

4655 Business Studies

183803

Subject Code	4655		
Subject	BUSINESS STUDIES		
Date	20/02/2025		
Supplements attached			
Main Answer Book	No. of Supplements	Total	
1	+	0	= 1
Specific remarks of centre conductor regarding malpractices (in Red Ink)			

- Mobile Phones and other electronic gadgets are strictly prohibited inside the examination hall.
- Use of non-programmable calculator is allowed ONLY in some subjects.
- Writing in any form on the Hollow craft sticker and Bar code sticker is strictly prohibited.
- Only blue ink/ball pen is to be used for writing the answers. Black lead pencil may be used for drawing figures, diagrams and graphs. Use of any other Colour pencil/pen is strictly prohibited.
- Disclosing of identity on the answer book (except in the space provided) in any form is strictly prohibited.
- Candidate should check that the printed seat number is correct and verify that the answer book has all pages serial numbered before filling all other details.

Pg No	Examiner	Moderator	Chief Moderator
03	14	14	
04 & 05	10	10	
06 & 07	9	9	
08 & 09	15	15	
10 & 11	6	6	
12 & 13	8	8 CM ✓	
14 & 15	8	8	
16 & 17	8	8	
18	2	2	
Supp. 1			
Supp. 2			
Supp. 3			
Supp. 4			
Supp. 5			
Supp. 6			
TOTAL	80	80	
Total in words	Eighty	Eighty	

MARKS	E	M	CM
Pg. 03	14		

03

Q. No.

- 1) Top level Management ✓
- 2) Getting the task completed accurately and on time ✓
- 3) Method study ✓
- 4) Departmentalisation ✓
- 5) Universal applicability ✓
- 6) Maximise shareholders wealth. ✓
- 7) Internship training ✓
- 8) Financial Planning ✓
- 9) ISI ✓
- 10) Controlling ✓
- 11) Co-ordination ✓
- 12) Notes of Rs 500 and Rs 1000 were withdrawn from circulation in India as a part of Demonetisation policy in 2016 ✓
- 13) Rule ✓
- 14) Informal organisation structure ✓

Q. No.

- ✓ 15) Responsibility
- ✓ 16) Aptitude & Aptitude Test
- ✓ 17) Co-Partnership or Stock Option
- ✓ 18) Quantity Gift
- ✓ 19) Place
- ✓ 20) Product Concept
- 21) i) Personalised Application
 Art is considered personal application of acquired knowledge. It varies from one individual to another.
 ✓ A manager uses his experience and ~~know~~ knowledge to solve problems in his own unique and personal manner. No two managers are the same. A good manager uses his wisdom and observation to handle different business situations.
- ii) Based on Practice and Creativity.
 Art is based on creating practice of existing knowledge in order to gain perfection. Just like art, a manager uses different techniques and ~~prince~~ principles to handle various situations. Management is exercised by managers in organisations.

MARKS	E	M	CM
Pg. 04 & 05	10		

05

Q. No.

23)

23)

i)

Benefits

Based on specialisation

In organising work is allocated to various employees according to their skills and abilities. Systematic allocation of work allows the worker to gain experience in that area. The worker performs the job on daily bases. Repeated performance of work leads to specialisation in that particular field.

ii)

Clarity in Working Relationships.

The purpose of establishing working relationships creates a hierarchy in the organisation. The specified the lines of communication. It ensures smooth functioning of the business. It helps to avoid misunderstandings in transfer of instructions and information to the worker.

It specifies who reports to whom and how.

24)

24)

a)

The nature of business has a bearing on fixed capital requirements. For example a trading concern will need less investment in fixed assets as compared to manufacturing organisation because there is no processing. Hence amount of fixed capital will be higher for manufacturing organisation.

Q. No.

b) Capital intensive organisation needs more investments in fixed assets like plant and machinery since it depends less on manual labour. So more amount of fixed capital is required compared to labour-intensive organisation, which depends less on capital.

25) Dividend decision
Dividend is that portion of profit which is distributed to the shareholders. Dividend decision refers to deciding how much of profit earned should be distributed to the shareholders as dividend and how much should be retained in the business. It refers to distribution of surplus profit.

26) Right to Choose
The consumer has the right to choose from a variety of products at competitive prices. The sellers must make variety of goods available to the consumers in respect to brands, quality, prices, size etc.

27)

a) Economic Environment

It includes: interest rates, inflation rates, value of rupee, GDP, etc. These factors significantly affect the business organisation. Any change in these factors affects the demand/profitability of the good. Managers should take timely actions to deal with these changes.

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07

Q. No.

b) Technological Environment

These factors include new way of producing goods new methods and techniques of operating business, innovation

The advancement in technological creates benefits for many organisation but also becomes a threat to some.

The business that adopts to the changes in technology is able to maintain a competitive edge in the market.

c) Social environment

It includes customs and traditions, social trends,

taste, preferences etc. Every business is a part of society

in which it operates and hence it cannot overlook the

social environment factors. It affects the demand for the

goods and services and if business does not adopt to

these changes then survival of it may become difficult.

d) Add cost.

