



**Mid Term Examination 2023-24**  
**Business Studies (Code 054)**  
**Class XII**  
**Set B1/B2**  
**Marking Scheme**

Set B1	Set B2	Expected Answer	Marks allocated
		<b>SECTION A</b>	
1.	20.	Shami Ltd. is a company manufacturing automobile where division of work into key areas include production, purchase, marketing, accounts and personnel. Which of the following is a disadvantage of the organization structure of Shami Ltd. a) It may lead to increase in cost b) Managers may gain power , assert independence and ignore organization interests. c) It ensures that different functions get due attention d) Heads do not get training for top management positions.	1
Ans.	Ans.	d) Heads do not get training for top management positions.	1
2.	19.	Which characteristic of the business environment is highlighted when changes are taking place too frequently and it becomes difficult to predict the future? a) Uncertainty b) Complexity c) Inter-relatedness d) Relativity	1
Ans.	Ans.	a) Uncertainty	1
3.	18.	Due to the spread of the COVID 19 pandemic, employees of almost all the organisations were working online from their homes. In 2023 when most of the companies called them back to their office and started working offline, 'Taty Software Ltd.' still asked their employees to work from home. Because of this , employees of 'Taty Software Ltd.' were feeling bored, hence for recreation they formed a cricket-club. They started meeting every Saturday and Sunday on a ground near office building. Identify the type of organisation formed by the employees of 'Taty Software Ltd.' a) Functional b) divisional c) formal d) informal	1
Ans.	Ans.	d) informal	

4.	17.	With the presence of women in the workforce, there has been a shift towards formal wear, increased demand of electronic gadgets and increase in demand of cosmetics. The related dimension of business environment referred in the above lines is: a) Technological environment. b) Social environment c) Political environment. d) Economic environment	1
Ans.	Ans.	b) Social environment	
5.	16.	The management of a bag manufacturing company has recently changed. Due to this, an improvement can be felt in the way company functions. Now, targets are met according to plans, whereas, earlier deadlines were never given importance. Now there is orderliness, instead of chaos in the organization and the employees are happy and satisfied. From the following identify the characteristics of management which is highlighted in the above case: (a) Management is Dynamic . (b) Management is continuous process. (c) Management is a group activity. (d) Management is an intangible force.	1
Ans.	Ans.	(d) Management is an intangible force.	
6.	6.	Which principle/technique of scientific management is reflected in the given picture?   a. Science, not rule of thumb b. Standardization and simplification of work	1

		c. Method study d. Order	
Ans.	Ans.	b. Standardization and simplification of work	
7.	15.	<p>Assertion (A) : Taylor advocated separation of planning and execution functions of a foreman through a planning and production in-charge under the factory manager.</p> <p>Reason (R): Taylor's technique of functional foremanship is an extension of principle of division of work.</p> <p>(a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).  (b) Both Assertion (A) and Reason (R) are true but Reason (R) is not correct explanation of Assertion (A)  (c) Assertion (A) is true but reason (R) is false.  (d) Assertion (A) is false but reason (R) is true</p>	1
Ans.	Ans.	(b) Both Assertion (A) and Reason (R) are true but Reason (R) is not the correct explanation of Assertion (A).	1
8.	14.	<p>Mr Reeshabh Bhandari is the chief manager in 'Bhandari PustakParkashans'. He is fond of continuing to present innovative ideas while planning for his business. His ideas are usually very significant. It has been observed several times that these very ideas take the form of concrete plans. This is the very reason that Mr Bhandari's contribution to the growth and prosperity of the company continues to be quite great.</p> <p>Identify the 'importance of planning' described above.</p> <p>(a) Planning provides direction.  (b) Planning reduces the risk of uncertainty.  (c) Planning reduces overlapping and wasteful activities.  (d) Planning promotes innovative ideas.</p>	1
Ans.	Ans.	(d) Planning promotes innovative ideas.	
9.	12.	<p>Assertion (A): There is a kind of cost-benefit analysis involved and the relationship between inputs and outputs.</p> <p>Reason (R): If by using less resources (i.e., the inputs) more benefits are derived (ie., the outputs) then effectiveness has increased.</p> <p>(a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).  (b) Both Assertion (A) and Reason (R) are true but Reason (R) is not correct explanation of Assertion (A)  (c) Assertion (A) is true but reason (R) is false.  (d) Assertion (A) is false but reason (R) is true</p>	1

