

## **QUESTION BANK**

**Class – XII**

**Subject:- BUSINESS STUDIES**

### **CHAPTER-1**

1. “Management is the trinity of art, science and profession.” In the light of this statement explain the nature of Management.
2. “Co-ordination is the process of achieving unity of action among inter-dependent activity and department of an organization”. “Explain the nature of co-ordination in the light of this statement.
3. “Lack of proper management results in wastage of time, money and efforts. “Do you agree with this statement? Give reasons in support of your answer.
4. Explain any five characteristics of management.

### **CHAPTER-2**

5. An organization follows the principles of management. What are the positive effects of each of the following principles of management on the organization.
  - a) Scalar chain.
  - b) Esprit decorps
  - c) Division of work
  - d) Unity of Derection
  - e) Subordination of individual interest to general interest
  - f) Equity
6. Explain the nature of Management principles.
7. Taylor’s technique of Management is universally applicable. Do you agree? Give any four reasons in support of your answer.
8. Explain the technique of differential wage system. Develop an imaginary plane of differential piece rates to be introduced for the works, engaged in sewing shirts.

### **CHAPTER-3**

9. What economic changes have been initiated by the Government of India since 1991? Explain their impact on business and industry in brief.
10. What do you mean by business environment? Explain its dimension in brief.
11. Explain any five features of business environment?
12. How does business environment get the first mover advantage and helps in tapping the resources?

### **CHAPTER-4**

13. “Planning is beneficial to all. “Explain in brief the benefits of planning function of Management.
14. What are the various steps involved in the process of planning? Discuss.

15. Explain briefly any five types of plans.
16. Why does planning sometimes fail in spite of the best efforts of Management? Give reasons.

### **CHAPTER-5**

17. Ashish Medicines International Pvt. Ltd., is a diversified company and has seven branches all over the world. Each branch is concerned with the production and sales of only one type of medicine. What type or organizational structure would you suggest for the company and why? Give any two advantages and disadvantages of such structure.
18. Distinguish between formal and informal organizations on the basis of
  - a) Flow of communication
  - b) Origin
  - c) Nature
  - d) Authority
  - e) Leadership
  - f) Behaviour
19. Decentralisation is an optional policy. Explain why are organization would choose to be decentralized.
20. In Big organizations delegation of authority is not required at all. “Do you agree with this statement? Give reasons in support of your answer.

### **CHAPTER-6**

21. Why is staffing an important function of management in all organizations? Explain in brief any six reasons.
22. Define selection. Explain in brief any five steps involved in the selection procedure of employees.
23. “A newly appointed personnel manager is of the view that there is no benefit of training of workers.” Do you agree with his views? Give reasons in support of your answer.
24. “External sources of recruitment are better than internal sources of recruitment. “Do you agree with this statement?

### **CHAPTER-7**

25. “Directing is the heart of the Management process. “Do you agree? Give reasons.
26. To create a desire among employees to perform to the best of their abilities is an important aspect of directing. Explain how it contributes to the success of an organization.
27. Explain any five principles of directing function of Management.
28. “Good leadership is an integral part of effective direction. “Discuss and bring qualities of an effective leadership.

### **CHAPTER-8**

29. Explain the various steps involved in the process of control.
30. “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 this statement? Give reasons in support of your answer.

31. Explain ‘Budgetary control’ as a technique of managerial controlling.
32. What is ‘Critical Point Control’ and ‘Management by Exception’? Write their advantages.

### **CHAPTER-9**

33. “Determination of capital structure of company is influenced by a number of factors. “Explain any four such factors.
34. Explain any six factors affecting the dividend decision.
35. How does ‘trading on equity’ increase the return on equity shares? Explain with an example.
36. Explain the importance of Financial planning in financial management.

### **CHAPTER-10**

37. What is Money Market? Explain briefly any four money market instruments.
38. State any three development and three regulatory functions of SEBI.
39. Define financial market. Explain briefly four important functions of financial market.
40. Explain briefly any four methods of floatation of new shares in the primary market.

### **CHAPTER-11**

41. Explain the factors determining choice of channels of distribution of any product.
42. Explain the importance of advertising for manufactures and consumers.
43. What do you mean by Marketing Mix? Explain its components.
44. “Personal selling plays a very important role in the marketing of goods and services. “Do you agree? Explain any four reasons in support of your answer.

### **CHAPTER-12**

45. Define the term ‘consumer’ under consumer protection Acts 1986. State any six relief’s/remedies to consumers under the Act.
46. Giving any six points, explain the importance of consumer ‘Protection in India.
47. Explain any five rights of a consumer.
48. Explain any five ways and means of consumer protection followed in India.

### **SHORT ANSWER TYPE**

#### **CHAPTER-1**

49. Identify which level of Management would take following decisions.
  - a) Recruitment of casual labourers.
  - b) Give performance reports to top management.
  - c) Introducing a new product line.
  - d) Deciding the capital structure of the company.

50. “Effectiveness and Efficiency are two sides of the same coin which need to be balanced in management decision. “Explain this statement with the help of an example.

### **CHAPTER-2**

51. Which principle of Management is violated in following situations?
- a) When worker is wasting time in search of tool box in the organization.
  - b) When each division of the company does not have a separate plan of action.
  - c) When manager grants one month medical leave to a supervisor with pay and only one week medical leave to accountant.
  - d) When a worker receives orders from more than one boss.
52. Explain Functional Foremanship as a technique of scientific management.

