



तत् त्वं पूषन् अपावृणु  
केन्द्रीय विद्यालय संगठन

**KENDRIYA VIDYALAYA SANGATHAN**

**HYDERABAD REGION**

**SUBJECT - BUSINESS STUDIES**

**CLASS - XII**

**(MCQs ON CASE BASED AND ASSERTION – REASON TYPE)**

**TERM –I**

**SESSION 2021-22**

**(As per Latest CBSE guidelines and Term-I Curriculum)**



तत् त्वं पूषन् अपावृणु  
केन्द्रीय विद्यालय संगठन

केन्द्रीय विद्यालय संगठन / KENDRIYA VIDYALAYA SANGATHAN

हैदराबाद संभाग / HYDERABAD REGION

**CLASS – XII SUBJECT – BUSINESS STUDIES**

CHIEF PATRON

SRI K. SASEENDRAN, DEPUTY COMMISSIONER

PATRON

DR (SMT) V. GOWRI, ASSISTANT COMMISSIONER

COORDINATOR

NAME OF PRINCIPAL: SHRI. ISLAM KHAN, PRINCIPAL KV KHAMMAM

PREPARED & VETTED BY SUBJECT TEACHERS

- |                      |                                |
|----------------------|--------------------------------|
| 1. Mr. N. Balaji     | (K.V.No.2, SVN, Visakhapatnam) |
| 2. Mr. S. ARUMUGAM   | (KV NTPC Ramagundam)           |
| 3. Mr. G. ELANCHERAN | (KV Tirumalagiri)              |
| 4. Mr. PARAS ANAND   | (KV NFC Nagar Ghatkesar)       |
| 5. Mrs. VARSHA VERMA | (KV Waltair)                   |
| 6. Mr. ARUN S        | (KV Steel Plant)               |
| 7. Mrs. JYOTI        | (KV Malkapuram)                |
| 8. Mr. SHAHZAD ARABI | (KV NO.1, Tirupati)            |
| 9. Mr. MANOJ KUMAR   | (KV NSB-1 Visakhapatnam)       |

**CLASS 12 BUSINESS STUDIES FOR THE YEAR 2021-22**

**TERM 1 MCQ QUESTION AND ANSWERS BASED ON CASE BASED  
AND ASSERTION – REASON MODEL**

ANSWERS ARE PROVIDED AT THE END OF EACH SECTION.

EACH QUESTION CARRIES ONE MARK EACH

**CHAPTER 1 NATURE AND SIGNIFICANCE OF MANAGEMENT**

**CASE BASED QUESTIONS:**

	<p><b>QUESTION NO.1 TO 4 ARE BASED ON THE PARA GIVEN BELOW. CHOOSE THE CORRECT OPTION GIVEN BELOW FOR EACH QUESTION:</b></p> <p>Mayra Ltd. received a new order of 30,000 toys. Mr. Abhilash, the production manager is expected to deliver goods in fifteen days otherwise the contract will be null and void. To retain the customers, Abhilash outsourced the production of 15,000 toys and delivered the order on time. The outsourcing of production resulted in increase in cost by 50%. Mayra Ltd. uses environment friendly methods of production and disposes off the waste material by either recycling it or using the same for landfill in such a manner that the aquatic life is not disturbed."</p>
1	<p>Which concept of management is being adhered to here by Mr. Abhilash?</p> <p>(A)Effectiveness (b) Efficiency (c) Both a. and b. (d) None of these</p>
2	<p>Which concept of management is being overlooked by Mr. Abhilash?</p> <p>(A)Effectiveness (b) Efficiency (c) Both a. and b. (d) None of these</p>
3	<p>At which level of management is Mr. Abhilash working?</p> <p>(A)Top level (b) Middle level (c) Lower level (d) Shop floor level</p>
4	<p>Which objective of management is fulfilled by Mayra Limited?</p> <p>(A)Organisational</p>

	<p>(b) Personal</p> <p>(c) Social</p> <p>(d) None of these</p>
	<p><b>QUESTION NO.5 TO 7 ARE BASED ON THE PARA GIVEN BELOW. CHOOSE THE CORRECT OPTION GIVEN BELOW FOR EACH QUESTION:</b></p> <p>Ankush Ltd is engaged in manufacturing of electrical appliances .Mr Ankush found that the profits had started declining from the last 6 month. Profit has an implementation for the survival of the firm, so he analysed the business environment to find out the reason for the decline. Also the company has been facing problem for the last few years because of the chaos between two departments ie (production department and sales department)..Sales department blames Production department for delaying production. Production department blames sales department for poor sales. The force that initiate two department is missing. So Mr Ankush integrates the effort of these departments into a uniform plan of action to active better organisational results. He also gives instructions to his managers so that desired action may be taken to achieve the target on time.Variou incentive are also offered to them for achieving desired target on time.</p>
5	<p>At which level of management is Mr Ankush working?</p> <p>(A) top level</p> <p>(b) middle level</p> <p>(c) lower level</p> <p>(d) shop floor level</p>
6	<p>Which is the force that Is missing in the given paragraph?</p> <p>(A) cooperation</p> <p>(b) coordination</p> <p>(c) Authority and responsibilities</p> <p>(d) planning</p>
7	<p>Which function of management is highlighted in the lines "He also gives instructions .....Time"?</p> <p>(A) planning</p> <p>(b) organising</p> <p>(c) staffing</p> <p>(d) directing</p>
	<p><b>QUESTION NO.8 TO 11 ARE BASED ON THE PARA GIVEN BELOW. CHOOSE THE CORRECT OPTION GIVEN BELOW FOR EACH QUESTION:</b></p> <p>Mona is the branch manager of Mitushi Handicrafts Pvt Ltd. The company's objective is to promote the</p>

	<p>sales of Indian Handlooms .It sales fabrics, furnishing readymade and household items are made out of traditional Indian fabrics. Mona decides quantities, variety, colour and texture of all the above items and then allocates resources for their purchase from different suppliers .She appoints the team of designers and crafts people in the company who developed some prints for bed cover in bright colour on silk.</p> <p>Although the product look very attractive and impressive, they were relatively expensive and on the front of affordability of an average customer. Mona suggest that they should keep the silk bed cover for special festive occasions and offer the cotton bed cover on a regular basis to keep cost under control.</p>
8	<p>"She appoints a team of designers and craft people in the company, who developed some prints for bed cover in bright colour on silk" which function of management is highlighted in the statement?</p> <p>(A) controlling (b) staffing (c) planning (d) directing</p>
9	<p>In the above case "company's objective is to promote the sales of Indian Handlooms and Handicrafts production" the above line focus on which feature of management?</p> <p>(A) Management is an initiative force (b) Management is a goal oriented process (c) Management is pervasive in nature (d) Management is a continuous process</p>
10	<p>With reference to the case, at which level of management Mona is working?</p> <p>(A) lower level (b) top level (c) middle level (d) shop floor level</p>
11	<p>Mona suggest that they should keep the silk bed cover for special festive occasions and offer the cotton bed cover on a regular basis to keep cost under control" Which function of management is highlighted over here?</p> <p>(A) controlling (b) staffing (c) organizing (d) planning</p>
	<p><b>QUESTION NO.12 TO 15 ARE BASED ON THE PARA GIVEN BELOW. CHOOSE THE CORRECT OPTION GIVEN BELOW FOR EACH QUESTION:</b></p>

	<p>Soft-core Ltd. is a company which has improved its functioning by proper management. The company has been successful in deciding and completing targets. In the previous meeting, it was decided that in coming years, the company could show increase in the number of workers, number of products produced and also the sales turnover. However, recently it earned a negative reputation under the impact of resignations put forth by two of its departmental heads. These departmental heads were experts in their fields. One was leading the marketing department and the other was a scientist of repute who headed the manufacturing department. In the top level management meeting, it was found that such departmental heads who were specialists in their areas cannot be tackled by unity of command. They were egoistic as they were specialists. After the meeting, things started to change for the organisation as all the departments started to work with one single target of giving back the company its lost fame. There was a combined effort which doubled the revenue of the organisation. A special regulation system of including every level manager was brought into action. Thus, the overall functioning of the organisation improved.</p>
12	<p>Identify the feature of management highlighted in the given case.</p> <p>(A) Management is an intangible force  (b) Management is multidimensional  (c) Management is a goal-oriented process  (d) Management is all pervasive</p>
13	<p>Identify the type of objective being discussed from the given Line stated..... company could show increase in the number of workers, number of products produced and also the sales turnover."</p> <p>(a) Organisational  (b) Personal  (c) Social  (d) None of these</p>
14	<p>The concept of management missing in the Soft-core Ltd, Company is:</p> <p>(A) cooperation  (b) coordination  (c) control  (d) direction</p>
15	<p>Identify the feature of coordination being discussed from the given line:.....as all the departments started to work with one single target of giving back the company its lost fame."</p> <p>(a) Unity of action  (b) Responsibility of all managers  (c) Pervasive</p>

(d) Continuous process
------------------------

**ANSWERS FOR CASE BASED QUESTIONS OF NATURE AND SIGNIFICANCE OF MANAGEMENT**

<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>13</b>	<b>14</b>	<b>15</b>
<b>a</b>	<b>b</b>	<b>c</b>	<b>c</b>	<b>a</b>	<b>b</b>	<b>d</b>	<b>b</b>	<b>b</b>	<b>c</b>	<b>a</b>	<b>a</b>	<b>a</b>	<b>b</b>	<b>a</b>

**ASSERTION – REASON QUESTIONS: NATURE AND SIGNIFICANCE OF MANAGEMENT**

**Read the following statements: Assertion and Reason. Choose one of the correct alternatives given below:**

1	<p>Assertion (A): Coordination is needed in all departments and at all levels. Reason (R): Activities are independent in all departments and levels.</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 and Reason (R) is not the correct explanation Assertion (A). (c) Assertion (A) is True but Reason (R) is False. (d) Assertion (A) is False but Reason (R) is True.</p>
2	<p>Assertion (A): Management is termed as a 'Process!' Reason (R): Management involves a series of inter-related functions, such as planning, organising, staffing, directing and controlling.</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 and Reason (R) is not the 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>
3	<p>Assertion (A): Management is called an Exact Science. Reason (R): Management deals with complex human behaviour, which cannot be determined with accuracy.</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 and Reason (R) is not the 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>
4	<p>Assertion (A): There is no restricted entry in case of management. Reason (R): Management consists of systematic knowledge of concepts, theories and principles.</p> <p>(A) Both Assertion (A) and Reason (R) are True and Reason (R) is the correct explanation of Assertion</p>



	<p>(A).</p> <p>(b) Both Assertion (A) and Reason (R) are True and Reason (R) is not the correct explanation of Assertion (A).</p> <p>(c) Assertion (A) is True but Reason (R) is False.</p> <p>(d) Assertion (A) is False but Reason (R) is True.</p>
5	<p>Assertion (A): Management is termed as a Group Activity.</p> <p>Reason (R): Every member of a firm joins the organisation with a different purpose and work towards achievement of personal goals and not organisational goals.</p> <p>(A) Both Assertion (A) and Reason (R) are True and Reason (R) is the correct explanation of Assertion (A).</p> <p>(b) Both Assertion (A) and Reason (R) are True and Reason (R) is not the correct explanation of Assertion (A).</p> <p>(c) Assertion (A) is True but Reason (R) is False.</p> <p>(d) Assertion (A) is False but Reason (R) is True.</p>
6	<p>Assertion (A): Management is considered as a tangible force.</p> <p>Reason (R): Management cannot be seen, felt and touched.</p> <p>(A) Both Assertion (A) and Reason (R) are True and Reason (R) is the correct explanation of Assertion (A).</p> <p>(b) Both Assertion (A) and Reason (R) are True and Reason (R) is not the correct explanation of Assertion (A).</p> <p>(c) Assertion (A) is True but Reason (R) is False.</p> <p>(d) Assertion (A) is False but Reason (R) is True.</p>
7	<p>Assertion (A): Coordination acts as a binding force between departments and ensures that all efforts are focused towards achieving organisational goals.</p> <p>Reason (R): Specialists in an organisation usually think that they only are qualified to evaluate, judge and decide according to their professional criteria.</p> <p>(A) Both Assertion (A) and Reason (R) are True and Reason (R) is the correct explanation of Assertion (A).</p> <p>(b) Both Assertion (A) and Reason (R) are True and Reason (R) is not the correct explanation of Assertion (A).</p> <p>(c) Assertion (A) is True but Reason (R) is False.</p> <p>(d) Assertion (A) is False but Reason (R) is True.</p>
8	<p>Assertion (A): Satisfaction of personnel objectives is very important in an organisation.</p>

	<p>Reason (R): Employees are one of the most valuable resources for an organisation.</p> <p>(A) Both Assertion (A) and Reason (R) are True and Reason (R) is the correct explanation of Assertion (A).</p> <p>(b) Both Assertion (A) and Reason (R) are True and Reason (R) is not the correct explanation of Assertion (A).</p> <p>(c) Assertion (A) is True but Reason (R) is False.</p> <p>(d) Assertion (A) is False but Reason (R) is True.</p>
9	<p>Assertion (A): The main objective of any organisation is to utilise human and non-human resources in the most efficient and effective manner to fulfill the economic objectives of the business.</p> <p>Reason (R): As it will ensure Survival, Profit and Growth of a business. Finance is the lifeblood of a business. So, fulfilling economic objectives is the first priority</p> <p>(A) Both Assertion (A) and Reason (R) are True and Reason (R) is the correct explanation of Assertion (A)</p> <p>(b) Both Assertion (A) and Reason (R) are True and Reason (R) is not the correct explanation of Assertion (A)</p> <p>(c) Assertion (A) is True but Reason (R) is False.</p> <p>(d) Assertion (A) is False but Reason (R) is True.</p>
10	<p>Assertion (A): Management is not a pure science.</p> <p>Reason (R):</p> <ul style="list-style-type: none"> <li>(a) Management has a systematised body of knowledge:</li> <li>(b) is based on observation and experimentation:</li> <li>(c) has universally validity</li> </ul> <p>(A) Both Assertion (A) and Reason (R) are True and Reason (R) is the correct explanation of Assertion (A)</p> <p>(b) Both Assertion (A) and Reason (R) are True and Reason (R) is not the correct explanation of Assertion (A)</p> <p>(c) Assertion (A) is True but Reason (R) is False.</p> <p>(d) Assertion (A) is False but Reason (R) is True.</p>
11	<p>Assertion (A): Management is an art.</p> <p>Reason (R):</p> <ul style="list-style-type: none"> <li>(a) It involves use of theoretical knowledge:</li> <li>(b) It is a personalised concept:</li> <li>(c) It involves practice and creativity</li> </ul> <p>(A) Both Assertion (A) and Reason (R) are True and Reason (R) is the correct explanation of Assertion (A)</p>

	<p>(b) Both Assertion (A) and Reason (R) are True and Reason (R) is not the correct explanation of Assertion (A)</p> <p>(c) Assertion (A) is True but Reason (R) is False.</p> <p>(d) Assertion (A) is False but Reason (R) is True.</p>
12	<p>Assertion (A): Coordination does not occur spontaneously nor it can be achieved by force.</p> <p>Reason (R): Coordination is the responsibility of all managers.</p> <p>(A) Both Assertion (A) and Reason (R) are True and Reason (R) is the correct explanation of Assertion (A)</p> <p>(b) Both Assertion (A) and Reason (R) are True and Reason (R) is not the correct explanation of Assertion (A)</p> <p>(c) Assertion (A) is True but Reason (R) is False.</p> <p>(d) Assertion (A) is False but Reason (R) is True.</p>
13	<p>Assertion (A): Coordination leads to specialisation.</p> <p>Reason (R): It helps to harmonise individual goals and organisational goals. Thus, it ensures that all individuals from different backgrounds work towards the common goals of the organisation.</p> <p>(A) Both Assertion (A) and Reason (R) are True and Reason (R) is the correct explanation of Assertion (A)</p> <p>(b) Both Assertion (A) and Reason (R) are True and Reason (R) is not the correct explanation of Assertion (A)</p> <p>(c) Assertion (A) is True but Reason (R) is False.</p> <p>(d) Assertion (A) is False but Reason (R) is True.</p>
14	<p>Assertion (A): Coordination is not pervasive.</p> <p>Reason (R): It is required at all levels and in all departments because of Interdependence of various activities.</p> <p>(A) Both Assertion (A) and Reason (R) are True and Reason (R) is the correct explanation of Assertion (A)</p> <p>(b) Both Assertion (A) and Reason (R) are True and Reason (R) is not the correct explanation of Assertion (A)</p> <p>(c) Assertion (A) is True but Reason (R) is False.</p> <p>(d) Assertion (A) is False but Reason (R) is True.</p>
15	<p>Assertion (A) Management is a profession.</p> <p>Reason (R) There is an All India Management Association</p> <p>(a) Both Assertion (A) and Reason (R) are True and Reason (R) is the correct explanation of Assertion</p>

	<p>(A)</p> <p>(b) Both Assertion (A) and Reason (R) are True and Reason (R) is not the correct explanation of Assertion (A)</p> <p>(c) Assertion (A) is True but Reason (R) is False.</p> <p>(d) Assertion (A) is False but Reason (R) is True.</p>
--	---

**ANSWERS FOR ASSERTION – REASON QUESTIONS OF NATURE AND SIGNIFICANCE OF MANAGEMENT**

<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>13</b>	<b>14</b>	<b>15</b>
<b>c</b>	<b>a</b>	<b>d</b>	<b>b</b>	<b>c</b>	<b>d</b>	<b>b</b>	<b>a</b>	<b>a</b>	<b>c</b>	<b>a</b>	<b>b</b>	<b>d</b>	<b>d</b>	<b>d</b>

**EXTRA QUESTIONS: NATURE AND SIGNIFICANCE OF MANAGEMENT:**

Which of the following pairs are correctly matched:			
1		List I	List II
	I.	Planning	Essence of Management
	II.	Coordination	Function of Management
	III.	Organisational Objective of Management	Survival
	IV.	Middle Level Management	Finance manager
	a	I II III IV	b III and IV
	c	II III	d I II
2	Match the characteristics of management' given under Column I with the 'suitable statements' under Column II.		
		Column I	Column II
(A)	Continuous process	(I)	It can't be seen but its presence can be felt when targets are met and there is orderliness instead of chaos
(B)	Intangible	(II)	Organisation interacts with ever-changing external environment and management has to adapt itself to the changing environment
(C)	Dynamic	(III)	In management functions are performed in a sequence
	a	III I II	b II I III
	c	II III I	d I III II