The opponents of advertising argue that advertising unnecessarily adds cost to cost which is ultimately passed on to the buyers in the form of high prices.

An advertisement in media for a few seconds costs the marketer lakhs of rupees. This simply adds to cost.

Advertising simply adds to cost which is an important factor in fixation of price.

ii) Undermines social value

Another criticism about advertising is that it undermines

social value and builds materialism. It breeds discontent

among people as they come to know about the new

products they feel dissatisfied with their present state of affairs.

Q. No.

iii) Confuses the buyer.

There are so many similar advertisements that advertise similar product which confuses the buyer which is true and which one should be relied upon. There are similar claims in competing brands of toothpaste of feeling of fresh or whiteness of tooth that it confuses the buyers.

29) i) A brand name should be short and simple

ii) A brand name should be easy to recognise, remember and spell.

iii) A brand name should be unique and distinctive.

iv) A brand name should suggest the benefits or quality of the product.

v) A brand name should be adaptable to labelling and packaging requirements.

vi) A brand name should be kept keeping in mind their meaning of differ in different languages and cultures.

30) i) Check for various variety of goods and services so a wise choice can be made.

ii) Assure yourself that you get a good deal.

iii) Ask for cash memo as this acts as proof of purchase of a good or service.

iv) Learn about the various risks associated with the product or service. read many articles instruction on how to use the product.

v) Read the labels carefully of the products.

vi) Purchase goods with standardised goods as they give quality assurance. Thus look for ISI mark on electrical appliances, FPO on food products and HALLMARK on jewellery.

MARKS	E	M	CM
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09

Q. No.

31)

- i) Recruitment is searching for qualified people.
- ii) Analysing jobs, creating jobs descriptions and gathering information.
- iii) Preparing compensation and incentive plans.
- iv) Handling grievances and complaints.
- v) Managing labour relations and union management relations.
- vi) Providing security and social welfare and social securities security to employees.

32)

- a) Basic physiological Needs refers to the 'general needs for survival and maintenance of human life'. It refers to the primary needs of humans such as food, clothing, shelter, need to reproduce etc. In an organisation safety can help satisfy these needs.
- b) Safety Needs - It refers to the security and protection from physical and emotional harm. Employees need certain security about the future. Organisation provide pension plans etc. to meet these needs.
- c) Esteem Needs - It refers to the status, rank, position, autonomy, recognition. Employees at this level get motivated by non monetary incentive. When person is give status, they feel motivated to perform better. It makes them feel important. In an organisation this can be achieved by giving job titles.

Q. No.

33) Functional structure.

- i) Organisational specialisation - The employee performs the job on a daily basis with the department and thus it leads to specialisation in that area of work.
- ii) It makes training of employees easier because it focuses on limited set of skills.
- iii) Increase in better coordination and cooperation leading to increase profits.
- iv) Reduces duplication of efforts.

34)

- a) Recommendation by employees.
~~As~~ Applicants suggested by the present employees, friends, relative can be a good source of recruitment. Such candidates prove to be good employees because their backgrounds are sufficiently known. A type of preliminary screening takes place because the present employees know both the person and organisation and hence tries to satisfy both.

b) Web publishing.

The internet has become a famous source of recruitment these days. Special websites are specifically designed and created to inform about the job openings also at available. These websites are visited by both job seekers and employers.

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Q. No.

35) a) Advertisement

It is generally used for a wider choice. The advantage of this source is that a lot of information about the organisation and given. Advertisement in leading newspapers reaches lakhs of its subscribers the disadvantage is that it receives flood of responses and sometime unqualified people also apply.

35) a) Order

These implied orderly arrangement of men and material in the organisation. It simply means orderliness by assigning fixed place of a thing or person increase efficiency as no time will be wasted in searching for anything or anyone.

b) Authority and Responsibility

Authority refers to the power to give orders and obtain obedience. Responsibility means to complete the task assigned on time. There should be a match between authority and responsibility. If too much authority is given it could cause misuse of power. But if too much responsibility is given with sufficient authority then the workers may not be able to carry out his duties.

c) Discipline

Discipline refers to following the rules and regulation of employment contract. Discipline ensures smooth function of the organisation. If there is no discipline there will be chaos and misunderstandings created.

Q. No.

4) Discipline Unity of direction

Discipline It implies that each department ~~has~~ should have ^{unit} ~~one~~ ~~unit~~ ~~one~~ plan only. The efforts of all employees should be directed in one direction towards the achievement of a common goal.

36) i) Management helps in achieving group goals

Management is not for itself but for achieving the goals of the organisation. The managers should buy and direct the efforts of employees in achieving the goals of the organisation. It provides a common goal for the efforts of employees.

iii) Management increase efficiency

Efficiency means completing a task in assigned time with minimum cost. The goal of the manager is to reduce cost and increase productivity in the organisation. This can be done with proper planning, organising, directing and controlling all the activities of the organisation.

iii) Management helps create dynamic organisation

All organisations have to function in an environment which is constantly changing. It is usually seen that employees resist such changes because it often means moving from a secure environment into a challenging one. Management help motivate the employees to adopt to these changes.

