



**WORK BOOK
CUM**

**QUESTION BANK
WITH ANSWERS**

**BUSINESS STUDIES
& MANAGEMENT**

CLASS - XII

COMMERCE



**SCHEDULED CASTES & SCHEDULED TRIBES
RESEARCH & TRAINING INSTITUTE (SCSTRI)
ST & SC DEVELOPMENT DEPARTMENT
BHUBANESWAR**

**Work Book
cum
Question Bank with Answers**

**BUSINESS STUDIES
&
MANAGEMENT**

**CLASS-XII
COMMERCE**

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RESEARCH & TRAINING INSTITUTE (SCSTRI)
ST & SC DEVELOPMENT DEPARTMENT
BHUBANESWAR**

2020

FOREWORD



An innovative education program has been initiated by ST & SC Development Department, Govt. of Odisha for the students appearing in +2 Science and Commerce examination pursuing studies in the ST & SC Development Department Schools (EMRS & HSS) to ensure quality education at +2 level.

In this regard it is to mention that an Academic Performance Monitoring Cell (APMC) has been set up in SCSTRTI to monitor the Training and Capacity Building of Teachers of SSD Higher Secondary Schools and Ekalabya Model Residential Schools (EMRS) to enhance quality education for better performance of the students appearing +2 Science and Commerce examination. This effort by APMC will certainly help the students to equip themselves for appropriate answering the question in the examination in an efficient manner.

In order to materialize the effort, the best of subject experts of the state have been roped into formulate self-contained and self-explanatory "Work book cum Questions Bank with Answers" as per the syllabi of CHSE, Odisha. They have tried to make the material as far as activity based and solution based as possible. This novel effort is first of its kind at +2 level in Odisha.

I would like to extend my thanks to Prof.(Dr.) A.B. Ota, Advisor-Cum-Director and Special Secretary, SCSTRTI and the team of Subject experts for their sincere effort for bringing out the study materials in quick time.

Hope, these study materials will be extremely useful for the students appearing the +2 examination in Science and Commerce of our SSD Schools.

Ranjana Chopra
Principal Secretary
ST & SC Development Department
Govt. of Odisha

PREFACE



The ST and SC Development Department, Government of Odisha, has initiated an innovative effort by setting up an Academic Performance Monitoring Cell (APMC) in Scheduled Castes and Scheduled Tribes Research and Training Institute (SCSTRTI) to monitor the Training and Capacity Building of teachers of SSD Higher Secondary Schools and Ekalavya Model Residential Schools (EMRS) and to ensure quality education of students studying at +2 level under the administrative control of the ST & SC Development Department. This innovative programme is intended to ensure quality education in the Higher Secondary Level of the schools of the ST & SC Development Department.

Since the introduction of +2 Science and +2 Commerce stream by the Council of Higher Secondary Education, Odisha, there was a great demand to cater to the needs of the students appearing the +2 Examination. But no organisation or institute has taken the initiative to fulfil the needs of the students appearing the +2 examination. Realizing the necessities and requirements of students to perform better and secure better marks in the examination and proper pattern of answering the question in a scientific way, the APMC under the banner of SCSTRTI has taken the initiative for the first time in Odisha to prepare Questions Banks in Physics, Chemistry, Botany, Zoology, Mathematics, IT, English & Odia of the Science Stream and all the disciplines of the Commerce stream in line with the Syllabus of the Council of Higher Secondary Education (CHSE).

These questions banks are first of this kind in Odisha, as per syllabi of CHSE and are self contained and self explanatory. The subject expert, who are the best in their respective subjects in the state have been roped in for the exercise. They have given their precious time to make the question banks as activity based and solution based as possible.

I take this opportunity to thank all the subject experts of different subjects for rendering help and assistance to prepare the question banks within a record time. I hope, this material will be extremely useful for the students preparing for the +2 examination in different subjects of Science & Commerce streams.

Prof. (Dr.) A.B. Ota
Advisor cum Director & Special Secretary
SCSTRTI, Govt. of Odisha

BUSINESS STUDIES & MANAGEMENT (2nd Year) Syllabus

Objectives :

- To provide students an understanding of the Concept, features, objectives, importance & functions of Management;
- To help the students in learning the principles & Techniques of Management;
- To develop Students with an understanding of Financial Markets with its types & functions;
- To acquaint students with concept, objectives and functions of marketing management;
- To enable students to act more effectively and responsibly as consumers, employers, employees and citizens after learning the concept and features of consumer protection act;

Course Inputs :

Unit-I : Nature, Significance & Functions of Management :

Management - Meaning, Features, Objectives & Importance, Management as a Science, Art & profession : Levels of Management, Management Functions- Meaning, Features & Importance of planning, Organizing, Staffing, Directing and Controlling.

Unit - II : Principles of Management and Business Environment :

Principles of Management - Concept and Significance of Management, Fayol's Principles of Management, Taylor's Scientific Management - Principles & Techniques.

Business Environment - Meaning, Importance and Dimensions, Concept and Features of Liberalization, privatization and Globalization in India.

Unit - III : Financial Markets and Marketing Management : Financial Markets

Financial Markets - Concept, Functions and Types, Money Market and its instruments, Capital Market, Meaning, kinds of Capital Market - Primary & Secondary, stock Exchange - Concept & Functions, Securities and Exchange Board of India (SEBI)- Objectives and Importance.

