



CLASS 12 - BUSINESS STUDIES

Ch 1 Test

Time Allowed: 1 hour

Maximum Marks: 40

1. Identify the feature of management as science when the principles are based on cause and effect relationships. [1]

- a) Systematised body of knowledge b) Universal validity
c) Based on practice and creativity d) Based on existence of theoretical knowledge

2. Match the following: [1]

(a) Levels of management	(i) Cooperating with the departments
(b) Top level	(ii) Safety of workers
(c) Middle level	(iii) Framing plan and policies
(d) Operational level	(iv) Line of demarcation between various managerial positions in an organisation

3. Match the following: [1]

(a) Using environmental friendly methods of production	(i) Profit
(b) Respect for colleague	(ii) Survival
(c) Earning rate	(iii) Personal goal
(d) Cover its cost	(iv) Social goal

4. Name any two designations given to first line managers. [1]

5. State True or False: [2]

- a) Management principles are derived after observations and experimentations under controlled conditions.
b) Management does not help in achieving personal objectives.

6. 'Coordination is a continuous activity'. Explain. [3]

7. State any three organisational objectives of management. [3]

8. What is meant by 'Management by People'? [4]

9. The Return on Investment (ROI) of a company ranges between 10-12% for the past three years. [4]
To finance its future fixed capital needs, it has the following options for borrowing debt.

Option A': Rate of interest 9%

Option 'B': Rate of interest 13%

Which source of debt, 'Option A or 'Option B', is better? Give reason in support of your answer. Also, state the concept being used in taking the decision.

10. **Read the following text and answer the question:** [4]

ABC Ltd is a leading company manufacturing electronic products. They are facing a lot of problems these days. The company's margin is under pressure and the profits and market share are declining. This is because of chaos between two departments i.e. the Production department and the Marketing department. The marketing department blames the production department for delays in the production of goods. However, the production department blames the marketing department for not meeting the sales targets.

- i. "The company's margin is under pressure and the profits and the market share are declining." According to the statement, which objective does the company unable to fulfill?
 - a. Social
 - b. Organisational
 - c. Economic
 - d. Personal
- ii. What quality of management do you think the company is lacking?
 - a. Controlling
 - b. Discipline
 - c. Coordination
 - d. Planning
- iii. State the reason, why coordination is the essence of management?
 - a. It is a common thread that runs through all the activities within the organisation
 - b. It is a force that binds all the functions of management
 - c. It is implicit and inherent in all functions of the organisation
 - d. All of the above
- iv. State the process of designing and maintaining an environment in which employees working together efficiently accomplish objectives of the firm.
 - a. Administration
 - b. Management
 - c. Coordination
 - d. Cooperation

11. **Read the following text and answer the question:** [4]

In Shekhawat Ltd., Karanpreet working as a 'Production Manager' is a different person and has his own personalized and unique style of managing things and people. He tells his employees that we should work with team spirit, coordination and towards achieving the organisational goals. In a board meeting, it has been decided that the company will change some of its product features so as to make it more useful for the customers and to face intense competition. Karanpreet explains the decision taken in a board meeting to all the employees of the organisation.

- i. "In Shekhawat Ltd. Karanpreet working as 'Production Manager' is a different person and has his own personalized and unique style of managing things and people." Identify the

nature of management highlighted in the statement.

- a. Profession
- b. Art
- c. Science
- d. None of the above

ii. "In a board meeting, it has been decided that the company will change some of its product features so as to make it more useful for the customers and to face the intense competition." Which characteristic of management is reflected in the statement?

- a. Management is a continuous process
- b. Management is group activity
- c. Management is multi-dimensional
- d. Management is a dynamic function

iii. At which level Karanpreet is working?

- a. Top-level
- b. Middle-level
- c. Lower-level
- d. Supervisory level

iv. Karanpreet tells his employees that we should work with team spirit, coordination and towards achieving organisational goals. Identify the characteristic of management highlighted here.

- a. Management is a goal-oriented
- b. Management is all-pervasive
- c. Management is a continuous process
- d. Management is a group activity

12. Pratap Singh is the Chief Executive Officer of Nissar Enterprises. It is an automobile parts manufacturing company. The enterprise has a functional structure, in which jobs of similar nature have been grouped together as Production, Finance, Marketing, and Human Resource. Nissar Enterprises has its manufacturing unit at Manesar. The factory has been plagued with many problems for a long time which was in the knowledge of the Production Manager, Varun Sharma. The workers had internal differences. Time and again, there were misunderstandings between the management and the workers. Keeping the problems in mind, Varun Sharma appointed Siyaram Singh who had 14 years of experience of working with the actual workforce and passing on instructions of the middle management to the workers. Siyaram Singh met Varun Sharma to understand what the management wanted. Thereafter he met the workers and conveyed the ideas of management to them. He also promised the workers to convey their problems to the management. In this way, he cleared the misunderstanding between the management and the workers. He also sorted out internal differences and was able to unite the workers within a month of his joining. His work was acknowledged by management and he was given a certificate of good performance along with a 10% increase in salary. [6]

i. Siyaram Singh performed some of the functions which are required to be performed at the position he is working at. State any five other functions Siyaram Singh is expected to perform.

ii. Name the incentives provided to Siyaram Singh.

13. Real Alliance Ltd. is a well-known cement company in India. It is able to earn adequate revenues to cover costs. Its capital base, number of employees and production turnover has increased manifolds over the years. The rate of profitability of the business is also creditable. The employees of the company are happy and satisfied with their remuneration, working conditions, promotion policy etc. As a part of its moral obligation, the company has taken many initiatives for providing employment to specially abled persons and promoting literacy in the villages adopted by it. [6]

In context of the above case;

- a. Identify and explain the various types of objectives of management being fulfilled by Real Alliance Ltd by quoting lines from the paragraph.
- b. List any two values that Real Alliance Ltd. wants to communicate to the society.