### **CHAPTER-3**

53. Define technological environment. Give two examples of impact of technological changes on business.
54. Briefly explain the following:-
- i ) Liberalisation.
  - ii) Privatisation.
  - iii) Globalisation.

### **CHAPTER-4**

55. How does planning creates rigidity and restricts creativity?
56. “Planning and controlling are both interrelated and interlinked terms. “Explain.

### **CHAPTER-5**

57. Can an overburdened manager take help from his subordinates? How? Explain the three important things which is should keep in mind while taking such help?
58. Sushama Ltd. is engaged in the production of marble articles. The members of the organization have friendly relationships among them. What type of organization is Sushma Ltd.? Explain any two benefits of developing such an organization.

### **CHAPTER-6**

59. “There is no need of staffing as so many people are available in the market these days. “Do you agree with this statement? Give any three reasons.
60. Explain any three methods of ‘on the Job Training’.

### **CHAPTER-7**

61. Amit and Mikki are working in the same organization but in different departments. One day at lunch time Mikki informed Amit that due to computerization some people are going to be retrenched from the organization.

- a) Name which type of communication is this.
  - b) State any two limitations of this type of communication.
62. Name and explain the kind of monetary incentive in which employees are offered company shares at a price lower than market price.

### **CHAPTER-8**

63. Explain any four features of controlling.
64. “Planning is looking ahead and controlling is looking back.” Comment.

### **CHAPTER-9**

65. Explain the concept of “wealth Maximisation “as an objective of financial Management.
66. “A decision to invest in Fixed Capital is an irreversible decision.” Explain briefly.

### **CHAPTER-10**

67. In today’s commercial world the stock exchange performs many vital functions. Do you agree? Give any three reasons in support of your answer.
68. Explain briefly the trading procedure of stock exchange.

### **CHAPTER-11**

69. You have been newly appointed as a marketing manager of Pahiya Cosmetics Pvt. Ltd. As a marketing manager, what our function will you perform in the company?
70. What is Sales Promotion? State its two limitations.

### **CHAPTER-12**

71. I saw an advertisement in the newspaper regarding a domestic iron and ordered for the purchase of the same to the shopkeeper. What will be my responsibilities as a customer so that I should not be exploited by the shopkeeper? State any four such responsibilities.
72. Explain any three points of importance of consumer projection from consumer’s point view.

### **VERY SHORT ANSWER TYPE.**

### **CHAPTER-1**

73. “A good manager is born not made.. “Do you agree? Give reason.
74. To meet the objectives of the firm. The Asian Paints contributes large amount of funds to enable farmers to use local resources effectively. Identify the management objective it tried to achieve.
75. “The task of management is to make people work towards achieving the organizational goals, by marketing their strengths effective and their weaknesses irrelevant.” Identify the dimension of management.

## **CHAPTER-2**

76. The degree of centralization and decentralization depends upon the circumstances and situation of enterprise. Which characteristics of principles of management have been highlighted here?
77. In a company, there are four separate departments for finance, marketing, production and human resource development. Identify the principle of management.
78. The Management and workers have entered into an agreement that workers will do overtime to cover up losses of the company. In turn, the manager will increase the wages. But later management refused to increase the wages. Name the principle related to the above situation.
79. Factory owners or managers relied on personal judgment in attending to the problems they confronted in the course of managing their work, principle of Taylor is referred to here?

## **CHAPTER-3**

80. “It may be difficult to know the extent of the relative impact of the social, economic, political, technological or legal factors on change in demand of a product in the market. “Which feature of business environment is highlighted by this point?
81. Give an example how economic environment affects a business enterprises.

## **CHAPTER-4**

82. Name the type of plan in which the minutest details are worked out, that is procedure, rules and budget within the broad framework of policy.
83. ‘An employee will be selected through a written test’. What type of plan is it?

## **CHAPTER-5**

84. Which terms denote “the number of subordinates that can be effectively managed by a superior?”
85. Name the term used for downward transfer of authority from a superior to a subordinate.

## **CHAPTER-6**

86. 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?
87. Name the function of Management that fills the positions as shown in the organization structure.

## **CHAPTER-7**

88. Name the principle emphasizing the need for tapping the maximum energies of employees in the process of directing.

89. Name the element of directing function under which the superiors assure the subordinates that their needs will be taken care of.

### **CHAPTER-8**

90. What is critical point control?  
91. Only increase in Labour cost beyond 2% should be brought to the notice of the management. Which principles of control have been highlighted by this statement?

### **CHAPTER-9**

92. What may force a business to go into liquidation?  
93. A decision is taken to raise money for long term capital needs of the business from certain sources.  
What is this decision called?

### **CHAPTER-10**

94. Name the instrument used as alternative to bank borrowing for large companies.  
95. What is the other name of carry-over basis transactions on a stock exchange?

### **CHAPTER-11**

96. “A toy car free with Maggi Noodles” is an example of one of the techniques of sales promotion. Name the technique.  
97. What will be the marketing strategy of a company, which believes in production concept of marketing?  
98. Give two examples of speciality products.  
99. Which consumer right suggests the business firms to set up their own consumer service and grievance cell?  
100. Mr. Piyush claimed a compensation of Rs.60 lakh for the damage caused to him while using a company’s product. Where can he file his claim?