Marketing Management :

Marketing Management, Marketing Concept and Objectives, Distinction between Marketing and Selling, Marketing Functions, Marketing Mix - Concept and Elements, product- product Mix, branding, labeling and packaging, price : Concept & factors determining price, physical Distribution: Concept, components, Channels of Distribution: Types and promotion: Concept & Elements - Advertising: Meaning Role & Limitations, Personal Selling : Concept & qualities of a good salesman, Sales promotion: Concept & Techniques & Public Relation: Concept and Role

Unit - IV Consumer Protection :

Consumer Protection : Concept and Importance, Consumer Protection Act 1986: Meaning of consumer and consumer protection, Rights and Responsibilities of customers, process of filing complain, Grievance redressal mechanism and remedies available, Consumer Awareness: Role of consumer Organizations and Non-Government Organizations (NGOs).

QUESTION PATTERN OF CHSE

Theory	:	80 marks
Project Work	:	<u>20 marks</u>
Total	:	100 marks

Group - A (Objective type - Compulsory)

1. Multiple choice Questions (12 bits from all units) 1 mark each x 12 = 12 marks
2. One word answer / very short answer / Correct the sentence / fill up the blanks (12 bits from all units) 1 mark each x 12 = 12 marks

Group B (Short type Answer)

3. Answer within 30 words (out of 13 bits, one has to answer 10 bits) 2 marks each x 10 = 20 marks
4. Answer within 50 words (out of Six bits, one has to answer Four bits) 3 marks each x 4 = 12 marks

Group C (Long Answer type)

5. to 9.

Out of Five Questions from all units,
one has to answer 3 questions.

8 marks each x 3 = 24 marks

TOTAL

80 marks

CHSE QUESTION PAPERS WITH ANSWERS**2019 to 2017****2019 (A)****Time : 3 hours****Full Marks : 80***The figures in the right-hand margin indicate marks.**Carefully follow the instructions given in each Group and each Question***Group - A****All questions are compulsory**

1. From the following alternatives given under each bit, write serially the correct answer along with its serial number against each bit : [1x12=12]

- (a) A marketing concept that is based on the idea that people will purchase more goods and services if aggressive sales techniques are used is called
- Marketing concept
 - Selling concept
 - Product concept
 - Production concept
- (b) Government issues Treasury Bills for raising
- short-term fund
 - medium term fund
 - long-term fund
 - long & medium term fund
- (c) SEBI was established in the year
- 1990
 - 1991
 - 1992
 - 1993
- (d) The principle of Parity of Fayol suggests for balancing of authority with
- responsibility
 - remuneration
 - revenue
 - rotation
- (e) Management is basically
- an art only
 - a science only
 - neither an art nor a science
 - partly an art partly a science
- (f) The type of environment in the country that directly and immediately influences business operation is
- Political environment
 - Social environment
 - Economic environment
 - Natural environment
- (g) A market which sells to the final consumer is called
- Commodity market
 - Spot market
 - Retail market
 - Wholesale market
- (h) The full form FMCO is
- Fast Moving Consumer Goods
 - Fastest Moving Consumer Goods
 - Frequently Moving Consumer Goods
 - First Moved Consumer Goods
- (i) The market that deals with the issuance of new shares is called
- Primary market
 - Secondary market
 - Money market
 - Commercial market
- (j) A manager needs to be an effective communicator, a persuasive leader and motivator for attaining success while performing the function of
- Planning
 - Organising
 - Staffing
 - Directing
- (k) Of the following functions of management, the one which is regarded as is primary function, is
- organizing function
 - staffing function
 - planning function
 - controlling function
- (l) The abbreviation 'LPG' is used for the terms
- Liberalised Public Grants
 - Liberalisation, Politicalisation, Globalisation
 - Liberalisation, Privatisation, Globalisation
 - Low Priced Goods

2. Answer the following questions as per instructions given under each part :

[1x12=12]

(a) Correct the underlined portions of the following sentences :

- i) Planning function is more closely related with staffing functions.
- ii) The concept of functional management is the contribution of Taylor.
- iii) In family branding, companies use different brand names for different products.

(b) Express each of the following in one word/term :

- iv) The policy of the government that deals with the tax structure and its collection.
- v) The regulatory body for the securities market in India.
- vi) The market that only deals in old securities only.
- vii) The legal institutions created under the Consumer Protection Act to redress grievances of consumers at District levels.

(c) Fill in the blanks :

- viii) The President and other members of the District Forum are appointed by the _____ Government.
- ix) Direct channel is also called _____ level channel.

(d) Answer each of the following in *one* sentence.

- x) What is meant by 'Stock Exchange'?
- xi) What does the Principle of Unity of Command suggest ?
- xii) What is product-mix ?

Group - B

3. Answer any ten of the following questions within thirty words each. [2x10=20]

- (a) State the provisions in the Consumer Protection Act regarding appeals against the order given by the District Forum.
- (b) Distinguish between Consumer sales promotion and Trade sales promotion.

- (c) What is the objective of penetrating pricing?
- (d) What do you mean by physical distribution ?
- (e) Distinguish between primary and secondary market.
- (f) Explain organizing as a process.
- (g) Explain the principle of unity of direction.
- (h) How has the term 'complaint' been defined under the Consumer Protection Act ?
- (i) Name the different elements of marketing mix.
- (j) Distinguish between packing and packaging.
- (k) Name any four concepts of marketing.
- (l) Name the different tools that Taylor suggested for scientific task setting.
- (m) Why is management considered universal ?