Ans.	Ans.	(c) Assertion (A) is true but reason (R) is false.	
10.	11.	<p>The workers of a factory remain idle because of lack of knowledge of hi-tech machines. Frequent visit of engineer is made which cause high overhead charges. How can this problem be removed?</p> <p>a) by apprenticeship training b) by vestibule training c) by orientation d) by internship</p>	1
Ans.	Ans.	b) by vestibule training	
11.	10.	<p>JPC ltd., deals with installation of modular kitchens. Harsh working as General Manager in JPC Ltd., decided to delegate the work of talking to big Corporate Builder to Yogesh. The work of Yogesh was to talk to big corporate builders and convince them to install the fittings and fixtures of their company. However, after a few months Harsh realised that Yogesh was not able to handle the project properly so he decided to re-delegate this project to Amar, which of the following statements can stand as valid explanation either upholding or refuting Harsh's behaviour.</p> <p>i. Once delegated Harsh cannot take back the authority from Yogesh ii. Once Harsh has delegated the work , he stands abdicated from the consequences of noncompliance iii. Harsh has the right to take back the authority and redelegate to Amar iv. Harsh as is accountable even if he had delegated the work and is supposed to ensure proper discharge of duty by Yogesh.</p> <p>a. i only b. i,ii,iii only c. ii,iii,iv only d. iii,iv only</p>	1
Ans.	Ans.	d. iii, iv only	
12.	9.	<p>Assertion(A): Management is an exact science.</p> <p>Reason(R): It is based on human behavior. It is neither precise nor as comprehensive as the pure science like physics or chemistry.</p> <p>(a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A). (b) Both Assertion (A) and Reason (R) are true but Reason (R) is not correct explanation of Assertion (A) (c) Assertion (A) is true but reason (R) is false. (d) Assertion (A) is false but reason (R) is true</p>	1

Ans.	Ans.	(d) Assertion (A) is false but reason (R) is true	1
13.	13.	 <p>What is the best solution for any manager in the situation depicted above?</p> <p>a) He should retain the decision-making authority  b) He should share the decision making authority with lower level managers  c) He should be trained to become more efficient  d) He must delegate authority.</p>	1
Ans.	Ans.	d) He must delegate authority	
14.	8.	<p>The activities whose outcome not only improves the job performance but also help individuals in the progress towards maturity and actualization of their potential capacities is known as</p> <p>a) training  b) education  c) development  d) performance appraisal</p>	1
Ans.	Ans.	c) development	
15.	7.	<p>In the given question two statements are given. Assess them and choose the correct answer out of the following choices.</p> <p>Statement I: Organisation structure is the outcome of the staffing process.  Statement II: The organisation structure is the framework within which managerial and operating tasks are performed.</p> <p>a. Both Statement I and II are correct  b. Both Statement I and II are false  c. Statement I is correct, but Statement II is false  d. Statement I is false, but Statement II is correct</p>	1

Ans	Ans	d. Statement I is false, but Statement II is correct	
16.	5.	In what situation has Fayol permitted the violation of the principle of Scalar Chain? (a) When the employee is extraordinarily capable. (b) At the time of emergency only (c) In all conditions and circumstances. (d) In no condition or situation	1
Ans	Ans	(b) At the time of emergency only	
17.	4.	Assertion(A) – Planning is the initial step in management. Reason(R) – Planning involves thinking before doing anything as certain objectives are identified and strategies are devised for its subsequent realization. (a) Both A and R are correct (b) A is correct R is incorrect (c) Both A and R are correct and R is the correct explanation of A (d) Both A and R are correct and R is not the correct explanation of A	1
Ans.	Ans.	(c) Both A and R are correct and R is the correct explanation of A	
18.	3.	Which of the following functions of management completes one cycle of management process and improves planning in the next cycle? (a) Organising (b) Staffing (c) Directing (d) Controlling	1
Ans.	Ans.	(d) Controlling	
19.	2.	NEWS, a mobility platform is in the process of laying off 400-500 employees in a move aimed at driving cost efficiency. Which objective of management will the firm not be able to achieve by carrying out this process? a) Efficiency b) Social c) Profit d) Survival	1
Ans.	Ans.	b) Social	
20.	1.	Prayam joined an entertainment company "Tele", as a creative head. As a manager looking after the creative unit of the company, one of the functions he has to perform is the process of organizing. Which step of the process will he need to perform after identifying and dividing the work that has to be done in accordance with previously determined plans?	1