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Q. No.

- iv) Management helps in achieving personal objectives. Personal objectives means individual objectives which vary from person to person, eg salary, status, etc. The task of the manager is to integrate personal objectives with organisational objectives so employees are able to achieve personal goals while contributing to the overall organisational goals.

37)

- i) Planning leads to rigidity. A well defined plan is drawn to some specific goals within a specific time frame. It is not possible for managers to change these sometimes. This kind of rigidity and inflexibility in plans may not result in a positive way. Managers need to be given certain freedom and flexibility in order to cope with changing situation.

- ii) Planning involves huge cost

Planning involves a lot of expenses. The expenses are in time, money and efforts. Detailed plans require scientific calculations to check the facts and accuracy of the plans. A lot of money is spent on hiring professionals and gathering information. Sometimes the cost may be more than the benefits actually received from the plan.

- iii) Planning is a time consuming process.

A lot of time is spent in preparing the plans as a result of which very less time is left to implement the plans. Planning causes delay in action. A lot of time is spent in board meeting and discussion with professionals.

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iv) Planning does not guarantee success.

It is generally seen that managers tend to rely on previously tried and tested successful plans. This kind of false sense of security may actually lead to failure of the plan because there may be so many ~~known~~ unknown factors to consider that might have changed though planning is done for the future. It does not guarantee success.

38)

a) setting performance standards.

Standards refer to the target or benchmark against which actual performance is compared. The standards set must be achievable and should be set keeping in mind the resources of the organisation. Standards can be in qualitative or quantitative terms. Standards set should be flexible enough to change or be modified in changing circumstances.

b)

Comparing actual performance with standards.

This step involves comparing actual performance with planned performance i.e. set standards.

If deviations are small they may be ignored but if there is mismatch detected then managers should find out the extent of deviations and take timely actions.

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Q. No.

c) Analyzing deviations

All deviations need not be brought to the attention of the top management. That is why it is necessary to determine the acceptable range of deviation. Deviations can be measured in two ways, critical point control and management by exception.

d) Taking corrective action

This step involves finding out the reasons for deviations and developing suitable course of action in order to overcome such deviations. Deviations may be measured from time to time and taking timely corrective action.

89)

i) Clarify ideas before communication

The problem to be communicated should be clear in all its perspective of prospective of the executive himself. The problems should be deeply studied, analysed before communicating it to the subordinates.

ii) Beware of tone of message, language and content of message

The tone, content and manner of message play an important role in effective communication. The message should be understandable to the receiver and should not hurt the sentiments of the listener. Avoiding usage of wrong words, unnecessary words etc.

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iii) Follow up communications.

There should be follow up communications and a ~~supervision~~ review in respect to the message communicated.

~~Follow-up comm~~ instructions given to the employees.

Such follow up communications help to remove any hurdles if any and ensures smooth functioning.

iv) Be a good listener:

Manager should be a good listener. Attentive listening solves half the ~~half~~ problems. The manager should also give indications of his interest and listening by nodding, maintaining eye contact etc.

40) i) Product Cost

It refers to the selling and distributing the product to customers. The ~~minimum~~ minimum price set for the product is called the floor price. There are three types cost:

Fixed Cost - The amount of cost is fixed it does not change with the volume of production.

Variable Cost - It changes with the change in volume.

Semi-variable Cost - It change with the change in volume but not directly.

ii) Utility of Demand

The ~~minimum~~ ^{maximum} price the buyer is willing to pay for the product is the utility and the maximum minimum price a seller is ready to offer after covering costs. ~~According~~ According to the law of demand a consumer buys more at a lower price compared to the higher.

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Q. No.

iii) Extent of competition in the market
 Another important decision in relating to fixation of price is the nature and degree of competition in the market. A firm can set any price if the degree of competition is low. But if the degree of competition is high it depends on the price of a product depends on the competitors price, its quality, features.

iv) Government and Legal Regulations.
 The firm that has monopoly in the market usually charges high prices for their product. It is because of this reason that the government intervenes to regulate the price of the product. In order to protect the interest of the public it declares some goods as essential goods. Eg. life saving drugs.

22) i) Helps tapping useful resources
 A organisation must gather and assemble various resources called inputs in order to engage in business activity. inputs can be like water, raw materials etc. these inputs are converted into suitable outputs like goods and services which are offered for sale. Knowledge of business environment helps tapping useful resources to meet demand.
 Eg: Return on investment

Q. No.

ii) Helps to identify opportunity and get the first mover advantage.

Opportunities refer to the positive external change that help improve a firm's performance. Knowledge of business environment help managers to identify opportunities and get the first mover advantage. It helps to capture a larger share in the market before losing it to its competitors.

Eg: Maruti udjog was the first automobile company to recognise the need of smaller cars to fit the middle class population in India. They remain market leaders in this sector.