3	Match the cases in Column I with their correct answer (in terms of nature of management) in Column II.																			
Column I		Column II																		
(A)	Every manager has his own unique way of managing things and people.	(I)	Management as a profession																	
(B)	Certain management associations like AIMA, have formulated ethical codes for managers, but there is no legal support for it.	(II)	Management as a science																	
(C)	Management principles have been evolved over a period of time based on repeated experimentation and observation.	(III)	Management as an art																	
a	II I III	b	III II I																	
c	III I II	d	I III II																	
4	<table border="1"> <tr> <td data-bbox="152 999 224 1052">1</td> <td data-bbox="224 999 716 1052">Top level management</td> <td data-bbox="716 999 787 1052">A</td> <td data-bbox="787 999 1503 1052">Production manager</td> </tr> <tr> <td data-bbox="152 1052 224 1104">2</td> <td data-bbox="224 1052 716 1104">Middle level management</td> <td data-bbox="716 1052 787 1104">B</td> <td data-bbox="787 1052 1503 1104">Foremen</td> </tr> <tr> <td data-bbox="152 1104 224 1157">3</td> <td data-bbox="224 1104 716 1157">Operative level management</td> <td data-bbox="716 1104 787 1157">C</td> <td data-bbox="787 1104 1503 1157">Hierarchy</td> </tr> <tr> <td data-bbox="152 1157 224 1224">4</td> <td data-bbox="224 1157 716 1224">Levels of management</td> <td data-bbox="716 1157 787 1224">D</td> <td data-bbox="787 1157 1503 1224">C E O</td> </tr> </table>				1	Top level management	A	Production manager	2	Middle level management	B	Foremen	3	Operative level management	C	Hierarchy	4	Levels of management	D	C E O
1	Top level management	A	Production manager																	
2	Middle level management	B	Foremen																	
3	Operative level management	C	Hierarchy																	
4	Levels of management	D	C E O																	
a	D C B A	b	D A B C	c	C B A D	d	A D C B													
5	<table border="1"> <tr> <td data-bbox="152 1398 224 1451">1</td> <td data-bbox="224 1398 716 1451">Planning</td> <td data-bbox="716 1398 787 1451">A</td> <td data-bbox="787 1398 1503 1451">Co-ordination</td> </tr> <tr> <td data-bbox="152 1451 224 1503">2</td> <td data-bbox="224 1451 716 1503">Controlling</td> <td data-bbox="716 1451 787 1503">B</td> <td data-bbox="787 1451 1503 1503">Thinking</td> </tr> <tr> <td data-bbox="152 1503 224 1619">3</td> <td data-bbox="224 1503 716 1619">Staffing</td> <td data-bbox="716 1503 787 1619">C</td> <td data-bbox="787 1503 1503 1619">Comparing actual performance with planned standards</td> </tr> <tr> <td data-bbox="152 1619 224 1671">4</td> <td data-bbox="224 1619 716 1671">Synchronization</td> <td data-bbox="716 1619 787 1671">D</td> <td data-bbox="787 1619 1503 1671">Filling vacancies</td> </tr> </table>				1	Planning	A	Co-ordination	2	Controlling	B	Thinking	3	Staffing	C	Comparing actual performance with planned standards	4	Synchronization	D	Filling vacancies
1	Planning	A	Co-ordination																	
2	Controlling	B	Thinking																	
3	Staffing	C	Comparing actual performance with planned standards																	
4	Synchronization	D	Filling vacancies																	
a	A C B D	b	D A B C	c	C D B A	d	B C D A													
6	Ram Vilas, the chairperson of Met Lapp Foundation (Non-Profit Organisation) believes that objectives of foundation can be achieved, without a proper management system. Which characteristic of management is overlooked in the given case?																			

	<p>a. management is an intangible force.</p> <p>b. Management is Pervasive.</p> <p>c. Management is a goal-oriented process.</p> <p>d. Management is a continuous process.</p>
7	<p>ABC group of companies decide to donate 3% of its profits to ‘Child Rights and You’ (CRY) for improving the condition of children in India. This initiative by the company was highly appreciated by the public and their sales increased by 10%, Identify the objective in the given lines.</p> <p>a. Social.</p> <p>b. Organisational.</p> <p>c. Personal.</p> <p>d. None of These.</p>
8	<p>”In an organisation, the objective of marketing department is to increase sales by 10% by offering discounts. However the finance department is reluctant to offer discounts as it means loss of revenue”.</p> <p>One of the benefits of coordination helped to resolve the conflict Identify it.</p> <p>a. Growth in Size</p> <p>b. Specialisation</p> <p>c. Functional differentiation</p> <p>d. Both a and c</p>
9	<p>Top level management spend more time on:</p> <p>a. Directing.</p> <p>b. Organising.</p> <p>c. Controlling.</p> <p>d. Planning</p>
10	<p>Arrange the following in correct sequence</p> <p>i) Staffing.</p> <p>ii) Directing.</p> <p>iii) Planning.</p> <p>iv) Organising.</p> <p>a) (iv),(ii),(iii),(i)</p> <p>b) (i),(iii),(iv),(ii)</p> <p>c) (ii),(i),(iv),(iii)</p> <p>d) (iii),(iv),(i),(ii)</p>
11	<p>For the following two statement choose the correct option:</p>

	<p>Statement I: Coordination is needed in all departments and at all levels.</p> <p>Statement II: Activities are independent in all departments and levels.</p> <p>Alternatives:</p> <p>(a) Statement I is correct and II is wrong</p> <p>(b) Statement II is correct and I is wrong</p> <p>(c) Both the statement are correct.</p> <p>(d) Both the statement are incorrect</p>
12	<p>For the following two statement choose the correct option:</p> <p>Statement I: Management is termed as a 'Process!'</p> <p>Statement II: Management involves a series of inter-related functions, such as planning, organising, staffing, directing and controlling.</p> <p>Alternatives:</p> <p>(a) Statement I is correct and II is wrong</p> <p>(b) Statement II is correct and I is wrong</p> <p>(c) Both the statement are correct.</p> <p>(d) Both the statement are incorrect.</p>
13	<p>For the following two statement choose the correct option:</p> <p>Statement I: Management is called an Exact Science.</p> <p>Statement II: Management deals with complex human behaviour, which cannot be determined with accuracy.</p> <p>Alternatives:</p> <p>(a) Statement I is correct and II is wrong</p> <p>(b) Statement II is correct and I is wrong</p> <p>(c) Both the statement are correct.</p> <p>(d) Both the statement are incorrect.</p>
14	<p>For the following two statements choose the correct option:</p> <p>Statement I: There is no restricted entry in case of management.</p> <p>Statement II: Management consists of systematic knowledge of concepts, theories and principles.</p> <p>Alternatives:</p> <p>(a) Statement I is correct and II is wrong</p> <p>(b) Statement II is correct and I is wrong</p> <p>(c) Both the statement are correct.</p> <p>(d) Both the statement are incorrect.</p>



15	<p>For the following two statements choose the correct option:</p> <p>Statement I: Management is termed as a Group Activity.</p> <p>Statement II: Every member of a firm joins the organisation with a different purpose and work towards achievement of personal goals and not organisational goals.</p> <p>Alternatives:</p> <p>(a) Statement I is correct and II is wrong</p> <p>(b) Statement II is correct and I is wrong</p> <p>(c) Both the statement are correct.</p> <p>(d) Both the statement are incorrect.</p>
----	--

**KEY FOR ADDITIONAL QUESTIONS: NATURE AND SIGNIFICANCE OF MANAGEMENT**

<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>13</b>	<b>14</b>	<b>15</b>
<b>b</b>	<b>a</b>	<b>c</b>	<b>b</b>	<b>d</b>	<b>b</b>	<b>a</b>	<b>c</b>	<b>d</b>	<b>d</b>	<b>b</b>	<b>c</b>	<b>b</b>	<b>c</b>	<b>a</b>

## CHAPTER 2 PRINCIPLES OF MANAGEMENT

### CASE BASED QUESTIONS:

1	<p>Mr. A, plant superintendent of a company is very sad. When he was on leave he was expecting his subordinates to take the remaining work to be finished. However he finds a new way of dealing with this problem. He develops a system of suggestion building from the side of workers. For this a suggestion/complain box is to be kept where the workers can drop their advice and hence take steps from their side.</p> <p>Which principle of management has been implemented here off late by the plant superintendent?</p> <p>(A) Principle of Order (b) Principle of initiative (c) Discipline (d) Coordination</p>
<p><b>QUESTION NO.2 TO 4 ARE BASED ON THE PARA GIVEN BELOW. CHOOSE THE CORRECT OPTION GIVEN BELOW FOR EACH QUESTION:</b></p> <p>Mr. A works in a bulb manufacturing company. Each bulb which is manufactured is of standard size and quality. Further if there is any unrequired type of bulb manufactured then its production is stopped. Last month when the company came to know that 10 watt bulbs were no more liked by customers, their production was stopped. He works in the purchase department. His job is to purchase the filaments required to make bulbs. This time when he purchases the filament he gets the instruction from the seller that some special care needs to be taken in the first hour of fixing the filaments inside the bulb. Mr. A knows this information should be given immediately to the production department before the assembling process starts. However he finds that his company's policies only allow him to give the message to his immediate boss who will further pass this message to his boss. The passing of this message will continue till it reaches the desired person in the production department.</p>	
2	<p>Which technique of management is followed here?</p> <p>(A) Method study (B) Fatigue study (C) Standardisation and simplification (D) Functional foremanship</p>
3	<p>Name the principle of management followed here by the company?</p> <p>(A) Order (B) Scalar Chain</p>

	(C) Stability of tenure of employees (D) Equity
4	Which way is to be chosen now by Mr. A to speed up the work. (A) Gang Plank (B) Scalar Chain (C) Direct communication (D) Informal communication
	<b>QUESTION NO.5 TO 7 ARE BASED ON THE PARA GIVEN BELOW. CHOOSE THE CORRECT OPTION GIVEN BELOW FOR EACH QUESTION:</b>  Every year a meeting is organized in the lawns of the Promoter of a company. In this meeting the owner of the company grants some funds for the benefit of the families of the employees. The employees on the other hand never resist any change or put excessive demands. But Management is not in the favor of it as they think to utilize these funds somewhere else instead of spending on employees. The employee turnover is very high. The employees do not come forward with their ideas after seeing the dull response from the management side.
5	Which concept of Scientific Management is lacking in this case towards the employees? (A) Harmony, not discard. (B) Science, not rule of thumb (C) Hit or Miss method (D) Mental Revolution
6	Which principle you would suggest to management to follow? (A) Discipline (B) Team spirit (C) Stability of personnel (D) Initiative
7	The employees do not come forward with their ideas after seeing the dull response from the management side. What principle of management is lacking in these lines? (A) Esprit de corps (B) Initiative (C) Discipline (D) Authority and Responsibility
8	Mr. Y is a middle level manager. He keeps all his subordinates under a lot of discipline. His employees however complain of wastage of time and efforts as they are spending a lot of time in search of various

	<p>items. Which principle of management is violated here?</p> <p>(A) Principle of Order</p> <p>(B) Principle of initiative</p> <p>(C) Discipline</p> <p>(D)None of these</p>
9	<p>ZETA Ltd. is a world-renowned retail chain store. The customers here are very much pleased with the products and services provided in the stores. The customer satisfaction and internal efficiency indicator of the organization is rated best in the industry. However there have been a few steps taken by the organization which provide the organization this edge. The organization has used a special type of software which integrates all the stores and brings uniformity in its billing and working pattern.</p> <p>Which principle of scientific management is mentioned here?</p> <p>(A)Harmony not discord</p> <p>(B) Science not rule of thumb</p> <p>(C) Cooperation not individualism</p> <p>(D) None of these</p>
10	<p>Mr. X works on the floor of a mall as a manager. He is very hard working but is unable to produce results for his organization. His target for last month was a sale of 10 lakh rupees from his floor. However, by the end of the month the sale was only 8 lakh rupees. He is very regular and takes all the necessary steps to complete the target. However, his staff is not as competent as he himself is. When he tries to take action against disobedient employees the top management doesn't allow him to do so. They haven't given him the power to fire employees or take any strict action against them.</p> <p>Which principle of Fayol is violated here by the Organization?</p> <p>(A)Discipline</p> <p>(B) Authority and responsibility</p> <p>(C) Division of work</p> <p>(D)Principle of order</p>
11	<p>There was disorder, confusion, and chaos in a company as superior in the company do not meet up their commitments. There is no systematic working in the organization and delay in work due to absence of rules and regulations. Which principle of management is overlooked in this company?</p> <p>(A) Discipline</p> <p>(B) Authority and responsibility</p> <p>(C) Division of work</p> <p>(D)Principle of order</p>

12	<p>Employee of production department is asked to go slow in production to maintain quality standard and at the same time sales in-charge insisted them to fasten the production to meet the pending orders. This situation is creating confusion among employees. What would you suggest to follow to get rid of this situation?</p> <p>(A) Unity of direction  (B) Unity of command  (C) Unity of Order  (D) Discipline</p>
13	<p>Mr. Z was assigned the task of to know the reasons of failure of the company, he observed and found that no department is coordinating each other. There is a competition spirit between the departments and giving priorities to their department goals only. Which principle they are lacking here.</p> <p>(A) Unity of direction  (B) Unity of command  (C) Unity of Order  (D) Discipline</p>
14	<p>Mr. A sales manager of a company want to give 15% discount to their customer but as per the company policy he can give only 10%. For this extra 5% he must approach his manager for permission. Which principle of management is followed by him?</p> <p>(A) Discipline  (B) Authority and responsibility  (C) Principle of order  (D) Scalar chain</p>
15	<p>Mr. Z is the owner of a printing press. The size of his organization has increased during the recent past. There are many employees who work in his organization. The organization is considered good and has earned a lot of reputation in the market. However, when it comes to making key decisions in the organization related to many things, he never considers the opinions of his subordinates. Even though the size of the organization has increased yet he tries to take all the key decisions on his own. Which principle of Fayol has been violated by him?</p> <p>(A) Centralization and decentralization  (B) Discipline  (C) Scalar Chain  (D) Authority and Responsibility</p>

**ANSWERS FOR CASE BASED QUESTIONS FROM PRINCIPLES OF MANAGEMENT**

<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>13</b>	<b>14</b>	<b>15</b>
<b>B</b>	<b>C</b>	<b>B</b>	<b>A</b>	<b>D</b>	<b>C</b>	<b>B</b>	<b>A</b>	<b>B</b>	<b>B</b>	<b>A</b>	<b>B</b>	<b>A</b>	<b>D</b>	<b>A</b>

**ASSERTION – REASON QUESTIONS: PRINCIPLES OF MANAGEMENT**

**Read the following statements: Assertion and Reason. Choose one of the correct alternatives given**

**below:**

1	<p>Assertion: Not only employee- turnover but frequent termination or rotation must be avoided. Reason: Employee must be provided the feeling of job security. With feeling of insecurity of job, the employees cannot contribute maximum.</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 and Reason (R) is not the 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>
2	<p>Assertion: The scientific technique of differential piece rate system emphasis on paying different rates of wages. Reason: Extra wages paid is to be considered as it minimize the cost of production and achieves organization goals.</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 and Reason (R) is not the 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>
3	<p>Assertion: The interest of organization should not supersede the interest of individuals or employees. Reason: if the objectives of both groups go in different directions then manager should try to reconcile the individual interest with the organizational goal.</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 and Reason (R) is not the 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>
4	<p>Assertion: The management principles are developed only after deep and through research work. Reason: Proper observations and experiments are conducted before developing them. Therefore, they are in evolutionary in nature.</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 and Reason (R) is not the correct explanation of Assertion (A)</p>

	<p>(c) Assertion (A) is True but Reason (R) is False.</p> <p>(d) Assertion (A) is False but Reason (R) is True.</p>
5	<p>Assertion: Management principles do not act as guidelines for the managers, though these principles are meant for the managers.</p> <p>Reason: These principles improve knowledge, ability and understanding of the managers under various managerial situations.</p> <p>(a) Both Assertion (A) and Reason (R) are True and Reason (R) is the correct explanation of Assertion (A)</p> <p>(b) Both Assertion (A) and Reason (R) are True and Reason (R) is not the correct explanation of Assertion (A)</p> <p>(c) Assertion (A) is True but Reason (R) is False.</p> <p>(d) Assertion (A) is False but Reason (R) is True.</p>
6	<p>Assertion: Scientific management helps to find out the best method or way of performing the job.</p> <p>Reason: Methods must be the one which brings maximum benefits with minimum cost. So, the organization objectives must be achieved.</p> <p>(a) Both Assertion (A) and Reason (R) are True and Reason (R) is the correct explanation of Assertion (A)</p> <p>(b) Both Assertion (A) and Reason (R) are True and Reason (R) is not the correct explanation of Assertion (A)</p> <p>(c) Assertion (A) is True but Reason (R) is False.</p> <p>(d) Assertion (A) is False but Reason (R) is True.</p>
7	<p>Assertion: Principle of order is to get order from one superior at one time</p> <p>Reason: Fayol favored this principle as men and material at fixed place saves time and energy.</p> <p>(a) Both Assertion (A) and Reason (R) are True and Reason (R) is the correct explanation of Assertion (A)</p> <p>(b) Both Assertion (A) and Reason (R) are True and Reason (R) is not the correct explanation of Assertion (A)</p> <p>(c) Assertion (A) is True but Reason (R) is False.</p> <p>(d) Assertion (A) is False but Reason (R) is True.</p>
8	<p>Assertion: Gang plank permits direct communication between the employees working in different positions without violating the scalar chain.</p> <p>Reason: Gang plank is the only approach to be followed for the growth organization</p> <p>(a) Both Assertion (A) and Reason (R) are True and Reason (R) is the correct explanation of Assertion (A)</p> <p>(b) Both Assertion (A) and Reason (R) are True and Reason (R) is not the correct explanation of Assertion (A)</p> <p>(c) Assertion (A) is True but Reason (R) is False.</p>