		a) Identification and division of work b) Establishing Reporting Relationships c) Assignment of Duties d) Departmentalisation	
Ans.	Ans.	d) Departmentalisation	1
<b>SECTION B</b>			
21.	24.	<p>Top management plans for the entire organization. According to these plans the organizational structure is developed and staffed. In order to ensure that these plans are executed according to plans, directing is required. Any discrepancies between actual and realized activities are then taken care of at the stage of controlling.</p> <p>Identify and state any two features of the process highlighted above which started at the planning stage itself and is implicit and inherent in all the functions of management in an organization.</p>	3
Ans.	Ans.	<p>Coordination</p> <p>(i) Coordination integrates group efforts: Coordination unifies unrelated or diverse interests into purposeful work activity. It gives a common focus to group effort to ensure that performance is as it was planned and scheduled.</p> <p>(ii) Coordination ensures unity of action: The purpose of coordination is to secure unity of action in the realisation of a common purpose. It acts as the binding force between departments and ensures that all action is aimed at achieving the goals of the organisation.</p> <p>(iii) Coordination is a continuous process: Coordination is not a one-time function but a continuous process. It begins at the planning stage and continues till controlling.</p> <p>(iv) Coordination is an all pervasive function: Coordination is required at all levels of management due to the interdependent nature of activities of various departments. It integrates the efforts of different departments and different levels.</p> <p>(v) Coordination is the responsibility of all managers: Coordination is the function of every manager in the organisation. Top level managers need to coordinate with their subordinates to ensure that the overall policies for the organisation are duly carried out. Middle level management coordinates with both the top level and first line managers. Operational level management coordinates the activities of its workers to ensure that work proceeds according to plans.</p> <p>(vi) Coordination is a deliberate function: A manager has to coordinate the efforts of different people in a conscious and deliberate manner. Even where</p>	1m for identification+ 2 m for any two well explained features.

		members of a department willingly cooperate and work, coordination gives a direction to that willing spirit. (Any two)	
22.	23.	Mr. Jatinder is the Principal of a prestigious school in Bhatinda. The school has a vacancy of a headmistress / headmaster of the junior wing of the school. The senior teachers of the school have the opinion that only internal candidates should be considered for this post. However, Mr. Jatinder and the management would like to invite applications from external sources too. Explain any three justifications the management can provide to convince the staff for inviting applications of external candidates for the vacant post.	3
Ans.	Ans.	(i) Qualified Personnel: By using external sources of recruitment, the management can attract qualified and trained people to apply for vacant jobs in the organisation.  (ii) Wider Choice: When vacancies are advertised widely, a large number of applicants from outside the organisation apply. The management has a wider choice while selecting the people for employment.  (iii) Fresh Talent: The present employees may be insufficient or they may not fulfill the specifications of the jobs to be filled. External recruitment provide wider choice and brings new blood in the organisation.  (iv) Competitive Spirit: If a company taps external sources, the existing staff will have to compete with the outsiders. They will work harder to show better performance.  (Any three benefits of External recruitment)	1m each for 3 well explained points
23.	22.	Two years ago, Madhuri completed her degree in food technology. She worked for sometime in a company that manufactured chutneys, pickles and murabbas. She was not happy in the company and decided to have her own organic food processing unit for the same by the name 'Madhuram.' It was decided that raw materials like fruits, vegetables, spices, etc. will be purchased on three months credit from farmers cultivating only organic crops. She also decided to follow the steps required for marketing of the products through her own outlets. She appointed Mohan as the Production Manager who decided the exact manner in which the production activities were to be carried out. Mohan also prepared a statement showing the number of workers that will be required in the factory throughout the year. Madhuri informed Mohan about her area wise sales target for different products for the forthcoming quarter.  While working on the production table, a penalty of Rs.100 per day for not wearing caps, gloves and apron was announced.	3