4. Answer any four of the following questions within fifty words each : [3x4 =12]

- (a) Name and explain the different types of labelling.
- (b) State any three objectives of SEBI.
- (c) Explain the meaning of 'liberalisation', 'privatisation' and 'globalisation'.
- (d) State the situations under which a complaint can be disallowed.
- (e) Mention any three differences between Marketing and Selling.
- (f) Name the quasi-judicial bodies which function at National, State and District levels for redressal of consumer grievances.

Group - C

Answer any three questions from the following : [8x3=24]

- 5. Define business environment and discuss its importance.
- 6. What is meant by financial market and what are its important functions ?
- 7. Mention the different rights and responsibilities of consumers.
- 8. Define management and discuss its features.
- 9. What do you mean by channel of distribution?

ANSWERS 2019 (A)**Group - A****Group - B**

1. Choose the correct answer. [1x12]
- (a) (ii) Selling concept
 (b) (i) Short-term fund
 (c) (iii) 1992
 (d) (i) Responsibility
 (e) (iv) Partly an art and partly a science
 (f) (iii) Economic environment
 (g) (iii) Retail market
 (h) (i) Fast Moving Consumer Goods
 (i) (i) Primary market
 (j) (iv) Directing
 (k) (iii) Planning Function
 (l) (iii) Liberalisation, Privatisation, Globalisation
2. Answer the following as per instructions. [1x12]
- (a) (i) Controlling
 (ii) Fayol
 (iii) Individual
 (b) (iv) Fiscal Policy
 (v) SEBI
 (vi) Secondary Market
 (vii) District Forum
 (c) (viii) State
 (ix) Zero
 (d) (x) Stock Exchange is an association/organisation/body of individuals, for trading, regulating and controlling business of securities.
 (xi) Principle of Unity of Command suggests that every employee should have only one boss and should be accountable to him.
 (xii) A product mix is set of all product lines and items that a particular seller offers for sale to the buyers.
3. Answer any ten questions in not more than thirty words each - [2x10]
- (a) If any party is not satisfied with the order given by District Forum, he can appeal to the State Consumer Commission within 30 days from the release of the order.
 (b) Consumer sales promotion refers to activities which are targeted to the ultimate consumer whereas Trade sales promotion refers to activities which are targeted to the members of the marketing channel like wholesalers and retailers.
 (c) The objective of penetrating pricing is to gain a foothold in a highly competitive market by setting prices at a lower rate than the competitors for attracting more customers.
 (d) Physical distribution includes all the activities associated with efficient movement of finished product from the end of the production operation to the consumer.
 (e) Primary market is that part of capital market that deals with the issuance of new securities and Secondary Market is that part of the capital market where investors buy and sale securities they already own.
 (f) Organising is a process of identifying and grouping the activities to be performed, defining responsibilities and making provision of adequate authority and establishing relationship for the purpose of enabling people to work more efficiently together in accomplishment of set objectives.
 (g) According to the Principle of Unity of Direction, there should be one head and one plan for group of activities having same or identical objectives.

- (h) Complaint is a statement made in writing by the aggrieved consumer containing certain allegation against saler/supplies with documentary evidence to the District Forum/ State Commission/National Commission as per situation.
- (i) Marketing Mix refers to a unique blend of product, price, place and promotion designed to produce mutually satisfying exchange within a target market.
- (j) Packing refers to a process of wrapping a commodity in a way suitable for transporting, storing and handling, but packaging includes a wide variety of activities aiming at promoting and protecting the product.
- (k) Four concept of Marketing - Any four from the following: Exchange concept, Production concept, Product concept, Selling concept, Marketing concept, Social marketing concept.
- (l) Taylor's tools for scientific task setting - Time study, Motion study, Fatigue study etc.
- (m) Management is considered universal because its principles, procedures and practices are applicable not only to business activities but also to all such activities like: political, social, religious and family activities involving group action.
4. Answer any four questions within fifty words each. [3x4]
- (a) (i) Brand label - This type of label simply mentions the name of the brand of the product.
- (ii) Grade label - This type of label describes the quality label of the product.
- (iii) Descriptive label - This type of label gives all product related information.
- (b) The objectives of SEBI are to regulate the activities of Stock Exchange, to protect the rights of investors by ensuring safety to their investment, to prevent fraudulent practices in marketing of securities, to register and regulate intermediaries, to undertake drives for financial inclusion.
- (c) Liberalisation refers to all measures initiated by Govt. to provide relief to business from unnecessary regulations, controls and restrictions. Privatisation refers to those measures of the Govt. which aim at transferring ownership from Govt. to private parties. Globalisation refers to a process of deepening economic integration; increasing economic openness and growing economic inter dependence between countries in the world.
- (d) Situations under which a complaint can be disallowed -
- (i) Complaint is of a general nature where consumers are not identified.
- (ii) When the complaint is lodged by an unregistered association.
- (iii) Complaint filed after the expiry of limitation period.
- (e) Marketing emphasizes on customer needs, whereas selling emphasises on seller's need. In marketing buyer regarded as kingpin, but seller is the kingpin in selling. Marketing converts customer needs into products, whereas selling converts existing products into money. Marketing views business as a customer satisfying process, but selling views business as a profit generating process.
- (f) National Consumer Disputes Redressal Commission at the national level, State Consumer Disputes Redressal Commission at state level and Consumer Disputes Redressal Forum at district level are functioning Quasi-judicial bodies.