	(d) Assertion (A) is False but Reason (R) is True.
9	<p>Assertion: Taylor and Fayol both contributed to developing the principles of management. Reason: They have some similarities and dissimilarities in their principles. Taylor's techniques and principles are concerned with management efficiency whereas Fayol's principles are concerned with worker's efficiency.</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 and Reason (R) is not the 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>
10	<p>Assertion: Taylor suggested the division of the factory in two departments: planning department and production department and under them some functional experts to supervise, guide and instruct the worker. Reason: This will lead to the benefit of specialization. He suggested experts as all the qualities cannot be found in one person.</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 and Reason (R) is not the 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>
11	<p>Assertion: Cooperation not individualism is the extension of harmony not discord. It welcomes suggestions of employees. Reason: Workers and management will come together and cooperate for the betterment of the organization. There will be open communication between them and no requirement of trade unions.</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 and Reason (R) is not the 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>
12	<p>Assertion: Management principles must be modified as per the situation. Reason: Their application and effect depend upon the nature of organization. It shows which feature of principles of management.</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 and Reason (R) is not the correct explanation of</p>

	<p>Assertion (A)</p> <p>(c) Assertion (A) is True but Reason (R) is False.</p> <p>(d) Assertion (A) is False but Reason (R) is True.</p>
13	<p>Assertion: Every business have to cope with the changing environment. There are many factors which impacts business directly or indirectly.</p> <p>Reason: Principles of management train the managers in implementing the changes in right direction and at right level in the organization.</p> <p>(a) Both Assertion (A) and Reason (R) are True and Reason (R) is the correct explanation of Assertion (A)</p> <p>(b) Both Assertion (A) and Reason (R) are True and Reason (R) is not the correct explanation of Assertion (A)</p> <p>(c) Assertion (A) is True but Reason (R) is False.</p> <p>(d) Assertion (A) is False but Reason (R) is True.</p>
14	<p>Assertion: A business is creation of society and makes use of resources of society.</p> <p>Reason: Management principles do not help to perform social responsibilities. It only helps in achieving organizational objectives.</p> <p>(a) Both Assertion (A) and Reason (R) are True and Reason (R) is the correct explanation of Assertion (A)</p> <p>(b) Both Assertion (A) and Reason (R) are True and Reason (R) is not the correct explanation of Assertion (A)</p> <p>(c) Assertion (A) is True but Reason (R) is False.</p> <p>(d) Assertion (A) is False but Reason (R) is True.</p>
15	<p>Assertion: According to Division of work the whole work is divided into small task or unit of work should be assigned to one person according to the capacity, qualification and experience of the person.</p> <p>Reason: When a person is performing a part again and again he will become perfect and get the benefit of specialization.</p> <p>(a) Both Assertion (A) and Reason (R) are True and Reason (R) is the correct explanation of Assertion (A)</p> <p>(b) Both Assertion (A) and Reason (R) are True and Reason (R) is not the correct explanation of Assertion (A)</p> <p>(c) Assertion (A) is True but Reason (R) is False.</p> <p>(d) Assertion (A) is False but Reason (R) is True.</p>

**ANSWERS FOR ASSERTION – REASON QUESTIONS OF PRINCIPLES OF MANAGEMENT**

<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>13</b>	<b>14</b>	<b>15</b>
<b>a</b>	<b>a</b>	<b>d</b>	<b>a</b>	<b>d</b>	<b>a</b>	<b>d</b>	<b>c</b>	<b>c</b>	<b>a</b>	<b>a</b>	<b>a</b>	<b>a</b>	<b>c</b>	<b>a</b>

**EXTRA QUESTIONS: PRINCIPLES OF MANAGEMENT:**

Match the following with correct option:											
1	<table border="1"> <thead> <tr> <th>Column A</th> <th>Column B</th> </tr> </thead> <tbody> <tr> <td>(i) Uniformity in each unit</td> <td>(a)Simplification</td> </tr> <tr> <td>(ii) Moves with lines of Authority</td> <td>(b)Standardization</td> </tr> <tr> <td>(iii) Related to following of code of conduct</td> <td>(c)Scalar of chain</td> </tr> <tr> <td>(iv) Elimination of unnecessary activities</td> <td>(d)Discipline</td> </tr> </tbody> </table>	Column A	Column B	(i) Uniformity in each unit	(a)Simplification	(ii) Moves with lines of Authority	(b)Standardization	(iii) Related to following of code of conduct	(c)Scalar of chain	(iv) Elimination of unnecessary activities	(d)Discipline
	Column A	Column B									
	(i) Uniformity in each unit	(a)Simplification									
	(ii) Moves with lines of Authority	(b)Standardization									
	(iii) Related to following of code of conduct	(c)Scalar of chain									
	(iv) Elimination of unnecessary activities	(d)Discipline									
(A) (i)-a; (ii)-b; (iii)-c ; (iv)-d											
(B) (i)-b; (ii)-c; (iii)-d; (iv)-a											
(C) (i)-c; (ii)-d; (iii)-a; (iv)-b											
(D) (i)-d; (ii)-a; (iii)-b; (iv)-c											
2	<table border="1"> <thead> <tr> <th>Column A</th> <th>Column B</th> </tr> </thead> <tbody> <tr> <td>(i) Replace ‘I’ with ‘We’</td> <td>(a) Equity</td> </tr> <tr> <td>(ii) One head one plan</td> <td>(b) Esprit de corps</td> </tr> <tr> <td>(iii) No termination and transfer of employees frequently</td> <td>(c) Unity of direction</td> </tr> <tr> <td>(iv) No discrimination on any basis</td> <td>(d) Stability of personnel</td> </tr> </tbody> </table>	Column A	Column B	(i) Replace ‘I’ with ‘We’	(a) Equity	(ii) One head one plan	(b) Esprit de corps	(iii) No termination and transfer of employees frequently	(c) Unity of direction	(iv) No discrimination on any basis	(d) Stability of personnel
	Column A	Column B									
	(i) Replace ‘I’ with ‘We’	(a) Equity									
	(ii) One head one plan	(b) Esprit de corps									
	(iii) No termination and transfer of employees frequently	(c) Unity of direction									
	(iv) No discrimination on any basis	(d) Stability of personnel									
(A) (i)-a; (ii)-b; (iii)-c; (iv)-d											
(B) (i)-b; (ii)-c; (iii)-d; (iv)-a											
(C) (i)-c; (ii)-d; (iii)-a; (iv)-b											
(D) (i)-d; (ii)-a; (iii)-b; (iv)-c											
3	<table border="1"> <thead> <tr> <th>Column A</th> <th>Column B</th> </tr> </thead> <tbody> <tr> <td>(i) Decision-making authority is retained by top level management.</td> <td>(a) Accountability</td> </tr> <tr> <td>(ii) Pushing down decision-making authority to middle and lower levels of management</td> <td>(b) Authority</td> </tr> </tbody> </table>	Column A	Column B	(i) Decision-making authority is retained by top level management.	(a) Accountability	(ii) Pushing down decision-making authority to middle and lower levels of management	(b) Authority				
	Column A	Column B									
	(i) Decision-making authority is retained by top level management.	(a) Accountability									
(ii) Pushing down decision-making authority to middle and lower levels of management	(b) Authority										

(iii) Answerability of the work	(c) Centralization
(iv) Right to take decisions	(d)Decentralization

(A) (i)-a; (ii)-b; (iii)-c; (iv)-d  
 (B) (i)-b; (ii)-c; (iii)-d; (iv)-a  
 (C) (i)-c; (ii)-d; (iii)-a; (iv)-b  
 (D) (i)-d; (ii)-a; (iii)-b; (iv)-c

4

Column A	Column B
(i) Related to movements	(a) Fatigue study
(ii) Related to rest intervals	(b) Method study
(iii) Finds out the best method	(c) Time study
(iv) Related to time	(d) Motion study

(A) (i)-a; (ii)-b; (iii)-c; (iv)-d  
 (B) (i)-b; (ii)-c; (iii)-d; (iv)-a  
 (C) (i)-c; (ii)-d; (iii)-a; (iv)-b  
 (D) (i)-d; (ii)-a; (iii)-b; (iv)-c

5

Column A	Column B
(i) Paternalistic style of management	(a)Science not rule of thumb
(ii) Proper care in selection and training	(b) Mental Revolution
(iii) Don't recommend hit and miss method	(c) Cooperation not individualism
(iv) Change in attitude of workers and management	(d) Development of personnel to its greatest efficiency

(A) (i)-a; (ii)-b; (iii)-c; (iv)-d  
 (B) (i)-b; (ii)-c; (iii)-d; (iv)-a  
 (C) (i)-c; (ii)-d; (iii)-a; (iv)-b

	(D) (i)-d; (ii)-a; (iii)-b; (iv)-c
6	<p>Taylor's techniques and principles are concerned with :</p> <p>(A) Management efficiency</p> <p>(B) Worker's efficiency</p> <p>(C) Management and worker's both efficiency</p> <p>(D) Team efficiency</p>
7	<p>The objective of mental revolution is:</p> <p>(A) Authority over the workers</p> <p>(B) Complete change in the thinking of both workers and management.</p> <p>(C) Co-operation between workers and management</p> <p>(D) Follow the management blindly and avoid systematic thinking</p>
8	<p>Taylor insisted on differential piece rate system because</p> <p>(A) He wants to manipulate the workers</p> <p>(B) He believes male and female have different capacity of working</p> <p>(C) He wants to motivate the workers to perform their best</p> <p>(D) He wants to insult the inefficient workers</p>
9	<p>As per Taylor to increase the efficiency of personnel proper care should be taken even at the time of selection. <b>(True/ False)</b></p>
10	<p>Which principle of management states that "There should be open communication and no need even for trade union?"</p> <p>(A) Harmony, not discord</p> <p>(B) Cooperation not individualism</p> <p>(C) Science, not rule of thumb</p> <p>(D) None of the above</p>
11	<p>Functional foremanship is contrary of :</p> <p>(A) Unity of order</p> <p>(B) Unity of command</p> <p>(C) Esprit de corps</p> <p>(D) Unity of directions</p>
12	<p>Statement I Authority and Responsibility are attached with each other.</p> <p>Statement II Authority and Responsibility should not be more or less, should be equal.</p> <p>(A) Statement I is Correct and II is wrong.</p> <p>(B) Statement II is Correct, and I is wrong.</p>

	<p>(C) Both statements are correct.</p> <p>(D) Both statements are wrong.</p>
13	<p>Statement I Honoring the commitment made by the management for workers is the example of discipline.</p> <p>Statement II Discipline is the principle given by F.W Taylor helps in smooth functioning of the organisation</p> <p>(A) Statement I is Correct and II is wrong.</p> <p>(B) Statement II is Correct, and I is wrong.</p> <p>(C) Both the statements are correct.</p> <p>(D) Both the statements are wrong.</p>
14	<p>Statement I Chain of authority must be followed in organization.</p> <p>Statement II It can be avoided in case of emergency.</p> <p>(A) Statement I is Correct and II is wrong.</p> <p>(B) Statement II is Correct, and I is wrong.</p> <p>(C) Both the statements are correct.</p> <p>(D) Both the statements are wrong.</p>
15	<p>Statement I Gang boss guide and instruct workers about the work.</p> <p>Statement II Speed boss works on the speed of the workers.</p> <p>(A) Statement I is Correct and II is wrong.</p> <p>(B) Statement II is Correct, and I is wrong.</p> <p>(C) Both the statements are correct.</p> <p>(D) Both the statements are wrong.</p>

**KEY FOR EXTRA QUESTIONS: PRINCIPLES OF MANAGEMENT**

<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>13</b>	<b>14</b>	<b>15</b>
<b>b</b>	<b>b</b>	<b>c</b>	<b>d</b>	<b>c</b>	<b>b</b>	<b>b</b>	<b>c</b>	<b>True</b>	<b>b</b>	<b>b</b>	<b>c</b>	<b>a</b>	<b>c</b>	<b>b</b>

## CHAPTER 3 BUSINESS ENVIRONMENT

### CASE BASED QUESTIONS

1	<p>Consumers are now more conscious about the carbon emission and climate change effects, So they are choosing products that do not have adverse effects on the environment. In such a scenario, it has become a challenge for the companies as they have to not only meet the needs of the consumers but also ensure that their products are safe and environment friendly. As a result, there is growing need for better and advanced technologies to works as a catalyst in this regard. Identify the relevant feature of business environment being discussed above.</p> <p>(a) Dynamic (b) Complex (c) Inter-related (d) Uncertainty</p>
2	<p>Mr. Hari after completing MBA from USA comes to India to start a new business. He launches a new e-learning platform for senior Secondary School students, which already has an established market in UK and USA but not in India. Identify the importance of business environment highlighted here.</p> <p>(a) It helps the firm to identify opportunities and get the first mover advantage (b) It helps improvement in performance (c) It helps the firm to deal competition (d) It helps the firm to adjust and adapt with rapid changes</p>
3	<p>The court passed an order that all schools must have water purifier for the school children. Identify the dimension of the business environment highlighted in this statement.</p> <p>(a) Economic environment (b) Social Environment (c) Legal Environment (d) Technological Environment</p>
4	<p>Which component of business environment requires that advertisements of baby food must necessarily inform the potential buyers that mother's milk is the best?</p> <p>(a) Economic environment (b) Social Environment (c) Legal Environment (d) Technological Environment</p>
5	<p>As per the directions issued by the Supreme Court, the government passed an order to ban the sale of tobacco products within the area of 200 meters of all educational institutions. Identify the dimension of the</p>

	<p>business environment highlighted in this statement</p> <ul style="list-style-type: none"> <li>(a) Economic environment</li> <li>(b) Political Environment</li> <li>(c) Legal Environment</li> <li>(d) Technological Environment</li> </ul>
6	<p>Polythene bags are creating many environmental problems, So Government decided to give subsidy to jute industry to promote this business. Identify the dimension of the business environment highlighted in this statement.</p> <ul style="list-style-type: none"> <li>(a) Economic environment</li> <li>(b) Political Environment</li> <li>(c) Legal Environment</li> <li>(d) Technological Environment</li> </ul>
7	<p>For Covid-19 different vaccines are developed by the Indian and foreign companies such as covishield, covaxin, moderna, pfizer etc. Identify the dimension of the business environment highlighted in this statement.</p> <ul style="list-style-type: none"> <li>(a) Economic environment</li> <li>(b) Political Environment</li> <li>(c) Legal Environment</li> <li>(d) Technological Environment</li> </ul>
8	<p>A recent rate cut in the interest on loans announced by the banks encouraged Amit, to take a loan from State Bank of India for expansion of his business. Name the dimension of the business environment highlighted by this statement.</p> <ul style="list-style-type: none"> <li>(a) Economic environment</li> <li>(b) Social Environment</li> <li>(c) legal Environment</li> <li>(d) Technological Environment</li> </ul>
9	<p>It may be difficult to know the extent of the relative impact of the social, economical , political legal and technological factors on change in demand for product in the market. Identify the relevant feature of business environment being discussed above.</p> <ul style="list-style-type: none"> <li>(a)Dynamic</li> <li>(b)Complex</li> <li>(c)Relativity</li> <li>(d)Uncertainty</li> </ul>



10	<p>It is interesting to know that the menu items of the multinational food chains are customized to suit the general palates of the local people in the region. When McDonald's started its business in India in the year 1996, the company went through a complete Localisation strategy. McDonald's changed its product menu to accommodate the vegetable burger given the large vegetarian population. It also altered its store design and even reduced the product price by close to fifteen per cent. Also, the "McAloo Tikki burger" is not available anywhere but in the Indian outlets of McDonalds.</p> <p>Identify the relevant feature of business environment being discussed above.</p> <ul style="list-style-type: none"> <li>(a) Dynamic</li> <li>(b) Complex</li> <li>(c) Relativity</li> <li>(d) Uncertainty</li> </ul>
11	<p>'It is common now to see Internet / Word Wide Web multimedia pages highlighting the virtues of various products.' Name the dimension of the business environment highlighted by this statement.</p> <ul style="list-style-type: none"> <li>(a) Economic environment</li> <li>(b) Social Environment</li> <li>(c) Legal Environment</li> <li>(d) Technological Environment</li> </ul>
12	<p>A company manufacturing light bulbs incurred heavy expenditure on scientific Research and Development and discovered a technology that made it possible to produce an energy efficient light bulb that lasts at least twenty times as long as a standard bulb. It resulted in growth and profitability of the company.</p> <p>Identify the dimension of business environment mentioned above</p> <ul style="list-style-type: none"> <li>(a) Economic environment</li> <li>(b) Social Environment</li> <li>(c) Legal Environment</li> <li>(d) Technological Environment</li> </ul>
13	<p>Due to recession GDP declined and trade and industries reduced, To overcome this situation, RBI reduced cash reserve ratio by 0.5%. This related to which dimension of business environment</p> <ul style="list-style-type: none"> <li>(a) Economic environment</li> <li>(b) Social Environment</li> <li>(c) legal Environment</li> <li>(d) Technological Environment</li> </ul>
14	<p>Even after opening up of Indian Economy, foreign companies found it extremely difficult to cut through the bureaucratic and red tapism in government offices. This discourages them from investing in India.</p>

	<p>Identify the dimension of environment mention in above paragraph.</p> <p>(a) Economic environment</p> <p>(b) Social Environment</p> <p>(c) Political Environment</p> <p>(d) Technological Environment</p>
15	<p>'Mamta Rice Food Ltd' is a well know rice producing company. The sales have been falling down from the beginning of the year. The managing director Mr. Bhuvan is worried about this situation. With a view to find out the solution of this problem he made a team to find out the reasons for downfall of sales. The team conducted the survey and found that, due to availability of other eatable substitute the taste of people is diverted from rice. Identify the dimension of Business Environment discussed in the above case</p> <p>(a) Economic environment</p> <p>(b) Social Environment</p> <p>(c) Political Environment</p> <p>(d) Technological Environment</p>