		Quoting lines from the above paragraph, identify any three types of plans discussed.	
Ans.	Ans.	<p>i. Policy: “It was decided that the raw materials like flour, wheat, sugar, etc. will be purchased on two months credit.”</p> <p>ii. Method: “..decided the exact manner in which production activities were to be carried out.”</p> <p>iii. Procedure: “He also decided to follow the steps required for marketing of the products through his own outlets.”</p> <p>iv. Rule: “While working on the production table, a penalty of Rs. 150 per day was announced for not wearing helmets, gloves and aprons by the workers.”</p> <p>v. Budget: “Mohan also prepared a statement showing the number of workers that will be required in the factory throughout the year.”</p> <p>(Any three)</p>	0.5 for identification+ 0.5 for quoting [1*3]
24.	21.	<p>The students of Class XII of ‘ DPS Mrd School’ visited the factory of ‘ Jaipur Exports Private Limited’ a company manufacturing readymade garments. They observed that different workers were allocated different tasks like cutting of fabric as per specification, stitching dresses, putting buttons, ironing the finished dresses, packing them and putting labels. The Chief Executive Officer told the students that this results in efficient and effective output. They also observed orderliness in the factory as there was a fixed place for everything and it was present there.</p> <p>The students later discussed with their Business Studies teacher and understood that principles of management given by Fayol were being followed in the factory.</p> <p>Identify the two principles of management that have been discussed in the above case. Also state the importance of the identified principles for an organisation.</p>	3
Ans.	Ans.	<p>i. <b>Order:</b> If there is a fixed place for everything and it is present there, then there will be no hindrance in the activities of business/ factory. This will lead to increased productivity and efficiency.</p> <p>ii. <b>Division of Work:</b> In business work can be performed more efficiently if it is divided into specialised tasks; each performed by a specialist or trained employee. This</p>	(0.5+1=1.5m) *2=3

		results in efficient and effective output. Division of work leads to specialization	
	<b>SECTION C</b>		
25.	-----	Evaluate the impact of political dimension of business environment on business organizations.	4
Ans.	-----	<p>i. The significance of political conditions in business success lies in the predictability of business activities under stable political conditions.</p> <p>ii. On the other hand, there may be uncertainty of business activities due to political unrest and threats to law and order.</p> <p>iii. Political stability builds up confidence among business people to invest in the long term projects for the growth of the economy. Political instability can shake that confidence.</p> <p>iv. The attitudes of government officials towards business may have either positive or negative impact upon business.</p>	1m for each point= 4m
-----	<b>25</b>	<b>How does understanding of environment by business managers enable them to get the first mover advantage as well as identify threats and early warning signals?</b>	<b>4</b>
	<b>Ans.</b>	<p><b>Opportunities refer to the positive external trends or changes that will help a firm to improve its performance. Environment provides numerous opportunities for business success. Early identification of opportunities helps an enterprise to be the first to exploit them instead of losing them to competitors. For example, Maruti Udyog became the leader in the small car market because it was the first to recognise the need for small cars in an environment of rising petroleum prices and a large middle class population in India.</b></p> <p><b>Threats refer to the external environment trends and changes that will hinder a firm's performance. Besides opportunities, environment happens to be the source of many threats. Environmental awareness can help managers to identify various threats on time and serve as an early warning signal. For example, if an Indian firm finds that a foreign multinational is entering the Indian market with new substitutes, it should act as a warning signal. On the basis of this information, the Indian firms can prepare themselves to meet the threat by adopting such measures as improving the quality of the product, reducing cost of the production, engaging in aggressive advertising, and so on.</b></p>	<b>2+2</b>
26.	30.	Sharmila, a very able HR manager, is called by her boss. He tells her to judge whether there is under manning or over manning in the organisation. She finds	4