Group - C

5. ● Give the definition
- Touch upon following points to discuss importance.
- Promoting proactive action.
 - Formulating long term strategy.
 - Understanding market conditions.
 - Understanding the complication of economic policies.
 - Understanding the socioeconomic conditions.
 - Identifying areas needing control.
 - Facilitating research and development process.
 - Promoting public image and regulation.
 - Facilitating adoption of changing needs.
 - Creating a tension free atmosphere.
6. ● Give the meaning of financial market.
- Touch upon following points to discuss its functions.
- Mobilisation of savings and channelising the funds to more productive use.
 - Price determination
 - Providing liquidity to financial assets.
 - Providing credit related information.
 - Enhancing individual and national income.
7. ● Discuss the following Rights of Consumers
- Right to protection against hazardous goods.
 - Right to information
 - Right to access
 - Right to be heard
 - Right to seek redressal
 - Right to consumer education
- Discuss the following responsibilities.
- To exercise their right
 - To make self effort
 - Proof of transaction
 - To make proper claim
 - To make proper use of product
 - To file complaints
 - To be quality conscious
 - To avoid being carried away
 - To take care of environment
 - To be conscious of other responsibilities
8. ● Give the definition of management
- Discuss the following point on feature
- Universality
 - Distinctness
 - Social process
 - Group Activity
 - Goal oriented
 - Dynamic & Continuous
 - System of authority
 - Decision making
 - Multi Disciplinary
 - One of the factors of production
 - Intangible
 - Both science and art
 - A profession
 - Situational
9. ● Give the meaning of channel of distribution.
- Discuss the following factors that influence choice of a channel.
- Consumer or market characteristics
 - Product characteristics
 - Company characteristics
 - Middle men characteristics
 - Environmental characteristics

2018 (A)**Time : 3 hours****Full Marks : 80***The figures in the right-hand margin indicate marks.**Carefully follow the instructions given in each Group and each Question***Group - A****All questions are compulsory****1. From the following alternatives, write serially the correct answer along with its serial number against each bit : [1x12=12]**

- (i) The development of science and technology depends largely on :
- (a) Literacy level
(b) Climatic condition
(c) Political stability
(d) Public support
- (ii) The concept of liberalization got its vigour from the year :
- (a) 1980 (b) 1991
(c) 1999 (d) 2004
- (iii) The process of management is considered :
- (a) Individual (b) Abnormal
(c) Universal (d) Non-universal
- (iv) One of the following which is not an objective of management is :
- (a) Innoventions (b) Innovations
(c) Co-operation (d) Co-ordination
- (v) Organising is concerned with :
- (a) Decision making
(b) Fixing standrds
(c) Division of work
(d) Corrective action
- (vi) One of the management functions advocated by Henri Fayol, is :
- (a) Commanding
(b) Staffing
(c) Directing
(d) Decision making
- (vii) A part of capital market that deals with the issuance of new securities, is called :
- (a) Secondary market
(b) Primary market
(c) Money market
(d) Financial market
- (viii) The only element of marketing mix which earns revenue for the firm, is called :
- (a) Product (b) Price
(c) Placement (d) Promotion
- (ix) 'Going rate pricing' is a method in which price is fixed.
- (a) above the competitors' price
(b) below the competitors' price
(c) at par with the competitors' price
(d) below the cost
- (x) An element of promotion mix which intends to increase the volume of sales in short term is called :
- (a) Advertising
(b) Personal selling
(c) Sales promotion
(d) Public relation
- (xi) Complaint contains allegations against :
- (a) National Commission
(b) State Commission
(c) District forum
(d) Selling agencies
- (xii) Consumer Protection Act was passed in the year :
- (a) 1984 (b) 1985
(c) 1986 (d) 1987

2. Answer the following questions as per instructions under each part : [1x12=12]

- (a) Express each of the following in one word/term.
 - (i) The environment that exists within the premises of the business entity.
 - (ii) The act of getting things done through and with people.
 - (iii) A marketing concept which propagates a social cause.
- (b) Answer each of the following in one sentence:
 - (iv) Give the full form of SEBI.
 - (v) What are the 4Ps of marketing ?
 - (vi) What is meant by new issue market ?
- (c) Correct the underlined portions of the following sentences :
 - (vii) Planning comes under the operative functions of management.
 - (viii) There must be suitable codes of conduct in management.
 - (ix) The concept of functional management is the contribution of Taylor.
- (d) Fill up the blanks :
 - (x) _____ is conceived as a global village.
 - (xi) Management is situational because there is no _____ best way of doing things.
 - (xii) Controlling is _____ oriented.

Group - B

3. Answer any ten of the following questions within thirty words each : [2x10 =20]

- (a) What is meant by Globalization ?
- (b) State any four features of profession.
- (c) Explain the 'principle of scalar chain'.
- (d) State the features of Treasury Bills.
- (e) What is 'product concept' in marketing ?
- (f) What are the features of 'shopping goods' ?

- (g) State the objectives of packaging.
- (h) Explain price skimming.
- (i) What are the 5 Ms process in advertising ?
- (j) What interests of consumers need to be protected ?
- (k) Who can be a complainant as per Consumer Protection Act ?
- (l) What incentives are given to sales force for promoting sales ?
- (m) What do you mean by 'societal marketing concept' ?