**ANSWERS FOR CASE BASED QUESTIONS FROM BUSINESS ENVIRONMENT**

<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>13</b>	<b>14</b>	<b>15</b>
<b>c</b>	<b>a</b>	<b>c</b>	<b>c</b>	<b>c</b>	<b>b</b>	<b>d</b>	<b>a</b>	<b>b</b>	<b>c</b>	<b>d</b>	<b>d</b>	<b>a</b>	<b>c</b>	<b>b</b>

**ASSERTION – REASON QUESTIONS: BUSINESS ENVIRONMENT**

**Read the following statements: Assertion and Reason. Choose one of the correct alternatives given below:**

1	<p>(A) Business environment is the surrounding in which business exist  (R) Economic, social, political, technological, legal and other outside forces of business enterprise are part of business environment</p> <p>(a) Both Assertion(A) and Reason(R) are True and Reason(R) is the correct explanation of(A)  (b) Both Assertion(A) and Reason(R) are True and Reason(R) is not the correct explanation of(A)  (c) Assertion(A) is True but Reason(R) is False  (d) Assertion(A) is False but Reason(R) is True</p>
2	<p>(A) Business Environment scanning refers to complete awareness and understanding of business environment  (R) Efficiency of management helps to increase the profit of enterprise</p> <p>(a) Both Assertion(A) and Reason(R) are True and Reason(R) is the correct explanation of(A)  (b) Both Assertion(A) and Reason(R) are True and Reason(R) is not the correct explanation of(A)  (c) Assertion(A) is True but Reason(R) is False  (d) Assertion(A) is False but Reason(R) is True</p>
3	<p>(A) Business environment includes both specific and general factors  (R) specific forces affect business enterprises indirectly</p> <p>(a) Both Assertion(A) and Reason(R) are True and Reason(R) is the correct explanation of(A)  (b) Both Assertion(A) and Reason(R) are True and Reason(R) is not the correct explanation of(A)  (c) Assertion(A) is True but Reason(R) is False  (d) Assertion(A) is False but Reason(R) is True</p>
4	<p>(A) All the forces and factors of business environment are inter-related  (R) it is very difficult to predict the changes of business environment</p> <p>(a) Both Assertion(A) and Reason(R) are True and Reason(R) is the correct explanation of(A)  (b) Both Assertion(A) and Reason(R) are True and Reason(R) is not the correct explanation of(A)  (c) Assertion(A) is True but Reason(R) is False  (d) Assertion(A) is False but Reason(R) is True</p>
5	<p>(A) Business environment is dynamic  (R) Business environment is highly flexible and keep changing</p> <p>(a) Both Assertion(A) and Reason(R) are True and Reason(R) is the correct explanation of(A)  (b) Both Assertion(A) and Reason(R) are True and Reason(R) is not the correct explanation of(A)</p>

	<p>(c) Assertion(A) is True but Reason(R) is False</p> <p>(d) Assertion(A) is False but Reason(R) is True</p>
6	<p>(A) All the forces and factors of business environment is are inter-related</p> <p>(R)It is very difficult to know the impact business environment on the companies</p> <p>(a) Both Assertion(A) and Reason(R) are True and Reason(R)is the correct explanation of(A)</p> <p>(b) Both Assertion(A) and Reason(R) are True and Reason(R)is not the correct explanation of(A)</p> <p>(c) Assertion(A) is True but Reason(R) is False</p> <p>(d) Assertion(A) is False but Reason(R) is True</p>
7	<p>(A)Understanding business environment helps the firms to get first mover advantage</p> <p>(R)Environment scanning helps the firms to identify competitor's strategies</p> <p>(a) Both Assertion(A) and Reason(R) are True and Reason(R)is the correct explanation of(A)</p> <p>(b) Both Assertion(A) and Reason(R) are True and Reason(R)is not the correct explanation of(A)</p> <p>(c) Assertion(A) is True but Reason(R) is False</p> <p>(d) Assertion(A) is False but Reason(R) is True</p>
8	<p>(A)A business man can influence or change the components of general environment</p> <p>(R) A business man has to change his business policies according to the changes taking place in general environment</p> <p>(a) Both Assertion(A) and Reason(R) are True and Reason(R)is the correct explanation of(A)</p> <p>(b) Both Assertion(A) and Reason(R) are True and Reason(R)is not the correct explanation of(A)</p> <p>(c) Assertion(A) is True but Reason(R) is False</p> <p>(d) Assertion(A) is False but Reason(R) is True</p>
9	<p>(A)Economic environment refers to all the forces and factors which influence the economy of a country</p> <p>(R)Economic environment constitute all the factors related to government affairs</p> <p>(a) Both Assertion(A) and Reason(R) are True and Reason(R)is the correct explanation of(A)</p> <p>(b) Both Assertion(A) and Reason(R) are True and Reason(R)is not the correct explanation of(A)</p> <p>(c) Assertion(A) is True but Reason(R) is False</p> <p>(d) Assertion(A) is False but Reason(R) is True</p>
10	<p>(A) Economic environment is one of the dimensions or component of the Social environment</p> <p>(R) Gross Domestic Product, National Income, Per Capita Income, Inflation, Monetary policies, Fiscal policies, Profit earnings, rate of interests etc...are the main aspects of economic environment</p> <p>(a) Both Assertion(A) and Reason(R) are True and Reason(R)is the correct explanation of(A)</p> <p>(b) Both Assertion(A) and Reason(R) are True and Reason(R)is not the correct explanation of(A)</p> <p>(c) Assertion(A) is True but Reason(R) is False</p>

	(d) Assertion(A) is False but Reason(R) is True
11	<p>A) Social environment is one of the dimension of the business environment</p> <p>(R) Social environment include social factors or forces like change in inflation rate, change in interest rate, change in taxes, stock market indices etc...</p> <p>(a) Both Assertion(A) and Reason(R) are True and Reason(R) is the correct explanation of(A)</p> <p>(b) Both Assertion(A) and Reason(R) are True and Reason(R) is not the correct explanation of(A)</p> <p>(c) Assertion(A) is True but Reason(R) is False</p> <p>(d) Assertion(A) is False but Reason(R) is True</p>
12	<p>(A) A rise in the disposable income of people due to increase in the gross domestic product of a country creates increasing demand for products</p> <p>(R) Social trends present various opportunities and threats to business enterprises.</p> <p>(a) Both Assertion(A) and Reason(R) are True and Reason(R) is the correct explanation of (A)</p> <p>(b) Both Assertion(A) and Reason(R) are True and Reason(R) is not the correct explanation of(A)</p> <p>(c) Assertion(A) is True but Reason(R) is False</p> <p>(d) Assertion(A) is False but Reason(R) is True</p>
13	<p>A) Technological environment includes forces relating to scientific improvements and innovations which provide new ways of producing goods and services and new methods and techniques of operating a business</p> <p>(R) An adequate knowledge of rules and regulations framed by the Government is a pre-requisite for better business performance</p> <p>(a) Both Assertion(A) and Reason(R) are True and Reason(R) is the correct explanation of(A)</p> <p>(b) Both Assertion(A) and Reason(R) are True and Reason(R) is not the correct explanation of(A)</p> <p>(c) Assertion(A) is True but Reason(R) is False</p> <p>(d) Assertion(A) is False but Reason(R) is True</p>
14	<p>(A) Legal environment includes various legislations passed by the Government administrative orders issued by government authorities, court judgments as well as the decisions rendered by various commissions and agencies at every level of the government— center, state or local</p> <p>(R) An adequate knowledge of rules and regulations framed by the Government is a pre-requisite for better business performance</p> <p>(a) Both Assertion(A) and Reason(R) are True and Reason(R) is the correct explanation of (A)</p> <p>(b) Both Assertion(A) and Reason(R) are True and Reason(R) is not the correct explanation of(A)</p> <p>(c) Assertion(A) is True but Reason(R) is False</p> <p>(d) Assertion(A) is False but Reason(R) is True</p>

15	<p>(A) Political environment includes political conditions such as general stability and peace in the country and specific attitudes that elected government representatives hold towards business.</p> <p>(R) The attitudes of government officials towards business may have either positive or negative impact upon business</p> <p>(a) Both Assertion(A) and Reason(R) are True and Reason(R) is the correct explanation of (A)</p> <p>(b) Both Assertion(A) and Reason(R) are True and Reason(R) is not the correct explanation of(A)</p> <p>(c) Assertion(A) is True but Reason(R) is False</p> <p>(d) Assertion(A) is False but Reason(R) is True</p>
----	--

**ANSWERS FOR ASSERTION – REASON QUESTIONS FROM BUSINESS ENVIRONMENT**

<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>13</b>	<b>14</b>	<b>15</b>
<b>a</b>	<b>b</b>	<b>c</b>	<b>b</b>	<b>a</b>	<b>b</b>	<b>b</b>	<b>d</b>	<b>c</b>	<b>d</b>	<b>b</b>	<b>b</b>	<b>b</b>	<b>a</b>	<b>a</b>

**EXTRA QUESTIONS: BUSINESS ENVIRONMENT**

Match the following with correct option:

1	1	Business environment	A	Investors
	2	Specific environment factors of business	B	Sum total of all factors which operate outside the business
	3	General environment factors of business	C	Business environment keeps on changing
	4	Dynamic nature	D	It is very difficult to predict future happenings
	5	Uncertainty	F	Social factors

  

a	A,B,C,D,E	b	B,A,E,C,D	c	E,D,A,C,B	d	E,C,D,A,B
---	-----------	---	-----------	---	-----------	---	-----------

2

1	Economic environment	A	Traditions of people
2	Political Environment	B	Customer
3	Social environment	C	Innovation
4	Specific environment forces of business	D	Government attitude towards business
5	Technological environment	E	Inflation rate

a	A	b	B	c	D	d	E
,	,	,	,	,	,	,	,
B	E	A	D				
,	,	,	,				
D	C	B	A				
,	,	,	,				
E	D	C	B				
,	,	,	,				
C	A	E	C				

3	<table border="1" data-bbox="155 222 1243 615"> <tr> <td>1</td> <td>Technological Environment</td> <td>A</td> <td>Complex and inter related</td> </tr> <tr> <td>2</td> <td>Specific environment factors of business</td> <td>B</td> <td>Firm can identifies opportunities</td> </tr> <tr> <td>3</td> <td>Elements of business environment</td> <td>C</td> <td>Court orders</td> </tr> <tr> <td>4</td> <td>Business environment scanning</td> <td>D</td> <td>New methods and techniques of production</td> </tr> <tr> <td>5</td> <td>Legal environment</td> <td>E</td> <td>Customers</td> </tr> </table> <table border="1" data-bbox="155 667 1382 726"> <tr> <td>a</td> <td>E,D,A,B,C</td> <td>b</td> <td>D,A,B,C,E</td> <td>c</td> <td>D,E,A,B,C</td> <td>d</td> <td>A,B,D,E,C</td> </tr> </table>	1	Technological Environment	A	Complex and inter related	2	Specific environment factors of business	B	Firm can identifies opportunities	3	Elements of business environment	C	Court orders	4	Business environment scanning	D	New methods and techniques of production	5	Legal environment	E	Customers	a	E,D,A,B,C	b	D,A,B,C,E	c	D,E,A,B,C	d	A,B,D,E,C
1	Technological Environment	A	Complex and inter related																										
2	Specific environment factors of business	B	Firm can identifies opportunities																										
3	Elements of business environment	C	Court orders																										
4	Business environment scanning	D	New methods and techniques of production																										
5	Legal environment	E	Customers																										
a	E,D,A,B,C	b	D,A,B,C,E	c	D,E,A,B,C	d	A,B,D,E,C																						
4	<table border="1" data-bbox="155 856 1455 1136"> <tr> <td>1</td> <td>Social environment</td> <td>A</td> <td>Interest rates</td> </tr> <tr> <td>2</td> <td>Economic environment</td> <td>B</td> <td>Scientific improvements</td> </tr> <tr> <td>3</td> <td>Political environment</td> <td>C</td> <td>Values</td> </tr> <tr> <td>4</td> <td>Technological environment</td> <td>D</td> <td>Administrative orders</td> </tr> <tr> <td>5</td> <td>Legal environment</td> <td>E</td> <td>Stability of government</td> </tr> </table> <table border="1" data-bbox="155 1188 1382 1247"> <tr> <td>a</td> <td>E,D,A,B,C</td> <td>b</td> <td>C,A,E,B,D</td> <td>c</td> <td>E,D,A,B,C</td> <td>d</td> <td>E,D,A,C,B</td> </tr> </table>	1	Social environment	A	Interest rates	2	Economic environment	B	Scientific improvements	3	Political environment	C	Values	4	Technological environment	D	Administrative orders	5	Legal environment	E	Stability of government	a	E,D,A,B,C	b	C,A,E,B,D	c	E,D,A,B,C	d	E,D,A,C,B
1	Social environment	A	Interest rates																										
2	Economic environment	B	Scientific improvements																										
3	Political environment	C	Values																										
4	Technological environment	D	Administrative orders																										
5	Legal environment	E	Stability of government																										
a	E,D,A,B,C	b	C,A,E,B,D	c	E,D,A,B,C	d	E,D,A,C,B																						
5	<table border="1" data-bbox="155 1310 1487 1682"> <tr> <td>1</td> <td>Relativity</td> <td>A</td> <td>Suppliers</td> </tr> <tr> <td>2</td> <td>Economic environment</td> <td>B</td> <td>Societies expectation from business</td> </tr> <tr> <td>3</td> <td>Legal environment</td> <td>C</td> <td>Companies Act 1956</td> </tr> <tr> <td>4</td> <td>Specific forces of business environment</td> <td>D</td> <td>Disposable income</td> </tr> <tr> <td>5</td> <td>Social environment</td> <td>E</td> <td>Business environment differs from country to country</td> </tr> </table> <table border="1" data-bbox="155 1734 1382 1793"> <tr> <td>a</td> <td>E,D,C,A,B</td> <td>b</td> <td>A,B,D,E,C</td> <td>c</td> <td>C,A,E,B,D</td> <td>d</td> <td>A,B,C,D,E</td> </tr> </table>	1	Relativity	A	Suppliers	2	Economic environment	B	Societies expectation from business	3	Legal environment	C	Companies Act 1956	4	Specific forces of business environment	D	Disposable income	5	Social environment	E	Business environment differs from country to country	a	E,D,C,A,B	b	A,B,D,E,C	c	C,A,E,B,D	d	A,B,C,D,E
1	Relativity	A	Suppliers																										
2	Economic environment	B	Societies expectation from business																										
3	Legal environment	C	Companies Act 1956																										
4	Specific forces of business environment	D	Disposable income																										
5	Social environment	E	Business environment differs from country to country																										
a	E,D,C,A,B	b	A,B,D,E,C	c	C,A,E,B,D	d	A,B,C,D,E																						
6	<p>Statement I: Business Environment is aggregative in nature</p> <p>Statement II: Business environment include only specific factors</p> <p>(a)Statement I is correct and II is wrong</p>																												



	<p>(b)Statement II is correct and I is wrong</p> <p>(c)Both the statements are correct</p> <p>(d) Both the statements are incorrect</p>
7	<p>Statement I: Different elements of business environment are inter related</p> <p>Statement II: Business environment is dynamic in nature</p> <p>(a)Statement I is correct and II is wrong</p> <p>(b)Statement II is correct and I is wrong</p> <p>(c)Both the statements are correct</p> <p>(d) Both the statements are incorrect</p>
8	<p>Statement I: Political environment include various legislation passed by government</p> <p>Statement II: Social environment include education system and literacy rate in a country</p> <p>(a)Statement I is correct and II is wrong</p> <p>(b)Statement II is correct and I is wrong</p> <p>(c)Both the statements are correct</p> <p>(d) both the statements are incorrect</p>
9	<p>Statement I: Business environment include both general and specific forces</p> <p>Statement II: Business environment is relatively easier to understand its parts and but difficult to grasp in its totality</p> <p>(a)Statement I is correct and II is wrong</p> <p>(b)Statement II is correct and I is wrong</p> <p>(c)Both the statements are correct</p> <p>(d) Both the statements are incorrect</p>
10	<p>From the following two statements choose the correct options</p> <p>Statement I: The understanding of business environment enable the firm to identify opportunities and threats</p> <p>Statement II: The analysis and understanding of business environment doesn't help the firm in policy formulation and planning.</p> <p>(a)Statement I is correct and II is wrong</p> <p>(b)Statement II is correct and I is wrong</p> <p>(c)Both the statements are correct</p> <p>(d) Both the statements are incorrect</p>
11	<p>Which of the following is not a component of specific forces of the business environment?</p> <p>(a) Customers</p>

	<p>(b) Suppliers</p> <p>(c) Competitors</p> <p>(d) None of the above</p>
12	<p>Increased life expectancy of people and growing awareness about healthcare has led to an increase in the demand for healthcare products and services in the country. Identify the feature of business environment being described in the above case.</p> <p>(a) Dynamic nature</p> <p>(b) Uncertainty</p> <p>(c) Relativity</p> <p>(d) Interrelatedness</p>
13	<p>The term business environment means the totality of all individuals and other forces that are inside a business but that are potentially affect its business performance</p> <p><b>(a)True</b></p> <p><b>(b)False</b></p>
14	<p>Business environment consists of five important dimensions including economic, ....., social, .....and Political.</p> <p>(a)legal , commercial</p> <p>(b) innovation , traditions</p> <p>(c)Natural ,Technical</p> <p>(d)Technological, Legal</p>
15	<p>Political environment include political conditions such as general stability and peace in the country, various legislations passed by the government and decisions rendered by various commissions and agencies at every level of the government.</p> <p><b>(a) True</b></p> <p><b>(b) False</b></p>

**KEY FOR EXTRA QUESTIONS: BUSINESS ENVIRONMENT**

<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>13</b>	<b>14</b>	<b>15</b>
<b>b</b>	<b>d</b>	<b>c</b>	<b>b</b>	<b>a</b>	<b>a</b>	<b>c</b>	<b>b</b>	<b>c</b>	<b>a</b>	<b>d</b>	<b>d</b>	<b>b</b>	<b>d</b>	<b>b</b>