		<p>out that the total number of employees in the organisation is less than required. Then she starts a process of searching potential employees for the organisation. In her efforts to do so she adopts three ways:</p> <p>A. She goes to various MBA colleges to find out new talent.</p> <p>B. She talks to the existing employees for information about candidates in their know-ledge who can be recruited in the organisation.</p> <p>C. She asks for data base of the candidates who applied last year but could not make it to the organisation.</p> <p>i. Which type of analysis is done by Sharmila?</p> <p>ii. Which process is started by Sharmila to meet the problem of under manning?</p> <p>iii. Quoting the lines, identify different types of sources of external recruitment highlighted in the above case.</p>	
Ans	Ans	<p>i. The type of analysis done by Sharmila is workforce analysis. Her boss tells her to judge whether there is under manning or over manning in the organisation.</p> <p>ii. The process started by Sharmila to meet under manning is recruitment. She then starts a process of searching potential employees for the organisation.</p> <p>iii. The different types of sources of external recruitment highlighted in the above case are:</p> <p>a. Campus recruitment. She goes to various MBA colleges to find out new talent.</p> <p>b. Employee recommendation. She talks to the existing employees for information about candidates in their knowledge who can be recruited in the organisation.</p> <p>c. Casual callers. She asks for data base of the candidates who applied last year but could not make it to the organisation.</p>	<p>0.5+</p> <p>0.5+</p> <p>1+1+1</p>
27.	----	Explain any two barriers to communication which are concerned with problems and obstructions in the process of encoding and decoding the message into words or impressions.	4
Ans.	-----	<p>Semantic barriers</p> <p>(i) Badly expressed message: Some times intended meaning may not be conveyed by a manager to his subordinates. These badly expressed messages may be an account of inadequate vocabulary, usage of wrong words, omission of needed words, etc.</p> <p>(ii) Symbols with different meanings: A word may have several meanings. Receiver has to perceive one such meaning for the word used by communicator.</p> <p>(iii) Faulty translations: Sometimes the communications originally drafted in one language (e.g., English) need to be translated to the language understandable to workers (e.g., Hindi). If the translator is not proficient with</p>	2+2

		<p>both the languages, mistakes may creep in causing different meanings to the communication.</p> <p>(iv) Unclarified assumptions: Some communications may have certain assumptions which are subject to different interpretations. subordinate should take care of transport, food, accommodation of the guest until he leaves the place. The subordinate may interpret that guest should be taken to hotel with care. Actually, the guest suffers due to these unclarified assumptions.</p> <p>(v) Technical jargon: It is usually found that specialists use technical jargon while explaining to persons who are not specialists in the concerned field. Therefore, they may not understand the actual meaning of many such words.</p> <p>(vi) Body language and gesture decoding: Every movement of body communicates some meaning. The body movement and gestures of communicator matters so much in conveying the message. If there is no match between what is said and what is expressed in body movements, communications may be wrongly perceived.</p> <p>(Any two)</p>	
-----	27.	<b>Explain any two barriers to communication which are related to authority relationship, rules and regulations of the company.</b>	4
----	Ans.	<p><b>Organisational Barriers</b></p> <p>(i) <b>Organisational policy:</b> If the organisational policy, explicit or implicit, is not supportive to free flow of communication, it may hamper effectiveness of communications. For example, in an organisation with highly centralised pattern, people may not be encouraged to have free communication.</p> <p>(ii) <b>Rules and regulations:</b> Rigid rules and cumbersome procedures may be a hurdle to communication. Similarly, communications through prescribed channel may result in delays.</p> <p>(iii) <b>Status:</b> Status of superior may create psychological distance between him and his subordinates. A status conscious manager also may not allow his subordinates to express their feelings freely.</p> <p>(iv) <b>Complexity in organisation structure:</b> In an organisation where there are number of managerial levels, communication gets delayed and distorted as number of filtering points are more.</p> <p>(v) <b>Organisational facilities:</b> If facilities for smooth, clear and timely communications are not provided communications may be hampered. Facilities like frequent meetings, suggestion box, complaint box, social and cultural gathering, transparency in operations, etc., will encourage free</p>	2+2