4. Answer any four of the following questions within fifty words each.[3x4=12]

- (a) Discuss any three important features of business environment.
- (b) Explain how management is a science as well as an art.
- (c) What are the basic steps in controlling ?
- (d) How does capital market help business houses ?
- (e) Explain any three factors that influence marketing mix.
- (f) Explain any three important roles of consumer organisation and NGOs.

Group - C

Answer any three questions from the following : [8x3=24]

- 5. Explain the nature of planning and point out its importance.
- 6. Describe any eight Fayol's principles of management.
- 7. What are Primary and Secondary Markets ? What are the functions of financial market ?
- 8. Explain marketing functions.
- 9. State the procedure of dealing with complaint in district forum.

ANSWERS 2018 (A)**Group - A**

1. Choose the correct answer.
- (i) (a) Literacy level
(ii) (b) 1991
(iii) (c) Universal
(iv) (a) Inventions
(v) (c) Division of Work
(vi) (a) Commanding
(vii) (b) Primary Market
(viii) (b) Price
(ix) (c) at par with the competitors' price
(x) (c) Sales promotion
(xi) (d) Selling agencies
(xii) (c) 1986
2. Answer the following as per instructions. [1x12]
- (a) (i) Internal environment
(ii) Management
(iii) Social marketing
- (b) (iv) Securities and Exchange Board of India
(v) Product, Price, Places, Promotion
(vi) It is the primary market in which government public sector organisations or companies can obtain fund through the sale of new stock or bond issue.
- (c) (vii) Administrative
(viii) Profession
(ix) Fayol
- (d) (x) World
(xi) One
(xii) Future

Group - B

3. Answer within thirty words each.
- (a) Globalisation refers to a process of deepening economic integration; increasing economic openness and growing economic interdependence between countries in the world.

- (b) ● Specialised knowledge
● Formal education and training
● Restricted entry
● Code of conduct
- (c) Scalar Chain refers to the formal lines of authority from highest rank to the lowest rank. It indicates the flow pattern of authority from top to bottom. It serves as a chain of command as well as lines of communication in normal circumstances.
- (d) Government usually issues Treasury Bills through RBI to raise short term funds. It has a maturity period of maximum one year. It is issued at a discount and matures at its face value, the difference being the gain to the purchaser of the bill.
- (e) This concept of marketing believes in product quality and product excellence. It is assumed that good, noble and innovative products will be sold automatically.
- (f) Shopping goods are more expensive than convenience goods. Consumers usually spend more time and effort in comparing the style, design, price etc. before taking the purchase decision of such goods. The examples of such goods are Refrigerators, Washing Machine, Furniture, Garments etc.
- (g) Objectives of packaging are:
(i) Product Identification
(ii) Product Protection
(iii) Product Convenience
(iv) Product Promotion
- (h) When the brand name becomes very famous, target market prefers to buy the product because of status value attached with the product or the product is an innovative one having no competitive products, the firm sets high/premium price to skim the cream of the demand. So this type of pricing is known as skimming the cream strategy or simply price skimming.

- (i) The 5 Ms. of advertising process are
- (i) Mission
 - (ii) Money
 - (iii) Message
 - (iv) Media and
 - (v) Measurement
- (j) The following interest of consumers need to be protected. It is expected that the goods and services for which they have paid for are
- of good quality, pure and defect free
 - supplied at right and reasonable price
 - given in right quantity and rightly measured.
- and all other information considered essential for their use are provided and no misleading information have been given to them with the intention of cheating or deceiving them.
- (k) A complainant can be
- (i) a consumer
 - (ii) any voluntary association of consumers registered under the companies act or under any other law for the time being in force.
 - (iii) the central or state government
 - (iv) anyone or more than one consumer, where there are numerous consumers having the same interest
 - (v) the legal heir or representative, in case of death of the consumer
 - (vi) beneficiary of goods and services
 - (vii) husband of a women consumer
 - (viii) a relative of consumer
 - (ix) insurance company
- (l) The following incentives are given to sales force for promoting sales
- (i) Bonus for achieving target sales within the specified period.
 - (ii) Rewarding through sales contests.
 - (iii) Rewarding or giving recognition to successful sales personnel in sales meetings/conventions/conferences.
- (m) According to this concept of marketing consumer satisfaction is not the ultimate aim of marketing. Besides consumer satisfaction, it should aim at welfare of whole society. For example, using a chemical which is detrimental to the health of children to produce a doll at cheaper price may save the money of consumer and result on consumer satisfaction but not social welfare.
4. Answer within fifty words each.
- (a) (i) Business environment sets the limit and provides direction to business activities. Under no circumstances, the activities of business can be pursued without being affected by environmental conditions. So strategies, plans and policies etc. of the business are framed to give due consideration to the environment in which it operates.
- (ii) Business environment (macro) is universal, common to all businesses.
- (iii) Due to their ever changing nature they are uncertain and dynamic.
- (b) Management can be regarded both as science and as art because it combines some of the features of both of them. It is considered as science because it is based on an organised body of knowledge developed through observation and experimentation having universal applicability. It is treated as an art because it is the personal skill and creativity of manager through which these management principles are applied effectively in different conditions.
- (c) Basic steps in controlling are -
- Setting standard
 - Measurement of actual performance
 - Comparing actual performance with the standard
 - Analysing deviations and
 - Taking corrective action.
- (d) Capital market helps business houses in the following manner:
- It creates a market where business houses would obtain long term and medium term funds.