## CHAPTER 4 PLANNING

### CASE BASED QUESTIONS:

1	<p>After completing a diploma in Bakery and Patisserie, Payal sets up a small outlet at Goa Airport to provide a healthy food option to the travelers. To begin with, she has decided to sell five types of patties, three types of pizzas and low sugar muffins in four flavors. Thus, by deciding in advance what to do and how to do, she is able to reduce the risk of uncertainty and avoid overlapping and wasteful activities. But sometimes her planning does not work due to some unavoidable circumstances like cancellation of flights due to bad weather conditions, government alert etc. which adversely affects her clients.</p> <p>In context of the above case: 1. Identify one of the limitation of planning which adversely affects Payal's business.</p> <ul style="list-style-type: none"> <li>A. Planning reduces creativity</li> <li>B. Planning may not guarantee success</li> <li>C. Planning may not work in dynamic environment</li> <li>D. Planning involves huge cost.</li> </ul>
2	<p>Two friends –Ramesh and Krishna are working as managers in different companies. One Sunday, both of them together set off on travelling. Both of them began talking about activities going on in their respective companies. Mr. Ramesh said that during those days he was busy with the job of planning function. Also he told that he was planning in such a way that the other managerial functions should be completed under the framework of plans prepared by him:-</p> <p>Identify the feature of planning discussed in the above para?</p> <ul style="list-style-type: none"> <li>A. Planning focus on achieving objectives</li> <li>B. Planning is a primary function</li> </ul>

	<p>C. Planning is pervasive</p> <p>D. Planning is continuous</p>
3	<p>Mrs. Sanjana decided to double the production of her company. Now she is going to translate her decision into reality. Here she is also thinking how many additional\extra machines and workers will be required to achieve the production target. Her dream will be possible to be realized only after the arrangement for these extra resources is done.</p> <p>Which stage of planning process is being completed by Mrs. Sanjana in the above event?</p> <p>A. Evaluating alternative course</p> <p>B. Selecting an alternative</p> <p>C. Implementing the plan</p> <p>D. Follow up</p>
4	<p>Identify the correct sequence of steps, involved in planning</p> <p>i. Selecting the best course of action</p> <p>ii. Implementation of plan</p> <p>iii Establishment of objectives</p> <p>iv Evaluating alternative courses of action</p> <p>v. Identifying alternative courses of action</p> <p>Choose the correct option:-</p> <p>A. (i), (ii), (iii), (iv) and (v)</p> <p>B. (iii), (v), (iv), (i) and (ii)</p> <p>C. (v), (iv), (iii), (ii) and (i)</p> <p>D. (iii), (v), (iv), (ii) and (i)</p>
5	<p>Mr. Prem is working as the top level manager in a business organization. He has been given the job of preparing the plans for the whole company. Mr. Prem is an expert in making a correct forecast. At first, he looks for the different options to complete every job, and then on the basis of their evaluation selects most suitable option. In this way by taking correct decision and beating his competitors, he is moving forward.</p> <p>To which particular point of the ‘Importance of planning’ is the above case related:-</p> <p>A. Planning facilitates decision making</p> <p>B. Planning provides direction</p> <p>C. Planning promotes innovative ideas</p> <p>D. Planning establishes standard for controlling</p>

6	<p>'Planning restricts the initiative of the employees and compels them to work in an inflexible manner'. This statement shows one of the limitations of planning</p> <p>Options are:-</p> <ul style="list-style-type: none"> <li>A. Planning may not work in dynamic environment</li> <li>B. Planning leads to rigidity</li> <li>C. Planning may not guarantee success</li> <li>D. Planning involves huge cost</li> </ul>
7	<p>Mr. Neeraj Chopra won gold medal in recent Olympics held in Japan after he has set the goal. He learned many techniques from foreign coaches also. Which of the following steps of planning is involved here?</p> <ul style="list-style-type: none"> <li>A. Development of premises</li> <li>B. Listing out alternatives</li> <li>C. Evaluating alternatives</li> <li>D. Setting objectives.</li> </ul>
8	<p>Miss. Prakriti is a production manager in Nepal Chemicals Ltd. She made a plan for her department after spending so many sleepless nights.</p> <p>Choose the correct option given below:</p> <ul style="list-style-type: none"> <li>A. She is involved in a mental exercise</li> <li>B. She is involved in forecasting</li> <li>C. She is not involved in any physical activity</li> <li>D. All the above</li> </ul>
9	<p>Alpha Ltd. has a plan of increasing profit by 20%. The company spent lot of time and money to frame and implement this plan. The competition starts increasing, so it could not change its plan to beat its competitors because huge amount of money is already spent. Some limitations of planning being highlighted in the above case.</p> <ul style="list-style-type: none"> <li>i) Planning involve huge cost.</li> <li>ii. Planning is time consuming.</li> <li>iii. Planning may not work in dynamic environment.</li> <li>iv. Planning reduces creativity</li> </ul> <p>choose the correct option:-</p> <ul style="list-style-type: none"> <li>A. i, ii, iii, iv</li> <li>B. only i &amp; ii</li> <li>C. only i,ii,iii</li> </ul>

	D. only ii & iii
10	<p>Mr. Mohit is a finance manager in MM Ltd. He guess that this year the company may earn Rs.150 crores profit after tax. He is involved in _____</p> <p>A. Planning B. Setting Objectives C. Mental Exercise D. None of these</p>
11	<p>Mr. Madan is working as the sales manager in the ‘Sharda Shopping Mall’. He is preparing a sales plan for his department. He is taking the help of forecast as the base of the form of his sales plan. He is of the view that a good plan can be prepared by learning about the possibilities of future events and conditions through the medium of forecast. The plan being prepared by Mr. Madan is very important as the production plan and other plans of business are prepared on this very basis.</p> <p>Identify the feature of planning in above case:-</p> <p>A. Planning is continuous B. Planning is goal oriented. C. Planning is pervasive D. Planning is futuristic</p>
12	<p>Mrs. Ritu is the General Manager in ‘Ritu Sales Ltd’. The company has 56 Stores in the whole of India, Through which the company makes it good reach to the customers. The company’s goods have a good hold in the market. In order to avail of this situation. Mrs. Ritu had decided to increase the number of stores to 300. The information of this decision has been communicated to all the departments; namely, Finance, purchase, sales, production, Personnel etc.</p> <p>Identify the stage of planning process which is being completed by Mrs.Ritu</p> <p>A. Setting objectives B. Developing premises C. Identifying alternative courses of action D. Evaluating alternative course of action</p>
	<p><b>QUESTION NO.13 TO 15 ARE BASED ON THE PARA GIVEN BELOW. CHOOSE THE CORRECT OPTION GIVEN BELOW FOR EACH QUESTION:</b></p> <p>(1)The Government of India is putting more stringent measures on consumption of tobacco products in the</p>

	<p>country. So ITC Ltd. decided to decrease its sale of cigarettes by 5% in the year 2021-22.</p> <p>(2)In order to get a maximum share in the FMCG sector ITC is exploring various alternatives like entering into tie-up with existing players in the market, exporting goods to other Asian countries, spending more money on brand building measures, technical collaboration with foreign companies to launch new products in the country etc.</p> <p>(3)After a lot of discussion the company decided to spend more money on brand building activities.</p> <p>(4)The company started huge advertising campaign by spending Rs.100 crores. Even ITC is seriously thinking to separate its Hotels business from FMCG because of this corona pandemic.</p>
13	<p>Developing planning premises - identify the correct sentence from the above para.</p> <p>A. Sentence 4</p> <p>B. Sentence 2</p> <p>C. Sentence 1</p> <p>D. Sentence 3</p>
14	<p>Listing out various alternative courses of action - identify the correct sentence from the above para.</p> <p>A. Sentence 4</p> <p>B. Sentence 2</p> <p>C. Sentence 1</p> <p>D. Sentence 3</p>
15	<p>Implementation of the plan - identify the correct sentence from the above para.</p> <p>A. Sentence 4</p> <p>B. Sentence 2</p> <p>C. Sentence 1</p> <p>D. Sentence 3</p>

### ANSWERS FOR CASE BASED QUESTIONS FROM PLANNING

<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>13</b>	<b>14</b>	<b>15</b>
<b>C</b>	<b>B</b>	<b>C</b>	<b>B</b>	<b>A</b>	<b>B</b>	<b>D</b>	<b>D</b>	<b>C</b>	<b>D</b>	<b>D</b>	<b>A</b>	<b>C</b>	<b>B</b>	<b>A</b>

**ASSERTION – REASON QUESTIONS: PLANNING**

**Read the following statements: Assertion and Reason. Choose one of the correct alternatives given below:**

1	<p>Assertion (A) One can be sure about future course of actions by making good plans. Reason (R) Planning brings certainty in future course of actions of an organisation</p> <p>(A) Both Assertion(A) and Reason(R) are True and Reason(R)is the correct explanation of (A) (B) Both Assertion(A) and Reason(R) are True and Reason(R)is not the correct explanation of(A) (C) Assertion(A) is True but Reason(R) is False (D) Assertion(A) is False but Reason(R) is True</p>
2	<p>Assertion (A): Planning is futuristic. Reason (R): In planning process an attempt is made to peep into the future.</p> <p>(A) Both Assertion(A) and Reason(R) are True and Reason(R)is the correct explanation of (A) (B) Both Assertion(A) and Reason(R) are True and Reason(R)is not the correct explanation of(A) (C) Assertion(A) is True but Reason(R) is False (D) Assertion(A) is False but Reason(R) is True</p>
3	<p>Assertion (A): Managers became complacent because they made successful plans in the past. Reason (R): Planning leads to rigidity.</p> <p>(A) Both Assertion(A) and Reason(R) are True and Reason(R)is the correct explanation of (A) (B) Both Assertion(A) and Reason(R) are True and Reason(R)is not the correct explanation of(A) (C) Assertion(A) is True but Reason(R) is False</p>



	(D) Assertion(A) is False but Reason(R) is True
4	<p>Assertion (A) : Planning premises mean assumptions about the future, Reason (R): The success or failure of a plan depends on its premises.</p> <p>(A) Both Assertion(A) and Reason(R) are True and Reason(R)is the correct explanation of (A) (B) Both Assertion(A) and Reason(R) are True and Reason(R)is not the correct explanation of(A) (C) Assertion(A) is True but Reason(R) is False (D) Assertion(A) is False but Reason(R) is True</p>
5	<p>Assertion:-Planning and forecasting both are related to future period Reason:- Forecasting is helpful not only in planning but in the entire management process</p> <p>(A) Both Assertion(A) and Reason(R) are True and Reason(R)is the correct explanation of (A) (B) Both Assertion(A) and Reason(R) are True and Reason(R)is not the correct explanation of(A) (C) Assertion(A) is True but Reason(R) is False (D) Assertion(A) is False but Reason(R) is True</p>
6	<p>Assertion (A): Planning is a goal-oriented activity. Reason (R): If there is no goal to be achieved then planning is not required at all.</p> <p>(A) Both Assertion(A) and Reason(R) are True and Reason(R)is the correct explanation of (A) (B) Both Assertion(A) and Reason(R) are True and Reason(R)is not the correct explanation of(A) (C) Assertion(A) is True but Reason(R) is False (D) Assertion(A) is False but Reason(R) is True</p>
7	<p>Assertion (A): Planning seeks to bridge the gap between where we are and where we want to go. Reason (R) : Planning is deciding in advance what to do and how to do.</p> <p>(A) Both Assertion(A) and Reason(R) are True and Reason(R)is the correct explanation of (A) (B) Both Assertion(A) and Reason(R) are True and Reason(R)is not the correct explanation of(A) (C) Assertion(A) is True but Reason(R) is False (D) Assertion(A) is False but Reason(R) is True</p>
8	<p>Assertion (A): Planning is pervasive. Reason(R): It is an exclusive function of any particular department.</p> <p>(A) Both Assertion(A) and Reason(R) are True and Reason(R)is the correct explanation of (A) (B) Both Assertion(A) and Reason(R) are True and Reason(R)is not the correct explanation of(A) (C) Assertion(A) is True but Reason(R) is False</p>

	(D) Assertion(A) is False but Reason(R) is True
9	<p>Assertion (A): Plans once made they are irreversible in nature as so much resources being utilized to make them.</p> <p>Reason(R): Making of plans involves huge cost.</p> <p>(A) Both Assertion(A) and Reason(R) are True and Reason(R) is the correct explanation of (A)</p> <p>(B) Both Assertion(A) and Reason(R) are True and Reason(R) is not the correct explanation of(A)</p> <p>(C) Assertion(A) is True but Reason(R) is False</p> <p>(D) Assertion(A) is False but Reason(R) is True</p>
10	<p>Assertion (A): Planning provides the goals or standards against which actual performance is measured.</p> <p>Reason(R): By comparing actual performance with some standard, managers can know whether they have actually been able to attain the goals. If there is any deviation it can be corrected.</p> <p>(A) Both Assertion(A) and Reason(R) are True and Reason(R) is the correct explanation of (A)</p> <p>(B) Both Assertion(A) and Reason(R) are True and Reason(R) is not the correct explanation of(A)</p> <p>(C) Assertion(A) is True but Reason(R) is False</p> <p>(D) Assertion(A) is False but Reason(R) is True</p>
11	<p>Assertion (A): Planning shows the way to deal with changes and uncertain events.</p> <p>Reason(R) : Planning decides in advance the tasks to be performed.</p> <p>A. Both A and R are true and R is the correct explanation of A.</p> <p>B. Both A and R are true and R is not the correct explanation of A.</p> <p>C. A is true but R is false.</p> <p>D. A is false but R is true.</p>
12	<p>Assertion (A) Planning does not guarantee success.</p> <p>Reason(R) It is a tool to be used with caution as It provides a base for analyzing future courses of action.</p> <p>A. Both A and R are true and R is the correct explanation of A.</p> <p>B. Both A and R are true and R is not the correct explanation of A.</p> <p>C. A is true but R is false.</p> <p>D. A is false but R is true</p>
13	Assertion (A) Continuity of planning is related with the planning cycle.

	<p>Reason (R) A plan is framed, it is implemented, and is followed by another plan and so on.</p> <p>(A) Both Assertion(A) and Reason(R) are True and Reason(R)is the correct explanation of (A)</p> <p>(B) Both Assertion(A) and Reason(R) are True and Reason(R)is not the correct explanation of(A)</p> <p>(C) Assertion(A) is True but Reason(R) is False</p> <p>(D) Assertion(A) is False but Reason(R) is True</p>
14	<p>Assertion(A) : Planning is a continuous process as it involves series of steps</p> <p>Reason(R) : Each and every step is necessary to be performed in planning process.</p> <p>(A) Both Assertion(A) and Reason(R) are True and Reason(R)is the correct explanation of (A)</p> <p>(B) Both Assertion(A) and Reason(R) are True and Reason(R)is not the correct explanation of(A)</p> <p>(C) Assertion(A) is True but Reason(R) is False</p> <p>(D) Assertion(A) is False but Reason(R) is True</p>
15	<p>Assertion (A): Sometimes planning fails inspite of the best efforts of Management.</p> <p>Reason(R): while planning assumptions are to be taken for future which is uncertain.</p> <p>A. Both A &amp; R are false</p> <p>B. Both A &amp; R are true</p> <p>C. A is true but R is False</p> <p>D. A is false but R is true</p>

**ANSWERS FOR ASSERTION – REASON QUESTIONS OF PLANNING**

<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>13</b>	<b>14</b>	<b>15</b>
<b>C</b>	<b>A</b>	<b>B</b>	<b>A</b>	<b>B</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>A</b>	<b>A</b>	<b>A</b>	<b>B</b>	<b>A</b>	<b>D</b>	<b>B</b>

**EXTRA QUESTIONS: PLANNING**

1	<p>Choose the odd one out:-</p> <ul style="list-style-type: none"><li>a. Planning is a continuous process</li><li>b. Planning is futuristic</li><li>c. Planning is a primary function</li><li>d. Planning is time consuming process</li></ul>
2	<p>While planning forecasts regarding the demand for a particular product, policy changes, interest rates, price of capital goods, tax rates are known as:-</p> <ul style="list-style-type: none"><li>a. Objectives</li><li>b. The course of action</li><li>c. Alternatives</li><li>d. Premises</li></ul>