		<b>flow of communication. Lack of these facilities may create communication problems. (Any two)</b>	
28.	29.	<p>Ashish Steel Makers' has decided to include a team of dynamic managers in the Company. For this they want to judge the pattern of interests of the potential managers. After giving this test they want to further know how much the candidate is useful for organisation. They decide to take another test which can measure the existing skills of the candidates. Rajeev, an exceptional candidate, is given certain document which contains information like job title, pay, allowances, responsibilities, etc. After the employees join, they are given a very good training. The Company does not want to stop at 'training' which is a job-related process. They want to bring a concept which is a career related process.</p> <p>1. Which two type of selection tests are highlighted in the above case? 2. Which document is given to Rajeev? 3. Which career related process is here referred to?</p>	4
Ans.	Ans.	<p>1. The two types of selection tests highlighted in the above case are:</p> <ul style="list-style-type: none"> <li>○ Interest test. They want to judge the pattern of interests of the potential managers.</li> <li>○ Trade test. Test which can measure the existing skills of the candidates.</li> </ul> <p>2. The document which is given to Rajeev is contract of employment. Document which contains information like job title, pay, allowances, responsibilities, etc.</p> <p>3. The career related process which is referred to here is development. A concept which is career related process.</p>	<p>2+</p> <p>1+</p> <p>1</p>
29.	28.	<p>Vivan has set up a small-scale manufacturing unit for making different varieties of low-cost detergents. In order to market his product, he has employed a team of five salesman. Each salesman has been assigned specific areas in the city. He holds a meeting every month for determining the objectives to be achieved during the coming month. A sales target is predetermined for each month which is mutually agreed by both Vivan and his sales team. If the salesmen succeed in reaching this target a bonus is paid out to all of them along with the monthly salary.</p> <p>In context of the above case:</p> <p>(a) What style of leadership is adopted by Vivan? Explain by quoting lines from the para. (b) Name the non-financial incentive being offered to the salesmen by seeking their involvement in deciding the monthly targets of the firm.</p>	4
Ans.	Ans.	<p>(a) The democratic style of leadership is adopted by Vivan.</p>	1+1+1=3 m

		<p>A democratic leader encourages his subordinates to participate in the process of decision making. Thereby, the manager is able to motivate his subordinates to perform their best, as they themselves have set the goals.</p> <p>“A sales target is pre-determined for each month which is mutually agreed by both Vivan and his sales team.”</p> <p>(b) Employees participation is the type of non-financial incentive that is being offered to the salesmen by seeking their involvement in deciding the monthly targets of the firm.</p>	<p>+</p> <p>1m</p>
30.	26.	<p>The activities and employees in ‘Elegance Pvt. Ltd.’, a footwear manufacturing company, can be broadly grouped into five departments namely; production, purchase, marketing, accounts and personnel. Over the years the company has grown and expanded its operations manifold. The company now intends to diversify into leather bags segment. So its management has decided to restructure its operations. They plan to create separate product divisions for each product line wherein the functioning of each division will be further divided into five departments namely; production, purchase, marketing, accounts and personnel.</p> <p>In context of the above case;</p> <p>i. Identify the existing organizational structure of the company and what it plans for in future.</p> <p>ii. How is the company’s future organisational structures likely to be different from the existing one? State any two points of differences between the two types of organisational structures.</p>	4
Ans.	Ans.	<p>Functional Structure- existing</p> <p>Divisional- Future</p>	<p>1+1 for identification</p> <p>+</p> <p>1m each for any 2 differences with proper basis</p>

