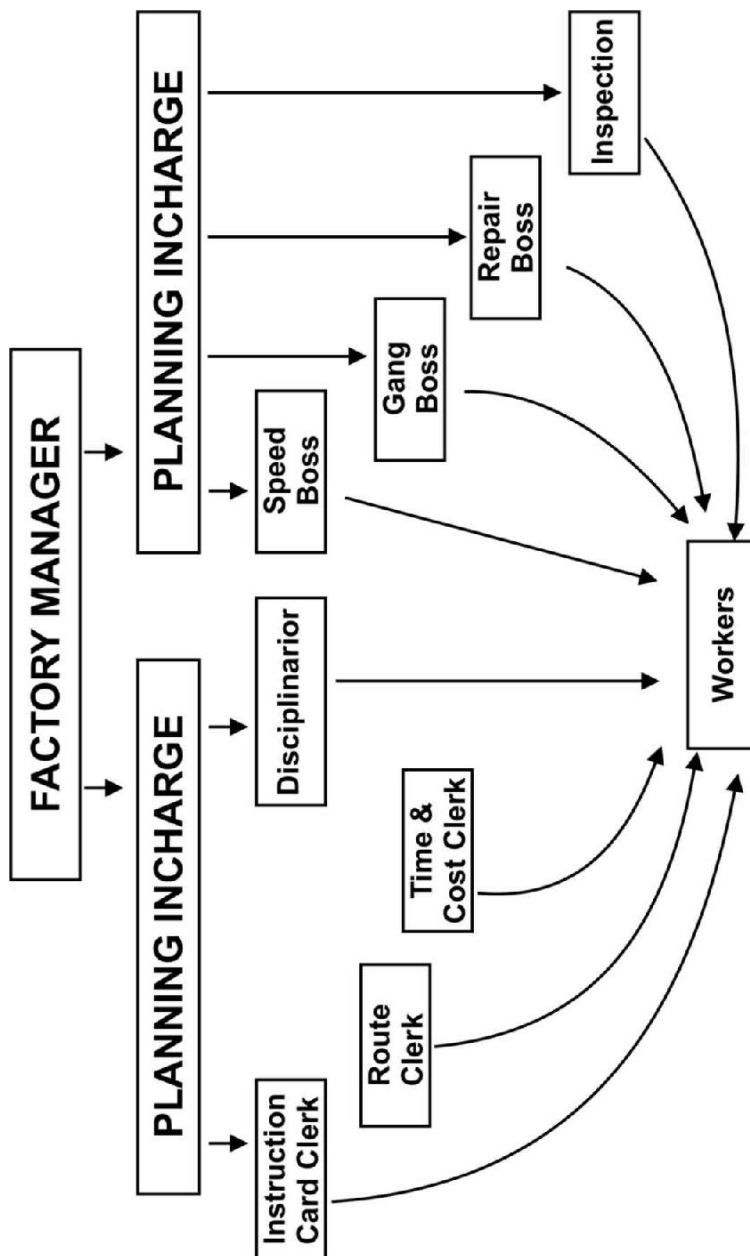


**Ans. 36. Elements of Marketing Mix:**

- Product
  - Price
  - Place
  - Promotion
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**Ans. 37. Objectives of Management:**

- Organizational objectives
- Personal objectives
- Social objectives

**Ans. 38. Functional Foremanship:**



Jaylor says that every organization have two departments:

- Planning
- Production

He feel that worker should be free from burden of planning of focus on work. As one supervisor cannot be expert in all work. So these must be 8 boss for 1 worker as shown in diagram.

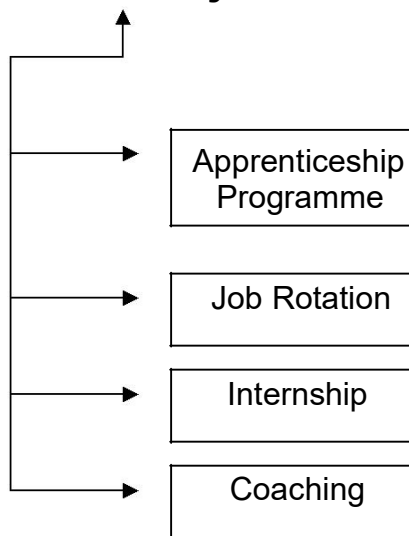
**Ans. 39. Limitations of Planning:**

- Leads to rigidity
- Reduces creativity
- Involve huge cost
- Time Consuming
- Lack of accuracy
- Human Elements

**Ans. 40. Three imp. elements of 'Delegation of Authority' are:**

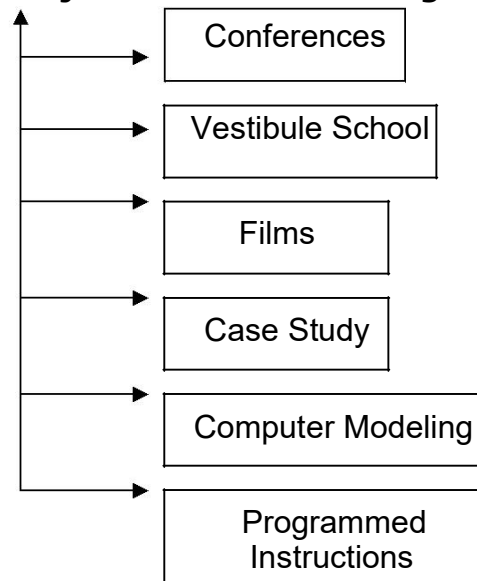
- Responsibility
- Authority
- Accountability

**Ans. 41. On-the-job**



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**off-the-job methods of training are:**



**Ans. 42. Function of SEBI are:**

- Protective functions
- Development functions
- Regulatory functions

**Ans. 43. Redressal Machinery for Consumer Protection are:**

- District forum
- State Commission
- National Commission

**Ans. 44. Relationship b/w Planning & Controlling are:**

- Planning & Controlling are interdependent and interlinked activities.
- Planning & Controlling both are forward looking function.

**Ans. 45. Objectives of NSEI:****(National stock exchange of India)**

1. Establishing a nationwide trading facility for all types of securities.
2. Ensuing equal access to investors.
3. Providing join securities market using electronic trading.
4. Enabling shorter settlement cycles.
5. Meeting international benchmarks.

**Objectives of OTCEI:****(Over the counter exchange of India)**

1. Platform for smaller and less liquid companies.
2. Transparent system of trading.
3. Free flow of information
4. Facilitates closely held companies.
5. Choice of securities is provided to investors in both primary and secondary markets.
6. Dealers have an option of operate in new issues and secondary market.