<p>3</p>	<p>Arrange the following steps in a order:-</p> <ol style="list-style-type: none"> <li>1. Implementing the plan</li> <li>2. Setting objectives</li> <li>3. Evaluating alternatives</li> <li>4. Follow up</li> <li>5. Developing premises</li> <li>6. Identifying alternative course of action</li> <li>7. Selecting an alternative</li> </ol> <p>Choose the correct option:-</p> <ol style="list-style-type: none"> <li>a. 2,5,6,7,4,3,1</li> <li>b. 2,5,6,3,7,1,4</li> <li>c. 2,4,3,1,7,5,6</li> <li>d. 4,3,2,1,5,7,6</li> </ol>										
<p>4</p>	<p>In which step of planning process the planner make predictions and assumptions regarding future?</p> <ol style="list-style-type: none"> <li>a. Follow up</li> <li>b. Selecting a best course of action</li> <li>c. Developing premises</li> <li>d. Implementation of plan</li> </ol>										
<p>5</p>	<p>If _____ is not taken into consideration, conditions in the environment may change and all business plans may go waste.</p> <ol style="list-style-type: none"> <li>a. Time frame</li> <li>b. Resources</li> <li>c. Alternatives</li> <li>d. Objective</li> </ol>										
<p>6</p>	<p>Match the following:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">Column A</th> <th style="width: 50%;">Column B</th> </tr> </thead> <tbody> <tr> <td>1. Planning focuses on achieving objectives</td> <td>A) Planning cycle</td> </tr> <tr> <td>2. Planning is a primary function of management</td> <td>B) Planning is purposeful</td> </tr> <tr> <td>3. Planning is pervasive</td> <td>C) Primacy of planning</td> </tr> <tr> <td>4. Planning is continuous</td> <td>D) It is not an exclusive function of top</td> </tr> </tbody> </table>	Column A	Column B	1. Planning focuses on achieving objectives	A) Planning cycle	2. Planning is a primary function of management	B) Planning is purposeful	3. Planning is pervasive	C) Primacy of planning	4. Planning is continuous	D) It is not an exclusive function of top
Column A	Column B										
1. Planning focuses on achieving objectives	A) Planning cycle										
2. Planning is a primary function of management	B) Planning is purposeful										
3. Planning is pervasive	C) Primacy of planning										
4. Planning is continuous	D) It is not an exclusive function of top										

		management.								
	a) B C D A      b) D A B C      c) C A B D      d) D B C A									
7	Match the following:									
	<table border="1"> <thead> <tr> <th>Column A</th> <th>Column B</th> </tr> </thead> <tbody> <tr> <td>1. First step of planning process</td> <td>i) Futuristic</td> </tr> <tr> <td>2. Characteristics of planning</td> <td>ii) Planning is costly affair.</td> </tr> <tr> <td>3. Limitation of planning</td> <td>iii) Setting objectives</td> </tr> </tbody> </table>	Column A	Column B	1. First step of planning process	i) Futuristic	2. Characteristics of planning	ii) Planning is costly affair.	3. Limitation of planning	iii) Setting objectives	
Column A	Column B									
1. First step of planning process	i) Futuristic									
2. Characteristics of planning	ii) Planning is costly affair.									
3. Limitation of planning	iii) Setting objectives									
	<p>a. 1-iii, 2-i, 3-ii</p> <p>b. 1-iii, 2-ii , 3-i</p> <p>c. 1-i , 2-ii, 3-iii</p> <p>d. 1-ii, 2-i , 3-iii</p>									
8	<p>Out of the following which one is the objective of planning:-</p> <ol style="list-style-type: none"> <li>1. Forecasting</li> <li>2. Optimum utilisation of resource</li> <li>3. Fixing the plan for implementation</li> <li>4. Giving direction for all the activities</li> </ol> <p>Choose the correct option:-</p> <ol style="list-style-type: none"> <li>a. 1 &amp; 2 only</li> <li>b. All of the above</li> <li>c. 1,2,3</li> <li>d. 2 &amp; 3 only</li> </ol>									
9	<p>Which of the following statements is not true with reference to Planning?</p> <ol style="list-style-type: none"> <li>a. Planning is a pre requisite for controlling</li> <li>b. Planning does not lead to rigidity</li> <li>c. Planning enables a manager to look ahead and anticipate changes</li> </ol>									

	<p>d. Planning facilitates to co-ordination among departments and individuals in the organization.</p>								
<p>10</p>	<p>Planning seeks to bridge gap between I _____</p> <ul style="list-style-type: none"> <li>a. Past &amp; present position</li> <li>b. Past &amp; future position</li> <li>c. Both a &amp; b</li> <li>d. None of the above</li> </ul>								
<p>11</p>	<p>Match the '<b>Importance of Planning</b>' in Column-I with their respective statements in Column-II:</p> <table border="1" data-bbox="154 688 1526 1188"> <thead> <tr> <th data-bbox="154 688 841 800">Column-I</th> <th data-bbox="841 688 1526 800">Column-II</th> </tr> </thead> <tbody> <tr> <td data-bbox="154 800 841 911">(a) Planning provides direction</td> <td data-bbox="841 800 1526 911">(i) Planning shows the ways to deal with changes.</td> </tr> <tr> <td data-bbox="154 911 841 1022">(b) Planning reduces the risk of uncertainty.</td> <td data-bbox="841 911 1526 1022">(ii) Planning helps in avoiding confusions and misunderstanding</td> </tr> <tr> <td data-bbox="154 1022 841 1188">(c) Planning reduces overlapping and wasteful activities.</td> <td data-bbox="841 1022 1526 1188">(iii) Planning clarifies 'how work is to be done'.</td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>A. (i), (ii), (iii)</li> <li>B. (iii), (i), (ii)</li> <li>C. (iii), (ii), (i)</li> <li>D. (i), (iii), (ii)</li> </ul>	Column-I	Column-II	(a) Planning provides direction	(i) Planning shows the ways to deal with changes.	(b) Planning reduces the risk of uncertainty.	(ii) Planning helps in avoiding confusions and misunderstanding	(c) Planning reduces overlapping and wasteful activities.	(iii) Planning clarifies 'how work is to be done'.
Column-I	Column-II								
(a) Planning provides direction	(i) Planning shows the ways to deal with changes.								
(b) Planning reduces the risk of uncertainty.	(ii) Planning helps in avoiding confusions and misunderstanding								
(c) Planning reduces overlapping and wasteful activities.	(iii) Planning clarifies 'how work is to be done'.								
<p>12</p>	<p>Identify which of the following statement is correct and which is incorrect.</p> <ul style="list-style-type: none"> <li>(a) Planning basically involves decision-making</li> <li>(b) Planning is a very simple task.</li> <li>(c) Planning is a fundamental function of management and all other functions of management are greatly influenced by planning process.</li> <li>(d) Planning involves low cost.</li> </ul> <p><b>Select the correct answer from the options given below:-</b></p> <p>A.(a)correct (b)correct (c) correct (d)correct</p>								

	<p>B.(a)incorrect (b)correct (c)incorrect (d)correct</p> <p>C.(a)correct (b)incorrect (c) correct (d)correct</p> <p>D.(a)correct (b)incorrect (c) correct (d)incorrect</p>
13	<p>Which of the following is not true with reference to planning?</p> <p>a) Planning is a pre-requisite for controlling.</p> <p>b) Planning does not lead to rigidity</p> <p>c) Planning improves creativity</p> <p>Which one is the correct option:-</p> <p><b>A.</b> Only a)</p> <p><b>B.</b> b) &amp; c)</p> <p><b>C.</b> c) &amp; a)</p> <p><b>D.</b> All of the above</p>
14	<p>Identify which of the following statement is correct (right) and which is incorrect (wrong).</p> <p>Statement-1. Planning is not a function of every manager.</p> <p>Statement-2. Ascertaining the future is also known as planning.</p> <p>Select the correct answer from the options given below:</p> <p>A. 1 - Wrong 2 – Wrong</p> <p>B. 1 - Right 2 – Right</p> <p>C. 1 - Right 2 – Wrong</p> <p>D. 1 - Wrong 2 - Right</p>
15	<p>Statement I: Planning and controlling are two side of the same coin</p> <p>Statement II: Planning is a pervasive function.</p> <p>A. Statement I and II both are true.</p> <p>B. Statement I is correct but Statement II is false.</p> <p>C. Statement II is correct but Statement I is false.</p>



D. Statement I and II both are false.

### KEY FOR EXTRA QUESTIONS: PLANNING

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
d	d	b	c	a	a	a	b	b	d	b	d	a	a	c

### CHAPTER 5 ORGANISING

#### CASE BASED QUESTIONS:

**QUESTION NO.1 TO 4 ARE BASED ON THE PARA GIVEN BELOW. CHOOSE THE CORRECT OPTION GIVEN BELOW FOR EACH QUESTION:**

Leo Cloth Ltd. produces only fabrics. After experiencing great success in the fabric industry, the directors of Leo Cloth Ltd. acquired three new manufacturing (Electronics, Mobile Phones,

	<p>Cement) units and began selling a variety of products in the market. They decided that each unit would be led by an individual with the ability and competence to handle responsibility. Only female candidates will be considered for the vacant position.</p>
1	<p>State the type of organisational structure, Leo Cloth Ltd, had followed when they were producing only fabric.</p> <p>(a) Functional structure  (b) Divisional structure  (c) Both (a) and (b)  (d) None of the above</p>
2	<p>State the organisational structure suitable to Leo Cloth Ltd. after they plan to add more line of products.</p> <p>(a) Functional  (b) Divisional  (c) Both (a) and (b)  (d) None of the above</p>
3	<p>If organizations want their departments or divisions to be self-contained and independent then which structure is suitable?</p> <p>(a) Functional structure  (b) Divisional structure  (c) Both (a) and (b)  (d) None of the above</p>
4	<p>Organizations having plans of diversification and expansion, must adapt:</p> <p>(a) Functional structure  (b) Divisional structure  (c) Both (a) and (b)  (d) None of the above</p>
<p><b>QUESTION NO.5 TO 8 ARE BASED ON THE PARA GIVEN BELOW. CHOOSE THE CORRECT OPTION GIVEN BELOW FOR EACH QUESTION:</b></p> <p>"In every organisation, managers are assigned a great deal of work, and no manager can do it all alone. He divides the work among various individuals working under him based on their qualifications and divides the tasks among them. The manager starts by delegating his</p>	

	<p>responsibilities to his subordinates. He purposefully delegated some of his responsibilities to his subordinates. Following the delegation of responsibilities, the manager delegated some of his authority, i.e., the power to make decisions, to his subordinates so that the responsibilities could be carried out properly. The manager establishes accountability to ensure that his subordinates perform all work effectively and efficiently in the expected manner. "</p>
5	<p>Name the concept discussed in the above para.</p> <ul style="list-style-type: none"> <li>(a) Delegation</li> <li>(b) Decentralization</li> <li>(c) Organising</li> <li>(d) Planning</li> </ul>
6	<p>Responsibility refers to:</p> <ul style="list-style-type: none"> <li>(a) Answerable for non-completion of task</li> <li>(b) Power to make decisions</li> <li>(c) Obligations to do a work</li> <li>(d) None of the above</li> </ul>
7	<p>Authority refers to:</p> <ul style="list-style-type: none"> <li>(a) Power to take decisions independently</li> <li>(b) Obligation to do a task</li> <li>(c) Answerable for non-completion of task</li> <li>(d) None of the above</li> </ul>
8	<p>What cannot be delegated?</p> <ul style="list-style-type: none"> <li>(a) Responsibility</li> <li>(b) Authority</li> <li>(c) Accountability</li> <li>(d) All of the above</li> </ul>
<p><b>QUESTION NO.9 TO 12 ARE BASED ON THE PARA GIVEN BELOW. CHOOSE THE CORRECT OPTION GIVEN BELOW EACH QUESTION:</b></p> <p>Rahul, Vinay, and Tarun have decided to start a toy manufacturing company. They identified the following major activities that they must complete:</p>	

	<p>(i) Purchasing raw materials</p> <p>(ii) Purchasing machinery</p> <p>(iii) Toy production</p> <p>(iv) Arrangement of finance</p> <p>(v) Toy sales</p> <p>(vi) Identifying areas where they can sell their toys</p> <p>(vii) Recruitment of employees</p> <p>They believed that four managers should be appointed to oversee the work in order to make it more efficient.</p> <p>(a) Production      (b) Finance      (c) Marketing      (d) Personnel</p>
9	<p>Identify the function of management involved in above mentioned para.</p> <p>(a) Planning</p> <p>(b) Organising</p> <p>(c) Staffing</p> <p>(d) Directing</p>
10	<p>State the first step of the process of that function</p> <p>(a) In order to facilitate the work they thought that four managers should be appointed.</p> <p>(b) They identified the main activities.</p> <p>(c) Both (a) and (b)</p> <p>(d) None of the above</p>
11	<p>By grouping the activities in four departments, the manager is performing which step of process?</p> <p>(a) Assignment of Duty</p> <p>(b) Reporting Relationship</p> <p>(c) Departmentalization</p> <p>(d) None of the above</p>

12	<p>The steps of process of that function, which is not followed in above para is:</p> <ul style="list-style-type: none"> <li>(a) Identification of activities</li> <li>(b) Establishing reporting relations</li> <li>(c) Grouping of activities or departmentalization</li> <li>(d) None of the above</li> </ul>
13	<p>Janta Foods Ltd. is a company that sells 'Noodles.' Its registered office is in Kolkata, its manufacturing unit is at Solan, and its marketing department is in Delhi. Which type of organisational structure should the company adopt to achieve its target?</p> <ul style="list-style-type: none"> <li>(a) Non-Functional Organisation Structure</li> <li>(b) Functional Organisation Structure.</li> <li>(c) Planning Organisational Structure</li> <li>(d) None of the Above</li> </ul>
<p><b>QUESTION NO.14 TO 15 ARE BASED ON THE PARA GIVEN BELOW. CHOOSE THE CORRECT OPTION GIVEN BELOW FOR EACH QUESTION:</b></p> <p>Mahindra Tech Ltd. has grown in size. It was a market leader but with changes in business environment and with the entry of MNCs, its market share is declining. To cope up with the situation, the CEO starts delegating some of his authority to the General Manager, who also felt himself overburdened and with the approval of CEO disperses some of his authority to various levels throughout the organisation</p>	
14	<p>Identify the concept of management discussed above?</p> <ul style="list-style-type: none"> <li>(a)None of the Below</li> <li>(b)Centralization</li> <li>(c) Decentralization</li> <li>(d) Privatization</li> </ul>
15	<p>What is the key to the Managerial Post?</p> <ul style="list-style-type: none"> <li>(a) Responsibility</li> <li>(b) Accountability</li> <li>(c) Authority</li> <li>(d) None</li> </ul>

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
a	b	b	b	a	a	a	c	b	b	c	b	b	c	c

### ASSERTION – REASON QUESTIONS: ORGANISING

**Read the following statements: Assertion and Reason. Choose one of the correct alternatives given below:**

- |   |  |
|---|--|
| 1 | <p>ASSERTION (A) : Organisation structure is the outcome of the organising process.</p> <p>REASON (R) : Organising leads to the proper usage of all material, financial and human resources.</p> |
|---|--|

	<p>(a) Both Assertion (A) and Reason (R) are True and Reason (R) is the correct explanation of Assertion (A)</p> <p>(b) Both Assertion (A) and Reason (R) are True and Reason (R) is not the correct explanation of Assertion (A)</p> <p>(c) Assertion (A) is True but Reason (R) is False.</p> <p>(d) Assertion (A) is False but Reason (R) is True.</p>
2	<p>ASSERTION (A): The superior-subordinate relation is clearly defined in organising.</p> <p>REASON (R): Each manager knows very clearly to whom he can give orders and from whom he has to receive orders.</p> <p>(a) Both Assertion (A) and Reason (R) are True and Reason (R) is the correct explanation of Assertion (A)</p> <p>(b) Both Assertion (A) and Reason (R) are True and Reason (R) is not the correct explanation of Assertion (A)</p> <p>(c) Assertion (A) is True but Reason (R) is False.</p> <p>(d) Assertion (A) is False but Reason (R) is True.</p>
3	<p>ASSERTION (A): The first step in the process of organizing involves identifying dividing the work.</p> <p>REASON (R): Once work has been divided in to small and manageable activities then those activities which are similar in nature are grouped together called departments.</p> <p>(a) Both Assertion (A) and Reason (R) are True and Reason (R) is the correct explanation of Assertion (A)</p> <p>(b) Both Assertion (A) and Reason (R) are True and Reason (R) is not the correct explanation of Assertion (A)</p> <p>(c) Assertion (A) is True but Reason (R) is False.</p> <p>(d) Assertion (A) is False but Reason (R) is True.</p>
4	<p>ASSERTION (A): Divisional Structure is suitable for those business enterprises where a large variety of products are manufactured using different productive resources.</p> <p>REASON (R) : It leads to minimal duplication of efforts which results in economies of scale and the lower cost.</p> <p>(a) Both Assertion (A) and Reason (R) are True and Reason (R) is the correct explanation of Assertion (A)</p> <p>(b) Both Assertion (A) and Reason (R) are True and Reason (R) is not the correct explanation of Assertion (A)</p> <p>(c) Assertion (A) is True but Reason (R) is False.</p> <p>(d) Assertion (A) is False but Reason (R) is True.</p>
5	<p>ASSERTION (A): Decentralization has narrow scope as it is limited to superior and his immediate subordinate.</p> <p>REASON (R): Decentralization is an optional policy decision and is done at the discretion of the top</p>

	<p>management.</p> <p>(a) Both Assertion (A) and Reason (R) are True and Reason (R) is the correct explanation of Assertion (A)</p> <p>(b) Both Assertion (A) and Reason (R) are True and Reason (R) is not the correct explanation of Assertion (A)</p> <p>(c) Assertion (A) is True but Reason (R) is False.</p> <p>(d) Assertion (A) is False but Reason (R) is True.</p>
6	<p>ASSERTION (A): The span of management to a large extent give shape to the organizational structure.</p> <p>REASON (R): Span of management refers to the number of subordinate that can be e ffectively managed by a superior.</p> <p>(a) Both Assertion (A) and Reason (R) are True and Reason (R) is the correct explanation of Assertion (A)</p> <p>(b) Both Assertion (A) and Reason (R) are True and Reason (R) is not the correct explanation of Assertion (A)</p> <p>(c) Assertion (A) is True but Reason (R) is False.</p> <p>(d) Assertion (A) is False but Reason (R) is True.</p>
7	<p>ASSERTION (A): Decentralization develops managerial talents for future.</p> <p>REASON (R): In a decentralized organisation decision-making authority is given to middle and lower level management.</p> <p>(a) Both Assertion (A) and Reason (R) are True and Reason (R) is the correct explanation of Assertion (A)</p> <p>(b) Both Assertion (A) and Reason (R) are True and Reason (R) is not the correct explanation of Assertion (A)</p> <p>(c) Assertion (A) is True but Reason (R) is False.</p> <p>(d) Assertion (A) is False but Reason (R) is True.</p>
8	<p>ASSERTION (A): Functional Structure leads to minimum duplication of efforts.</p> <p>REASON (R): In this type of structure its easy to fix accountability.</p> <p>(a) Both Assertion (A) and Reason (R) are True and Reason (R) is the correct explanation of Assertion (A)</p> <p>(b) Both Assertion (A) and Reason (R) are True and Reason (R) is not the correct explanation of Assertion (A)</p> <p>(c) Assertion (A) is True but Reason (R) is False.</p> <p>(d) Assertion (A) is False but Reason (R) is True.</p>
9	<p>ASSERTION (A): Delegation refers to the downward transfer of authority from a superior to a subordinate.</p> <p>REASON (R): It is a prerequisite to the efficient functioning of an organization, because it enables a manager to use his time on high priority activities.</p>