		<b>Comparative view: Functional and Divisional Structure</b>																						
		<table><tr><th>Basis</th><th>Functional Structure</th><th>Divisional Structure</th></tr><tr><td>Formation</td><td>Formation is based on functions</td><td>Formation is based on product lines and is supported by functions.</td></tr><tr><td>Specialisation</td><td>Functional specialisation.</td><td>Product specialisation.</td></tr><tr><td>Responsibility</td><td>Difficult to fix on a department.</td><td>Easy to fix responsibility for performance.</td></tr><tr><td>Managerial Development</td><td>Difficult, as each functional manager has to report to the top management.</td><td>Easier, autonomy as well as the chance to perform multiple functions helps in managerial development.</td></tr><tr><td>Cost</td><td>Functions are not duplicated hence economical</td><td>Duplication of resources in various departments, hence costly.</td></tr><tr><td>Coordination</td><td>Difficult for a multi-product company.</td><td>Easy, because all functions related to a particular product are integrated in one department.</td></tr></table>	Basis	Functional Structure	Divisional Structure	Formation	Formation is based on functions	Formation is based on product lines and is supported by functions.	Specialisation	Functional specialisation.	Product specialisation.	Responsibility	Difficult to fix on a department.	Easy to fix responsibility for performance.	Managerial Development	Difficult, as each functional manager has to report to the top management.	Easier, autonomy as well as the chance to perform multiple functions helps in managerial development.	Cost	Functions are not duplicated hence economical	Duplication of resources in various departments, hence costly.	Coordination	Difficult for a multi-product company.	Easy, because all functions related to a particular product are integrated in one department.	
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		<b>SECTION D</b>																						
31.	34.	<p>Medico is a well-known pharmaceutical company. The company is on its growth trajectory. The company has chosen to share decision making authority with lower levels and place it nearest to the point of action. Therefore the response does not take time. This propagates the belief that people are competent, capable and resourceful who can get a chance to prove their abilities. And enables the company in identifying those executives who have the necessary potential to become dynamic leaders, so that the checking required on decisions taken by lower levels of management is the least. This makes it possible to evaluate performance at each level and each department can be individually held accountable for their results.</p> <p>a. Identify the concept discussed above. b. By quoting the lines, explain its benefits stated in the case given above. (Any two)</p>	6																					
Ans.	Ans.	<p>Decentralisation</p> <p>i. Quick decision making: The management hierarchy can be looked upon as a chain of communication. In a decentralised organisation, however, since decisions are taken at levels which are nearest to the points of action and there is no requirement for approval from many levels, the process is much faster. ‘Therefore the response does not take time.’</p> <p>ii. Develops managerial talent for the future: Formal training plays an important part in equipping subordinates with skills that help them rise in the organisation but equally important is the experience gained by handling assignments independently. Decentralisation gives them a</p>	<p>1m for identification + 2.5*2 for any two benefits</p>																					

		<p>chance to prove their abilities and creates a reservoir of qualified manpower who can be considered to fill up more challenging positions through promotions. It also helps to identify those who may not be successful in assuming greater responsibility.</p> <p>‘And enables the company in identifying those executives who have the necessary potential to become dynamic leaders, so that the checking required on decisions taken by lower levels of management is the least’</p> <p>iii. Better control: Decentralisation makes it possible to evaluate performance at each level and the departments can be individually held accountable for their results. The extent of achievement of organisational objectives as well as the contribution of each department in meeting the overall objectives can be ascertained. Feedback from all levels helps to analyse variances and improve operations. ‘This makes it possible to evaluate performance at each level and each department can be individually held accountable for their results.’</p> <p>(Any Two)</p>	
32.	33.	<p>Rahul, after completing his entrepreneurship course from London returned to India and started a coffee shop ‘Aroma Coffee Can’ a famous Mall in Bangalore. The speciality of coffee shop was the special aroma and a wide variety of flavours to choose from. Somehow, the business was neither profitable nor popular. Rahul was keen to find out the reason. He appointed Sonali, an MBA from a reputed college, as a manager to find out the cause of the same.</p> <p>Sonali took feedback from the clients and found out that though they love the special unique aroma of coffee but were not happy with the long waiting time being taken to process the orders. She analysed and found out that there were many unnecessary obstructions in between which could be eliminated. She fixed a standard time for processing the orders. She also realized that there were some flavours whose demand was not enough. So, she also decided to stop the sale of such flavours.</p> <p>As a result within a short period Sonali was able to attract the customers.</p> <p>i. Which principle of scientific management was used by Sonali for analysis and decision making? Explain.</p> <p>ii. Identify and explain the technique of scientific management adopted by Sonali for speedy processing of orders.</p> <p>iii. State the objectives of the technique identified in (ii) above.</p>	6