- It helps business houses to sell their securities to the public
 - It enhances the liquidity of securities issued by business houses by making available a market for sale of the securities held by investors.
 - It channelizes the surplus savings to productive uses by business houses.
 - It enables business houses to determine the price of their securities through interplay of demand and supply forces.
- (e) Factors that influence marketing mix are:
- Target market – It refers to the persons for whom the product has been designed and produced or to be produced.
 - Business environment – It refers to both micro and macro business environment. The knowledge of impact of the factors constituting these environments is very necessary for designing the marketing mix.
 - Company resources – It determines the dimensions of marketing mix strategies. It includes financial, technological and man power resources.
- (f) The following are the three important roles of Consumer Organisations and NGOs.
- (a) Educating the consumers about their rights and responsibilities
 - (b) Encouraging Consumers to protest and take legal action against unscrupulous, exploitative and unfair trade practices of sellers
 - (c) When required file complaints in appropriate forum or commission on behalf of consumers.
- Group - C**
5. ● Explain the nature of planning
- Explain its importance
- (a) Provides direction
 - (b) Minimises risk and uncertainty
 - (c) Facilitates decision making
- (d) Ensures stability of the organisation
 - (e) Promotes unity of purpose
 - (f) Provides base for control
 - (g) Optimum utilisation of resources
 - (h) Converting threats into opportunities
 - (i) Economy of operation
 - (j) Commitments honoured
6. Describe any eight Fayol's principles of management out of 14.
7. ● Give the meaning and difference between Primary and Secondary market.
- For function of financial market see answer to question No. 6 of solved papers of CHSE Examination-2019.
8. Explain the following functions of marketing.
- (a) Buying and assembling
 - (b) Selling
 - (c) Product planning and development
 - (d) Storage
 - (e) Standardisation and grading
 - (f) Risk taking
 - (g) Pricing
 - (h) Financing
 - (i) Transportation
 - (j) Promotion
 - (k) Marketing information
9. Discuss the following steps.
1. Intimation to opposite party
 2. Procedure if opposite party admits the allegation
 3. Procedure if opposite party disputes the allegations
- a) Procedure in case of disputes relating to goods requiring testing or analysis.
 - b) Procedure in case of disputes relating to services or goods not requiring testing or analysis.

2017 (A)

Time : 3 hours

Full Marks : 80

*The figures in the right-hand margin indicate marks.**Carefully follow the instructions given in each Group and each Question***Group - A****All questions are compulsory**

1. From the alternatives given under each bit, choose and write serially the correct answer against each bit : [1 x 15 = 15]

- (a) Business environment scanning is done primarily for
- (i) realistic planning
 - (ii) effective control
 - (iii) appropriate staffing
 - (iv) effective motivation
- (b) LPG is connected with
- (i) economic reforms
 - (ii) social reforms
 - (iii) political reforms
 - (iv) cultural reforms
- (c) The scope of power and authority of a manager expands with upward movement
- (i) in his salary
 - (ii) in his length of service
 - (iii) in the number of subordinates under his control
 - (iv) in his position in management hierarchy
- (d) Principle of scalar chain is connected with the management of
- (i) money
 - (ii) materials
 - (iii) machineries
 - (iv) men
- (e) The credit for developing the principles of general administration goes to
- (i) F. W. Taylor
 - (ii) P. F. Drucker
 - (iii) Henry Fayol
 - (iv) G. R. Terry
- (f) Controlling function is more closely connected with the function of
- (i) planning
 - (ii) staffing
 - (iii) organising
 - (iv) coordinating
- (g) Training imparted in a simulated work place is known as
- (i) On-the-job training
 - (ii) Off-the-job training
 - (iii) Apprentice training
 - (iv) Vestibule training
- (h) Equity share capital is refundable
- (i) after a fixed period
 - (ii) at the desire of the shareholders
 - (iii) at the time of winding up the company
 - (iv) at the desire of the Board of Directors
- (i) Overdraft facilities are enjoyed by
- (i) all types of account holders
 - (ii) only those having savings accounts
 - (iii) only those having current accounts
 - (iv) only those having fixed deposits
- (j) During gestation period, investments in a projected yield
- (i) maximum return
 - (ii) moderate return
 - (iii) minimum return
 - (iv) no return
- (k) Mass production is an essential feature of
- (i) product concept
 - (ii) production concept
 - (iii) selling concept
 - (iv) exchange concept

- (l) Of the following determinants of price, the one that forms the base level of price, is
- demand
 - competition
 - government policies
 - cost
- (m) Increasing the volume of sales within a stipulated time is the prime objective of
- public relation
 - advertising
 - sales promotion
 - personal selling
- (n) Under penetration pricing method, the price is fixed
- at a lower rate initially which is gradually increased
 - at a higher rate initially which is gradually decreased
 - at a lower rate which remains unchanged
 - at a higher rate which remains unchanged
- (o) The process of selection starts
- before recruitment
 - during recruitment
 - after recruitment
 - both before and during recruitment
- 2. Answer the following questions serially as per the instructions : [1x15=15]**
- (a) Answer each of the following questions in one sentences :
- What is meant by business environment
 - What does principle of parity of Fayol suggest ?
 - How is pricing done under the skimming pricing strategy ?
 - What is trade credit ?
- (b) Fill in the blanks :
- Management is a/an _____ science.
 - Debentures which are repayable on demand are known as _____ debentures.
 - Direct channel is also called _____ level channel.
- (c) Rectify the underlined portions in the following sentences.
- Planning is the process of identifying and grouping of activities, assigning tasks and delegating authority.
 - The working capital required to meet different unforeseen situations is known as seasonal working capital.
 - Mass distribution is an essential feature of product concept.
 - Advertising is a paid form of personal communication.
- (d) Express each of the following in one word/term.
- The policy that regulates the amount of currency and credit in the country.
 - The process of providing all product-related information on the body of the product or on their wrappers or container for the benefit of consumers.
 - The total value of all current assets.
 - The structure showing the composition and pattern of owner's funds and borrowed funds.
- Group - B**
- 3. Answer any eleven of the following questions within 3 sentences each: [2x11 =22]**
- Differentiate between money market and capital market.
 - Distinguish between spot market and future market.
 - Name the elements involved in the managerial function of directing.
 - State the main sources of borrowed funds for sole proprietors.