	<p>(a) Both Assertion (A) and Reason (R) are True and Reason (R) is the correct explanation of Assertion (A)</p> <p>(b) Both Assertion (A) and Reason (R) are True and Reason (R) is not the correct explanation of Assertion (A)</p> <p>(c) Assertion (A) is True but Reason (R) is False.</p> <p>(d) Assertion (A) is False but Reason (R) is True.</p>
10	<p>ASSERTION (A): Divisional structure is suitable for single or one type of product manufacturing companies.</p> <p>REASON (R): In Divisional Structure all the activities related to one type of product are grouped under one department.</p> <p>(a) Both Assertion (A) and Reason (R) are True and Reason (R) is the correct explanation of Assertion (A)</p> <p>(b) Both Assertion (A) and Reason (R) are True and Reason (R) is not the correct explanation of Assertion (A)</p> <p>(c) Assertion (A) is True but Reason (R) is False.</p> <p>(d) Assertion (A) is False but Reason (R) is True.</p>
11	<p>ASSERTION (A): Decentralization can be defined as even and systematic distribution of authority at every levels of management.</p> <p>REASON (R): An organisational structure clearly defines the levels of management and span of control under each level.</p> <p>(a) Both Assertion (A) and Reason (R) are True and Reason (R) is the correct explanation of Assertion (A)</p> <p>(b) Both Assertion (A) and Reason (R) are True and Reason (R) is not the correct explanation of Assertion (A)</p> <p>(c) Assertion (A) is True but Reason (R) is False.</p> <p>(d) Assertion (A) is False but Reason (R) is True.</p>
12	<p>ASSERTION (A): Responsibility always flows downwards from superior to subordinate.</p> <p>REASON (R) : Responsibility is the obligation of a subordinate to properly perform the assigned duty.</p> <p>(a) Both Assertion (A) and Reason (R) are True and Reason (R) is the correct explanation of Assertion (A)</p> <p>(b) Both Assertion (A) and Reason (R) are True and Reason (R) is not the correct explanation of Assertion (A)</p> <p>(c) Assertion (A) is True but Reason (R) is False.</p> <p>(d) Assertion (A) is False but Reason (R) is True.</p>
13	<p>ASSERTION (A): Delegation of authority is an important part of organizing.</p> <p>REASON (R): Delegation not only reduce the work load of managers, but it also helps them to use and realize their full potential for more creative work.</p>

	<p>(a) Both Assertion (A) and Reason (R) are True and Reason (R) is the correct explanation of Assertion (A)</p> <p>(b) Both Assertion (A) and Reason (R) are True and Reason (R) is not the correct explanation of Assertion (A)</p> <p>(c) Assertion (A) is True but Reason (R) is False.</p> <p>(d) Assertion (A) is False but Reason (R) is True.</p>
14	<p>ASSERTION (A): In the organising function, there are very few chances of duplication of work or overlapping of work.</p> <p>REASON (R): With the process of delegation the managers can pass all their routine work to the subordinate and concentrate on important work.</p> <p>(a) Both Assertion (A) and Reason (R) are True and Reason (R) is the correct explanation of Assertion (A)</p> <p>(b) Both Assertion (A) and Reason (R) are True and Reason (R) is not the correct explanation of Assertion (A)</p> <p>(c) Assertion (A) is True but Reason (R) is False.</p> <p>(d) Assertion (A) is False but Reason (R) is True.</p>
15	<p>ASSERTION (A): A Functional Structure leads to occupational specialization since emphasis is placed on specific function.</p> <p>REASON (R): This promotes efficiency in utilization of manpower as employees perform similar tasks within a department and are able to improve performance.</p> <p>(a) Both Assertion (A) and Reason (R) are True and Reason (R) is the correct explanation of Assertion (A)</p> <p>(b) Both Assertion (A) and Reason (R) are True and Reason (R) is not the correct explanation of Assertion (A)</p> <p>(c) Assertion (A) is True but Reason (R) is False.</p> <p>(d) Assertion (A) is False but Reason (R) is True.</p>

**ANSWERS FOR ASSERTION – REASON QUESTIONS FROM ORGANISING**

<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>13</b>	<b>14</b>	<b>15</b>
<b>b</b>	<b>a</b>	<b>a</b>	<b>c</b>	<b>d</b>	<b>a</b>	<b>a</b>	<b>c</b>	<b>a</b>	<b>d</b>	<b>b</b>	<b>d</b>	<b>a</b>	<b>b</b>	<b>a</b>

**EXTRA QUESTIONS: ORGANISING**

Match the following with correct option:
--

1	<table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; text-align: center;">A</th> <th style="width: 50%; text-align: center;">B</th> </tr> </thead> <tbody> <tr> <td>a) Functional structure</td> <td>I Tall or Wide structure</td> </tr> <tr> <td>b) Divisional structure</td> <td>II Creation of organising structure</td> </tr> <tr> <td>c) Organising process</td> <td>III Producing diversified products</td> </tr> <tr> <td>d) Span of management</td> <td>IV Producing single line products</td> </tr> </tbody> </table> <table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <tr> <td style="width: 30px;">a</td> <td style="width: 30%;">II III IV I</td> <td style="width: 30px;">b</td> <td style="width: 30%;">IV II III I</td> </tr> <tr> <td>c</td> <td>III II I IV</td> <td>d</td> <td>IV III II I</td> </tr> </table>	A	B	a) Functional structure	I Tall or Wide structure	b) Divisional structure	II Creation of organising structure	c) Organising process	III Producing diversified products	d) Span of management	IV Producing single line products	a	II III IV I	b	IV II III I	c	III II I IV	d	IV III II I
A	B																		
a) Functional structure	I Tall or Wide structure																		
b) Divisional structure	II Creation of organising structure																		
c) Organising process	III Producing diversified products																		
d) Span of management	IV Producing single line products																		
a	II III IV I	b	IV II III I																
c	III II I IV	d	IV III II I																
2	<table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; text-align: center;">A</th> <th style="width: 50%; text-align: center;">B</th> </tr> </thead> <tbody> <tr> <td>a) Authority</td> <td>I Accountability</td> </tr> <tr> <td>b) Absolute</td> <td>II Pushing down decision-making authority</td> </tr> <tr> <td>c) Decentralisation</td> <td>III Delegation</td> </tr> <tr> <td>d) Abdication</td> <td>IV Right to take decisions</td> </tr> </tbody> </table> <table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <tr> <td style="width: 30px;">a</td> <td style="width: 30%;">IV I II III</td> <td style="width: 30px;">b</td> <td style="width: 30%;">IV II III I</td> </tr> <tr> <td>c</td> <td>III II I IV</td> <td>d</td> <td>IV III II I</td> </tr> </table>	A	B	a) Authority	I Accountability	b) Absolute	II Pushing down decision-making authority	c) Decentralisation	III Delegation	d) Abdication	IV Right to take decisions	a	IV I II III	b	IV II III I	c	III II I IV	d	IV III II I
A	B																		
a) Authority	I Accountability																		
b) Absolute	II Pushing down decision-making authority																		
c) Decentralisation	III Delegation																		
d) Abdication	IV Right to take decisions																		
a	IV I II III	b	IV II III I																
c	III II I IV	d	IV III II I																
3	<table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; text-align: center;">A</th> <th style="width: 50%; text-align: center;">B</th> </tr> </thead> <tbody> <tr> <td>a) Span of management</td> <td>I Divisional structure</td> </tr> <tr> <td>b) Duplication of activities</td> <td>II Delegation</td> </tr> <tr> <td>c) Responsibility</td> <td>III No. of subordinates managed by a manager</td> </tr> <tr> <td>d) Top level management is able to concentrate on more important tasks</td> <td>IV Obligation to perform an assigned task</td> </tr> </tbody> </table> <table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <tr> <td style="width: 30px;">a</td> <td style="width: 30%;">II III IV I</td> <td style="width: 30px;">b</td> <td style="width: 30%;">III I IV II</td> </tr> <tr> <td>c</td> <td>III II I IV</td> <td>d</td> <td>IV III II I</td> </tr> </table>	A	B	a) Span of management	I Divisional structure	b) Duplication of activities	II Delegation	c) Responsibility	III No. of subordinates managed by a manager	d) Top level management is able to concentrate on more important tasks	IV Obligation to perform an assigned task	a	II III IV I	b	III I IV II	c	III II I IV	d	IV III II I
A	B																		
a) Span of management	I Divisional structure																		
b) Duplication of activities	II Delegation																		
c) Responsibility	III No. of subordinates managed by a manager																		
d) Top level management is able to concentrate on more important tasks	IV Obligation to perform an assigned task																		
a	II III IV I	b	III I IV II																
c	III II I IV	d	IV III II I																

4	A		B								
	a) Benefits of specialisation		I Accommodate changes and ensures smooth transition.								
	b) Clarity in working relation-ships		II Avoids over-lapping and duplication of activities								
	c) Optimum utilization of resources		III Systematic allocation of jobs among the work force								
	d) Adaption to change		IV It helps in creates hieratical order								
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; text-align: center;">a</td> <td style="width: 50%; text-align: center;">II III IV I</td> <td style="width: 25%; text-align: center;">b</td> <td style="width: 50%; text-align: center;">IV II III 1</td> </tr> <tr> <td style="text-align: center;">c</td> <td style="text-align: center;">III IV II I</td> <td style="text-align: center;">d</td> <td style="text-align: center;">IV III II I</td> </tr> </table>		a	II III IV I	b	IV II III 1	c	III IV II I	d	IV III II I
a	II III IV I	b	IV II III 1								
c	III IV II I	d	IV III II I								
5	A		B								
	a) Identification and division of work		I Who should report to whom								
	b) Departmentalisation		II A proper match is to be made between the nature of job and the ability of an individual								
	c) Assignment of duties		III Those activities which are similar in nature are grouped together.								
	d) Establishing authority and responsibility relation-ships		IV The burden of work can be shared among the employees.								
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; text-align: center;">a</td> <td style="width: 50%; text-align: center;">IV III II I</td> <td style="width: 25%; text-align: center;">b</td> <td style="width: 50%; text-align: center;">IV II III 1</td> </tr> <tr> <td style="text-align: center;">c</td> <td style="text-align: center;">III II 1 IV</td> <td style="text-align: center;">d</td> <td style="text-align: center;">IV I II III</td> </tr> </table>		a	IV III II I	b	IV II III 1	c	III II 1 IV	d	IV I II III
a	IV III II I	b	IV II III 1								
c	III II 1 IV	d	IV I II III								
6	<p>Statement – I : The superior –subordinate relation is clearly defined in organizing</p> <p>Statement – II: Organising function leads to specialization</p> <p><b>Choose the correct option from the option given below:</b></p> <p>(a) Statement-I is correct and II is wrong</p> <p>(b) Statement –II is correct and I is wrong</p> <p>(c) Both the statements are correct</p> <p>(d) Both the statements are incorrect.</p>										
7	<p>Statement – I: Organisational structure clearly defines the levels of management and span of control under each level.</p>										

	<p>Statement – II: A tall structure has a wide span of management.</p> <p><b>Choose the correct option from the option given below:</b></p> <p>(a) Statement-I is correct and II is wrong  (b) Statement –II is correct and I is wrong  (c) Both the statements are correct  (d) Both the statements are incorrect.</p>
8	<p>Statement – I: The decisions are taken much faster in functional structure, because there is no dependence on other departments for taking decision.</p> <p>Statement – II: Functional structure results in economies of scale and lowering of cost as it leads to minimum duplication of efforts.</p> <p><b>Choose the correct option from the option given below:</b></p> <p>(a) Statement-I is correct and II is wrong  (b) Statement –II is correct and I is wrong  (c) Both the statements are correct  (d) Both the statements are incorrect</p>
9	<p>Statement – I : Accountability can be delegated</p> <p>Statement – II: Responsibility can be delegated completely.</p> <p><b>Choose the correct option from the option given below:</b></p> <p>(a) Statement-I is correct and II is wrong  (b) Statement –II is correct and I is wrong  (c) Both the statements are correct  (d) Both the statements are incorrect</p>
10	<p>Statement – I : Decentralisation is an extension of delegation.</p> <p>Statement – II: Delegation is optional and Decentralisation is necessary in every organisation.</p> <p><b>Choose the correct option from the option given below:</b></p> <p>(a) Statement-I is correct and II is wrong  (b) Statement –II is correct and I is wrong  (c) Both the statements are correct  (d) Both the statements are incorrect</p>
11	<p>Arrange the following steps in the process of organizing in the correct sequence</p> <p>(a) Assignment of duties  (b) Departmentalisation  (c) Identification and division of work</p>

	<p>(d) Establishing reporting relationship</p> <p>Choose the correct option</p> <p>(A) (a), (c), (b), (d)</p> <p>(B) (b), (a), (c), (d)</p> <p>(C) (c), (b), (a), (d)</p> <p>(D) (d), (c), (b), (a)</p>
12	<p>Arrange the following steps in the delegation process in the correct sequence.</p> <p>(a) Manager shares some of his authority</p> <p>(b) Manager deliberately passes some of his responsibilities to his subordinate.</p> <p>(c) Manager creates accountability</p> <p>Choose the correct option</p> <p>(A) (b), (c), (a)</p> <p>(B) (b), (a), (c)</p> <p>(C) (a), (c), (b)</p> <p>(D) (c), (a), (b)</p>
	<p style="text-align: center;"><b>Read the passage given below and answer Q.NO.13 TO 15 questions</b></p> <p>BCR Ltd. is a company manufacturing cosmetics which has enjoyed a predominant position in business, has grown in size. Its businesses are very good till 1991. But after that, new liberalization and globalization policy which leads to entry of MNC's in the sector. This results a decline in the market share of BCR Ltd. The company had followed a policy of centralized decision making. The lower and middle level managers have no right to take even minor decision. Before 1991, this business model had served the company very well as consumers have no choice. But now the company is under pressure to reform.</p> <p>Now the company decided to expand its market by adding retail and textile business into their product line. Company also decided to change their policy of decision making by giving authority to middle and lower level managers to take decision in routine and minor matters. This helps the company to take quick decision and prepares the managers working at lower and middle level to perform the task of top level. The top level managers are not overburdened with responsibilities and authority as they systematically pass the authority and responsibilities at different levels and they become free to concentrate on core and important issues.</p>
13	<p>Which organizational structure is suitable for the company before 1991?</p> <p>(a) Divisional Structure</p> <p>(b) Functional structure</p> <p>(c) Informal Structure</p>

	(d) None of these
14	Which organizational structure is suitable for the company now? (a) Divisional Structure (b) Functional structure (c) Informal Structure (d) None of these
15	Which concept of management is going to apply in their organisation by changing the policy of decision making by top management? (a) Delegation of Authority (b) Centralization (c) Decentralisation (d) Span of management

**KEY FOR EXTRA QUESTIONS: ORGANISING**

<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>13</b>	<b>14</b>	<b>15</b>
<b>d</b>	<b>a</b>	<b>b</b>	<b>c</b>	<b>a</b>	<b>c</b>	<b>a</b>	<b>b</b>	<b>d</b>	<b>a</b>	<b>c</b>	<b>b</b>	<b>b</b>	<b>a</b>	<b>c</b>

**CHAPTER 6 MARKETING****CASE BASED QUESTIONS:**

	<p><b>QUESTION NO.1 TO 3 ARE BASED ON THE PARA GIVEN BELOW. CHOOSE THE CORRECT OPTION GIVEN BELOW FOR EACH QUESTION:</b></p> <p>Rohit. Sania and Bindu were friend's college days and now they are doing different kind of business. They regularly meet and discuss their business idea an exchange notes on customer satisfaction, marketing efforts, product designing, selling techniques, social concerns etc. In one of the meetings. Rohit drew the attention of Sania and Bindu towards the exploitation of consumes. He told that most of the sellers were exploiting the consumers in various ways and were not paying attention towards the social, ethical and ecological aspects of marketing, whereas he was not doing so. Sania told that they were under pressure to satisfy the consumers, but stated that the consumers would not buy or not buy enough unless they were adequately convinced and motivated for the same.</p> <p>Bindu stressed that a company cannot achieve its objectives without understanding the needs of the customers. It was the duty of the businessmen to keep consumer satisfaction in mind because business is run by the resources made available to them by the society. He further stated that he himself was taking into consideration the needs of the consumers.</p>
1	<p>Bindu stressed that 'a company cannot achieve its objectives without understanding the needs of the customers.' What marketing management Concept or Philosophy that Guided by Bindu?</p> <p>a) Societal marketing concept b) Selling concept c) Marketing concept d) Production concept</p>
2	<p>"Most of the sellers were exploiting the consumers in various ways and were not paying attention towards the social, ethical and ecological aspects of marketing".</p> <p>Which marketing concept or philosophy is imparted by Rohit?</p> <p>a) Societal marketing concept b) Product concept c) Marketing concept d) Production concept</p>
3	<p>Sania stated that "the consumers would not buy or not buy enough unless they were adequately convinced and motivated for the same". Identify the marketing Philosophy is quoted here.</p> <p>a) Production concept b) Product concept</p>



	<p>c) Marketing concept</p> <p>d) Selling concept</p>
4	<p>“Timex” watch manufacturing company is renowned company marketing watches. It performs various activities like, market analysis, product designing or merchandising, packaging, warehouses, branding pricing, promotion and selling. The company maintains good customer relations through various follow up activities. This helps the company in procuring repeat sales orders.</p> <p>Name the concept related to the activities mentioned in the above paragraph.</p> <p>a) Selling</p> <p>b) Marketing</p> <p>c) Production</p> <p>d) Promotion</p>
5	<p>ITC Started is business with Tobacco Industry later on it is entered in Hotel Industry, Consumer goods Industry, Stationery, etc. ITC assured quality to consumer and kept Company’s name as its identity. This helps the customers in product identification and hence ensured quality. It also built up their confidence and help in increasing their level of satisfaction.</p> <p>Which element of marketing mix related to ITC business?</p> <p>a) Place mix</p> <p>b) Price mix</p> <p>c) Product mix</p> <p>d) Promotion mix.</p>
6	<p>Cracker Ltd, a fire cracker manufacturing company launched some new products on Eve of Diwali which attracted many buyers. To meet the increased demand, the company employed workers from nearby village. Although the product was great demand, appropriate safety warnings for use were not mentioned on the packets that led to many accidents.</p> <p>What important product related decision that was not taken into the consideration by the company?</p> <p>a) Branding</p> <p>b) Labeling</p> <p>c) Packaging</p> <p>d) Trade mark</p>
	<p><b>QUESTION NO.7 TO 9 ARE BASED ON THE PARA GIVEN BELOW. CHOOSE THE CORRECT OPTION GIVEN BELOW FOR EACH QUESTION:</b></p> <p>Surya intends to start an enterprise that produces chocolates. Initially, in order to assess the taste and preferences of the people about the chocolates. He used social media and online surveys. Thereafter, she</p>