Ans.	Ans.	<p>i. Science not rule of thumb Taylor believed that there was only one best method to maximise efficiency. This method can be developed through study and analysis. The method so developed should substitute 'Rule of Thumb' throughout the organisation. Scientific method involved investigation of traditional methods through work-study, unifying the best practices and developing a standard method, which would be followed throughout the organisation.</p> <p>ii. Simplification of work / Time study/ Motion Study Identification with explanation</p> <p>iii. The objectives of any one of the techniques identified above. Simplification of work / Time study/ Motion Study</p>	<p>1+1</p> <p>1+1</p> <p>2</p>
33.	32.	<p>Savita has been assigned the job of quantity controller. Her daily routine is to send alarm to the manufacturing department about the deviations in the number of units produced so that the target of the day could be achieved. This helps the whole department to focus towards its main plan of action. However, one day she realises that the number of units which are to be produced is 500 which is very high and creates chaos at the shop floor. She discusses it with the management and the target is reduced to 450. This has helped the manufacturing department in maintaining quality of the work done. There are 10 workers at the shop floor where Savita does inspection. She divided the task into 45 units for each worker so that by the end of the day the target of the department is completed.</p> <p>Quoting the lines, identify and explain the benefits of controlling have been highlighted in the above case?</p>	6
Ans.	Ans.	<p>The benefits of controlling highlighted in the above case are:</p> <p>(I) Controlling helps in accomplishing organisational goals. Her daily routine is to send alarm to the manufacturing department about the deviations in the number of units produced so that the target of the day could be achieved.</p> <p>(II) Controlling helps in judging accuracy of set standards. However, one day she realises that the number of units which are to be produced is 500 which is very high and creates chaos at the shop floor, she discusses it with the management and the target is reduced to 450.</p> <p>(III) Controlling helps in facilitating coordination in action. She has divided the task into 45 units for each worker so that by the end of the day the target of the department is completed.</p> <p>(IV) Controlling ensures order and discipline: There are 10 workers at the shop floor where Savita does inspection.</p> <p>(Any three)</p>	2*3

34.	31.	<p>Maslow's Need Hierarchy Theory is considered fundamental to understanding of motivation. He felt that within every human being, there exists a hierarchy of five needs, starting with the Basic Physiological Needs.</p> <p>Explain the other four needs in the hierarchy. Also, state the assumptions over which this theory is based.</p>	6
Ans.	Ans.	<p>(i) Safety/Security Needs: These needs provide security and protection from physical and emotional harm. Examples: job security, stability of income, Pension plans etc.,</p> <p>(ii) Affiliation/Belonging Needs: These needs refer to affection, sense of belongingness, acceptance and friendship.</p> <p>(iii) Esteem Needs: These include factors such as self-respect, autonomy status, recognition and attention.</p> <p>(iv) Self Actualization Needs: It is the highest level of need in the hierarchy. It refers to the drive to become what one is capable of recruitment and training which involve additional investment of money, time and effort. These needs include growth, self-fulfillment and achievement of goals.</p> <p>Maslow's theory is based on the following assumptions:</p> <p>(i) People's behaviour is based on their needs. Satisfaction of such needs influences their behaviour.</p> <p>(ii) People's needs are in hierarchical order, starting from basic needs to other higher level needs.</p> <p>(iii) A satisfied need can no longer motivate a person; only next higher level need can motivate him.</p> <p>(iv) A person moves to the next higher level of the hierarchy only when the lower need is satisfied. Maslow's Theory focuses on the needs as the basis for motivation.</p>	<p>1*4</p> <p>+</p> <p>0.5*4</p>