- (e) Give the full forms of SIDC and ICICI.
 - (f) What are the main sources of fixed capital ?
 - (g) Show the differences between fixed working capital and variable working capital.
 - (h) Explain the meaning and basic objective of fatigue study.
 - (i) Name the different facilitating functions of marketing.
 - (j) What are the elements that come under marketing mix ?
 - (k) State the basic objectives of labelling.
 - (l) Explain POP.
 - (m) What does the principle of unity of command suggest ?
 - (n) Mention any four sources of short-term finance.
- 4. Answer any six of the following questions within six sentences each. [3x6=18]**
- (a) Explain any three features of business environment.
 - (b) State any three reasons why management should be regarded as a science.
 - (c) Explain any three principles of scientific management.
 - (d) Explain any three features of borrowed funds.
 - (e) Mention the three basic objectives of ICICI.
 - (f) Point out any three differences between marketing and selling.
 - (g) Explain any three objectives of packaging.
 - (h) What is promotion mix and what elements are involved in it ?

Group - C

Answer any four of the following questions :

[7¹/₂x4=30]

- 5.** Explain why understanding of business environment is important for management.
- 6.** Discuss in brief the essential features of management.
- 7.** Elaborate the functions of personnel department.
- 8.** Explain how the (a) shareholders and (b) companies are benefitted through equity shares.
- 9.** Discuss the factors influencing the selection of channel of distribution.
- 10.** Define sales promotion. Discuss its importance and objectives.

ANSWERS 2017 (A)**Group - A**

1. Choose the correct answer.
- (a) (i) realistic planning
 (b) (i) economic reforms
 (c) (iv) in his position in management hierarchy
 (d) (iv) men
 (e) (iii) Henry Fayol
 (f) (i) planning
 (g) (iv) vestibule training(out of Syllabus)
 (h) (iii) at the time of winding up the compnay
 (i) (iii) only those having current accounts.
 (j) (iv) no return
 (k) (ii) production concept
 (k) (iv) cost
 (m) (iii) sales promotion
 (n) (i) at a lower rate initially which is gradually increased
 (o) (iii) after recruitment
2. Answer the following as per instructions.
- (a) (i) The business environment consists of all those external factors to which business is exposed and by which it may be affected directly or indirectly.
 (ii) There should be parity between authority and responsibility.
 (iii) Under this pricing strategy initially a high rate is fixed which gets reduced later on.
 (iv) Trade credit is the credit extended by one trader to another when goods and services are bought on credit without making immediate payment and this is commonly used by business organizations as a source of short term financing.

- (b) (v) inexact
 (vi) redeemable
 (vii) zero
 (c) (viii) Organising
 (ix) Contingent (out of syllabus)
 (x) non-personal
 (d) (xi) Monetary policy
 (xii) Labeling
 (xiii) Gross Working Capital (out of syllabus)
 (xiv) Capital structure (out of syllabus)

Group - B

3. Answer within thirty words each.
- (a) Money market deals in short term securities having maturity period up to one year where as capital market deals in medium and long term securities having maturity period of more than one year.
- (b) Spot market refers to market where purchase and delivery of the product takes place simultaneously. Future market refers to market where transactions are finalised pending delivery of goods and payment of its price to take place at a future date.
- (c) The elements involved in directing are:
- Communication of orders and instructions
 - Persuasive leadership
 - Proper monitoring and supervision
 - Proper motivation
- (d) Out of Syllabus
 (e) Out of Syllabus
 (f) Out of Syllabus
 (g) Out of Syllabus

- (h) Fatigue study intends to find out the number and frequency of rest intervals that must be provided to a worker in completing a job efficiently. Workers cannot work at a stretch. After putting in work for a certain period of time they feel tired which affects their performance. If they are allowed rest intervals they will regain their stamina and will resume their work with greater energy
- (i) The facilitating functions of marketing are:
- Product development
 - Branding Packaging and labelling
 - Customer support service
 - Physical distribution
 - Storage and warehouse etc.
- (j) Product, Price, Place, Promotion
- (k) The objectives of labelling are
- (i) Brand identification
 - (ii) Description
 - (iii) Promotion and
 - (iv) Sales tool
- (l) Point of Purchase (POP) implies the retail outlets where goods are displayed and customers select and buy it. It indicates the point of sale or purchase of the commodities, the important stage in the process of marketing. Therefore, businessmen emphasise on good packaging to attract the attention of customer at point of purchase.
- (m) According to this principle an individual employee should have only one superior from whom he should receive orders and to whom he should be responsible. If an employee receives orders from more than one superior at a time it creates confusion and conflict.
- (n) Out of syllabus.
4. Answer with in 6 sentences each.
- (a) Three features of business environment are as follows.
- (i) Business environment sets the limit and provides direction to business activities. Under no circumstances, the activities of business can be pursued without being affected by environmental conditions. So strategies, plans and policies etc. of the business are framed giving due consideration to the environment in which it operates.
 - (ii) Business environment (macro) is universal, common to all businesses.
 - (iii) Due to their ever changing nature they are uncertain and dynamic.
- (b) Three reasons for which management should be regarded as science are:
- Management is based on a systematised and organised body of knowledge containing many concepts and principles.
 - Certain management principles have been developed through observation, experimentation, experience and inference.
 - It has universal applicability.
- (c) Briefly describe any three of the following
- (i) Science, not rule of thumb
 - (ii) Harmony, not discord
 - (iii) Mental revolution
 - (iv) Cooperation not individualism
 - (v) Development of each and every person to his/her greatest efficiency and prosperity.