	<p>prepared a detailed SWOT (strengths, weaknesses, Opportunities and threats) analysis of his enterprises to devise a strategy that will give him an edge over the competitors. Based on his analysis of the market, he decided to launch sesame and jaggery based chocolates under the brand name 'Desi Delight'. He has decided to fix up the price of chocolates relatively at lower level in the beginning and later on as the demand picks up he revise the prices.</p>
7	<p>Identify the element of marketing mix being taken into consideration by Surya.</p> <p>a) Price and promotion b) Promotion and Product c) Product and place d) Product and price</p>
8	<p>Surya used social media and online surveys to gather information , is examples for_____</p> <p>a) Product designing and development b) Market research c) Market planning d) Promotion</p>
9	<p>Cadbury Chocolates have purple packaging on all its Chocolates. Which Functions of packaging is emphasized here?</p> <p>a). Protection b). Convenience c). Identification d). Innovation</p>
10	<p>Ajith has decided to set up a small factory to manufacture hand wash and toilet soap in rural area of Bihar. In order to promote the products, initially, he plans to distribute small sachets of the hand wash as free samples, besides deploying a team of salesmen to sell the product door to door in different parts of the city. Identify the tools of promotion being taken into consideration by Ajith.</p> <p>a). Sales promotion &amp; Advertising b) Personal selling &amp; Public relation c).Sales promotion &amp; Personal selling d) Personal selling &amp; Advertising</p>
11	<p>Rose company which sells beauty products. The company has been the market leader in this segment for the last ten years. However, the sales of its fairness cream have come down due to cases of allergic reactions reported by the users from different parts of the country. The company has been able to make amendments to the formula to make their product safe for everybody. Its incapability to communicate with</p>

	<p>its customer has resulted in the loss of its brand value.</p> <p>Which element of promotion mix should the company use to regain its lost image?</p> <p>a) Personal selling b) Advertisement c) Public Relation d) Sales promotion</p>
12	<p>Mr. Smart is an apple fruit vendor in Purna Market, Visakhapatnam He divided all his apples into three different baskets based on size and colour of apples. Name the function of marketing done by Mr. Smart.</p> <p>a) Branding b) Standardisation c) Grading d) Classification</p>
13	<p>Most of the companies are using Amazon, Flipkart, Snapdeal etc. for selling their products directly to customers. It helps in eliminating wholesalers and retailers to sell their products.</p> <p>Identify the element of marketing mix affected by it.</p> <p>a) Product Mix b) Price Mix c) Promotion Mix d) Place Mix</p>
14	<p>Malaysian budget airline group SKY Europe announced discounted fares, starting as low Rs 1,099 for domestic destinations operated by its Indian Joint venture carrier and Rs 2,099 for international flights operated by other group airline under limited offer.</p> <p>Which medium of communication (Promotion mix) which can be used by the firm to inform large number of people about the new fares?</p> <p>a) Public relation b) Advertisement c) Sales Promotion d) Personal selling</p>
15	<p>From August 15 to August 18 for four days only 20% discount is given on One Plus smart phone by Amazon India. Identify the promotion tool used.</p> <p>a) Public relation b) Advertisement c) Sales Promotion</p>

d) Personal selling
---------------------

**ANSWERS OF CASE BASED QUESTIONS FROM MARKETING**

<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>13</b>	<b>14</b>	<b>15</b>
<b>c</b>	<b>a</b>	<b>d</b>	<b>b</b>	<b>c</b>	<b>b</b>	<b>d</b>	<b>b</b>	<b>c</b>	<b>c</b>	<b>c</b>	<b>c</b>	<b>d</b>	<b>b</b>	<b>c</b>

**ASSERTION – REASON QUESTIONS: MARKETING**

**Read the following statements: Assertion and Reason. Choose one of the correct alternatives given below:**

1	<p>Assertion (A): A good market offer should keep in mind the satisfaction of customers. Reason (R) : Marketing is a social process by which individuals and groups obtain what they need and want through creating, offering and freely exchanging products and services of values with others.</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 and Reason (R) is not the 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>
2	<p>Assertion (A): Quality of product is not the key feature of product concept. Reason (R) : Firms which follow the product concept propose that the way to realise business goal is by making products that are of high quality.</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 and Reason (R) is not the 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>
3	<p>Assertion (A): Brand name should be short and simple. Reason (R) : A simple and short brand name is always easy to pronounce as if it is difficult to pronounce the customer will hesitate to demand for it.</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 and Reason (R) is not the 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>
4	<p>Assertion (A): A registered brand name is called trade mark. Reason (R) : Trade mark provides legal protection to company.</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 and Reason (R) is not the correct explanation of Assertion (A) (c) Assertion (A) is True but Reason (R) is False.</p>

	(d) Assertion (A) is False but Reason (R) is True.
5	<p>Assertion (A): Tube of a paste is example of secondary packing.</p> <p>Reason (R): Secondary packing are additional packing which gives more protection. Generally consumers throw that when they start using the product.</p> <p>(a) Both Assertion (A) and Reason (R) are True and Reason (R) is the correct explanation of Assertion (A)</p> <p>(b) Both Assertion (A) and Reason (R) are True and Reason (R) is not the correct explanation of Assertion (A)</p> <p>(c) Assertion (A) is True but Reason (R) is False.</p> <p>(d) Assertion (A) is False but Reason (R) is True.</p>
6	<p>Assertion (A): Price is the crucial element of marketing mix because consumer is very sensitive to this element. Little variation in the price may shift your customer to competitor's product.</p> <p>Reason (R): The factors which does not affect the price of a product are pricing objectives, product cost, Competition in the market, customer demand and utility etc.</p> <p>(a) Both Assertion (A) and Reason (R) are True and Reason (R) is the correct explanation of Assertion (A)</p> <p>(b) Both Assertion (A) and Reason (R) are True and Reason (R) is not the correct explanation of Assertion (A)</p> <p>(c) Assertion (A) is True but Reason (R) is False.</p> <p>(d) Assertion (A) is False but Reason (R) is True.</p>
7	<p>Assertion (A): The promotional communication aims at informing and persuading the customers to buy the product and informing him about the merits of the products.</p> <p>Reason (R): Advertising is the non-paid form of promotion.</p> <p>(a) Both Assertion (A) and Reason (R) are True and Reason (R) is the correct explanation of Assertion (A)</p> <p>(b) Both Assertion (A) and Reason (R) are True and Reason (R) is not the correct explanation of Assertion (A)</p> <p>(c) Assertion (A) is True but Reason (R) is False.</p> <p>(d) Assertion (A) is False but Reason (R) is True.</p>
8	<p>Assertion (A): Sales promotion refers to short term use of incentives or other promotional activities which stimulates the customers to buy the product.</p> <p>Reason (R): Buy one get one free is the example of sales promotion technique.</p> <p>(a) Both Assertion (A) and Reason (R) are True and Reason (R) is the correct explanation of Assertion (A)</p> <p>(b) Both Assertion (A) and Reason (R) are True and Reason (R) is not the correct explanation of Assertion (A)</p> <p>(c) Assertion (A) is True but Reason (R) is False.</p>

	(d) Assertion (A) is False but Reason (R) is True.
9	<p>Assertion (A): We Can easily identify a Cadbury chocolate from the various chocolates kept in shelf of a shop by the colour of its label.</p> <p>Reason (R): Societal concept concentrates on consumer satisfaction within ethical and ecological boundaries of our society.</p> <p>(a) Both Assertion (A) and Reason (R) are True and Reason (R) is the correct explanation of Assertion (A)</p> <p>(b) Both Assertion (A) and Reason (R) are True and Reason (R) is not the correct explanation of Assertion (A)</p> <p>(c) Assertion (A) is True but Reason (R) is False.</p> <p>(d) Assertion (A) is False but Reason (R) is True.</p>
10	<p>Assertion (A): Packaging plays a role of silent salesman.</p> <p>Reason (R) : The attractive colourful and innovative packing attracts the customers specially if the product is children's product.</p> <p>(a) Both Assertion (A) and Reason (R) are True and Reason (R) is the correct explanation of Assertion (A)</p> <p>(b) Both Assertion (A) and Reason (R) are True and Reason (R) is not the correct explanation of Assertion (A)</p> <p>(c) Assertion (A) is True but Reason (R) is False.</p> <p>(d) Assertion (A) is False but Reason (R) is True</p>
11	<p>Assertion (A): Personal selling involves face-to-face interaction between buyer and seller for the purpose of sale.</p> <p>Reason (R) : Public relations as a strategic management function that add value to an organisation by helping it to manage its reputation.</p> <p>(a) Both Assertion (A) and Reason (R) are True and Reason (R) is the correct explanation of Assertion (A)</p> <p>(b) Both Assertion (A) and Reason (R) are True and Reason (R) is not the correct explanation of Assertion (A)</p> <p>(c) Assertion (A) is True but Reason (R) is False.</p> <p>(d) Assertion (A) is False but Reason (R) is True.</p>
12	<p>Assertion (A): Managing public opinion of an organisation is an important task which can be performed by the marketing department.</p> <p>Reason (R): The public opinion about the company is going to affect the sales and profits of the company.</p> <p>(a) Both Assertion (A) and Reason (R) are True and Reason (R) is the correct explanation of Assertion (A)</p> <p>(b) Both Assertion (A) and Reason (R) are True and Reason (R) is not the correct explanation of Assertion (A)</p>

	<p>(c) Assertion (A) is True but Reason (R) is False.</p> <p>(d) Assertion (A) is False but Reason (R) is True.</p>
13	<p>Assertion (A): Price may be called by different names for example, price of the education is tuition fees, price for using road is toll etc.</p> <p>Reason (R) : Price is the monetary sacrifice which a buyer makes when he buys something.</p> <p>(a) Both Assertion (A) and Reason (R) are True and Reason (R) is the correct explanation of Assertion (A)</p> <p>(b) Both Assertion (A) and Reason (R) are True and Reason (R) is not the correct explanation of Assertion (A)</p> <p>(c) Assertion (A) is True but Reason (R) is False.</p> <p>(d) Assertion (A) is False but Reason (R) is True.</p>
14	<p>Assertion (A): Want means basic necessity.</p> <p>Reason (R) : Demand means wants backed by purchasing power.</p> <p>(a) Both Assertion (A) and Reason (R) are True and Reason (R) is the correct explanation of Assertion (A)</p> <p>(b) Both Assertion (A) and Reason (R) are True and Reason (R) is not the correct explanation of Assertion (A)</p> <p>(c) Assertion (A) is True but Reason (R) is False.</p> <p>(d) Assertion (A) is False but Reason (R) is True.</p>
15	<p>Assertion (A): Marketing mix refer to the ingredients or the tools or the variables which the marketer mixes in order to interact with a particular market.</p> <p>Reason (R): Promise is a tool of marketing mix.</p> <p>(a) Both Assertion (A) and Reason (R) are True and Reason (R) is the correct explanation of Assertion (A)</p> <p>(b) Both Assertion (A) and Reason (R) are True and Reason (R) is not the correct explanation of Assertion (A)</p> <p>(c) Assertion (A) is True but Reason (R) is False.</p> <p>(d) Assertion (A) is False but Reason (R) is True.</p>

**ANSWERS FOR ASSERTION – REASON QUESTIONS FROM MARKETING**

<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>13</b>	<b>14</b>	<b>15</b>
<b>A</b>	<b>D</b>	<b>A</b>	<b>A</b>	<b>D</b>	<b>C</b>	<b>C</b>	<b>A</b>	<b>B</b>	<b>A</b>	<b>B</b>	<b>A</b>	<b>A</b>	<b>D</b>	<b>C</b>

**EXTRA QUESTIONS: MARKETING**



Match the following with correct option:

1

Concept	Statement
1).Marketing	a. Bending the customer according to the product
2).Selling	b. It is process of holding and preserving goods between at the time of purchase and sale.
3). Grading	c. Developing the product according to the customer
4).Storage and Warehousing	d. It is the process of classification of the product into different groups

A.1-b, 2-c, 3-a, 4-d

B.1-c, 2-a, 3-d, 4-b

C.1-d, 2-c, 3-a, 4-b

D.1-b, 2-a, 3-d, 4-c

2

Product Mix	Statement
1).Packaging	a. It is a type of Intellectual property consisting of a recognizable sign, design or expression of the products or services
2).Labeling	b. It is process of a giving name, symbol, sign, etc .to a product.
3). Trade Mark	c. It Play an important role of silent salesman.
4).Branding	d. It helps in providing information required by law.

A.1-c, 2-d, 3-a, 4-b

B.1-c, 2-a, 3-b, 4-d

C.1-d, 2-c, 3-a, 4-b

D.1-c, 2-a, 3-d, 4-b

3	Promotional Mix	Concept
	1) Advertising	a. It helps in creating better image of the business firm.
	2).Sales Promotion	b. Cost per person is quite high.
	3). Personal Selling	c. It refers to short term incentives
	4).Public relation	d. Cost per person is very low.
<p>A.1-c, 2-a, 3-d, 4-b  B.1-c, 2-a, 3-b, 4-d  C.1-d, 2-c, 3-b, 4-a  D.1-c, 2-d, 3-a, 4-b</p>		
4	Concept	Statement
	1) Product Concept	a. Ensuring that the users of goods and services get expected satisfaction.
	2).Production Concept	b. It emphasis on the quality of the product.
	3). Societal Concept	c. The Products are inexpensive and widely available.
	4).Marketing Concept	d. Maintain ecological balance ,Strengthen ethical values, etc.
<p>A.1-c, 2-a, 3-d, 4-b  B.1-b, 2-c, 3-d, 4-a  C.1-d, 2-c, 3-b, 4-a  D.1-c, 2-d, 3-a, 4-b</p>		
5	I	II
	1) Secondary Packaging	a. To Make the products available at the right time and place.
	2).Price	b. Close-up tooth paste in cardboard box.
	3). Place/Physical Distribution	c. Corrugated boxes containing toothpaste tubes in 100 or 200 units.
	4).Transportation Packaging	d. The Firm's products determine the volume of sale and the amount of profit
<p>A.1-c, 2-a, 3-d, 4-b  B.1-b, 2-c, 3-d, 4-a  C.1-d, 2-c, 3-b, 4-a  D.1-b, 2-d, 3-a, 4-c</p>		
6	Statement I. Quality of product is not the key feature of product concept.	

	<p>Statement II. Generic name refers to the name of whole class of the product.</p> <p>(a) Statement I is correct and II is wrong.  (b) Statement II is correct and I is wrong.  (c) Both the statements are correct.  (d) Both the statements are incorrect.</p>
7	<p>Statement I. Societal concept concentrates on large scale production to decrease the cost.</p> <p>Statement II. Advertising is the non-paid form of promotion.</p> <p>(a) Statement I is correct and II is wrong.  (b) Statement II is correct and I is wrong.  (c) Both the statements are correct.  (d) Both the statements are incorrect.</p>
8	<p>Statement I. Labelling means putting identification marks on the package. Label is carrier of information.</p> <p>Statement II. Marketing mix refer to the ingredients or the tools or the variables which the marketer mixes in order to interact with a particular market.</p> <p>(a) Statement I is correct and II is wrong.  (b) Statement II is correct and I is wrong.  (c) Both the statements are correct.  (d) Both the statements are incorrect.</p>
9	<p>Statement I. Product, price, place and promotion are the elements of marketing mix.</p> <p>Statement II. Personal selling refers to short term use of incentives or other promotional activities that stimulates the customer to buy the product.</p> <p>(a) Statement I is correct and II is wrong.  (b) Statement II is correct and I is wrong.  (c) Both the statements are correct.  (d) Both the statements are incorrect.</p>
10	<p>Statement I. Packaging plays a role of silent salesman.</p> <p>Statement II. Personal selling involves face-to-face interaction between buyer and seller for the purpose of sale.</p> <p>(a) Statement I is correct and II is wrong.  (b) Statement II is correct and I is wrong.  (c) Both the statements are correct.  (d) Both the statements are incorrect.</p>
11	<p>Want for a specific product backed by an ability to pay is called _____</p>

	<p>(a) Want                  (b) Need                  (c) Customer                  (d) Demand</p>
12	<p>Mr. Salman had launched a new Honda Car at Mumbai. All the TV Channels covered this event. This is an example of</p> <p>a) Advertising                      b) Personnel Selling                      c) Sales promotion techniques                      d) Publicity</p>
13	<p>Which of the followings is not a type of marketing concept</p> <p>(a) The production concept                  (b) The selling concept                  (c) The societal marketing concept                  (d) The Supplier Concept</p>
14	<p>Which of the following can be marketed?</p> <p>a) Product / service                  b) A place                  c) An idea                  d) All the above</p>
15	<p>Which of the following defines marketing management?</p> <p>(a) The art and science of choosing target markets and getting, keeping, and growing customers through creating, delivering, and communicating superior customer value.                  (b) The development of planning, policies and various marketing strategies to move the company forward to achieve the goal of profit through selling the product and services.                  (c) The process of identifying and managing all marketing process to sell product and service to the end users at low price.                  (d) The process of developing and monitoring profit of company's products and services.</p>

**KEY FOR EXTRA QUESTIONS: MARKETING**

<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>13</b>	<b>14</b>	<b>15</b>
<b>b</b>	<b>a</b>	<b>c</b>	<b>b</b>	<b>d</b>	<b>b</b>	<b>d</b>	<b>c</b>	<b>a</b>	<b>c</b>	<b>d</b>	<b>d</b>	<b>d</b>	<b>d</b>	<b>a</b>

\*\*\*\*\***THE END**\*\*\*\*\*