Group - C

- (d) Out of Syllabus
- (e) Out of Syllabus
- (f) Marketing emphasizes on customer needs, whereas selling emphasises on seller's need. In marketing buyer regarded as kingpin, but seller is the kingpin in selling. Marketing converts customer needs into products, whereas selling converts existing products into money. Marketing views business as a customer satisfying process, but selling views business as a profit generating process.
- (g) Answer any three of the following:
- (i) Product identification - The colour, style and design of a package gives a different identity of the product. The customer can identify the product in a retail store by just having glance at the package.
 - (ii) Product protection - The packages preserve the quality and quantity of the content.
 - (iii) Product convenience - An appropriately designed package helps in storing, stripping, handling, displaying and using the product.
 - (iv) Product promotion - An attractive packaging acts as a silent sales man.
- (h) Promotion mix consists of all the activities aimed at persuading customers to buy the product.
- The various elements of promotion mix are:
- (i) Advertising
 - (ii) Personal selling
 - (iii) Sales promotion
 - (iv) Publicity
5. Discuss the following points on importance of business environment.
- (a) Promoting proactive action.
 - (b) Formulating long term strategy.
 - (c) Understanding market conditions
 - (d) Understanding the economic policies
 - (e) Understanding the socio economic conditions
 - (f) Identifying areas needing control
 - (g) Facilitating research and development process
 - (h) Promoting public image and reputation
 - (i) Facilitating adoption of changing needs
 - (j) Creating a tension free atmosphere.
6. Discuss the following features of management.
- (a) Universality
 - (b) Distinctness
 - (c) Social process
 - (d) Group Activity
 - (e) Goal oriented
 - (f) Dynamic & Continuous
 - (g) System of authority
 - (h) Decision making
 - (i) Multi Disciplinary
 - (j) One of the factors of production
 - (k) Intangible
 - (l) Both science and art
 - (m) A profession
 - (n) Situational
7. Out of syllabus
8. Out of syllabus
9. Discuss the following factors that influence choice of a channel.
- (a) Consumer or market characteristics
 - (b) Product characteristics
 - (c) Company characteristics
 - (d) Middle men characteristics
 - (e) Environmental characteristics
10. ● Give the Definition of sales promotion
● Discuss its importance
● Discuss its objectives.

GROUP - A

OBJECTIVE TYPE QUESTIONS

1. MULTIPLE CHOICE QUESTIONS

In Group A there shall be one question containing 12 bits of multiple choice questions. These questions will be of one mark each and all are compulsory. Students have to choose the correct answer out of the four alternatives given and write the same in serial order at one place of answer book. For the sake of practice unit wise probable model multiple choice questions have been given with answers. However, to allow the student to think and test his/her own knowledge the answer to questions have been given at the end of each unit instead of after the question.

UNIT - I

1. A manager needs to be an effective communicator, a persuasive leader and motivator for attaining success while performing the function of : (CHSE)
 - i) Planning
 - ii) Organising
 - iii) Staffing
 - iv) Directing
2. Of the following functions of management, the one which is regarded as its primary function is : (CHSE)
 - i) Organising function
 - ii) Staffing function
 - iii) Planning function
 - iv) Controlling function
3. The process of management is considered :
 - i) Individual
 - ii) Abnormal
 - iii) Universal
 - iv) Non-universal
4. One of the following which is not an objective of management is : (CHSE)
 - i) Inventions
 - ii) Innovations
 - iii) Co-operation
 - iv) Co-ordination
5. Organising is concerned with : (CHSE)
 - i) Decision making
 - ii) Fixing standards
 - iii) Division of work
 - iv) Corrective action
6. Controlling function is more closely connected with the function of : (CHSE)
 - i) Planning
 - ii) Staffing
 - iii) Organising
 - iv) Co-ordinating
7. The process of selection starts :
 - i) before recruitment
 - ii) during recruitment
 - iii) after recruitment
 - iv) both before and during recruitment
8. The scope of power and authority of a manager expands with upward movement : (CHSE)
 - i) In his salary
 - ii) in his length of service
 - iii) in the number of subordinates under his control
 - iv) in his position in management hierarchy
9. Coordination does not involve : (CHSE)
 - i) Balancing
 - ii) timing
 - iii) decision making
 - iv) integration
10. Management is effected at : (CHSE)
 - i) top level only
 - ii) middle level only
 - iii) lower level only
 - iv) all levels
11. Control is : (CHSE)
 - i) only backward looking
 - ii) forward looking
 - iii) upward looking
 - iv) both backward and forward looking
12. Management is : (CHSE)
 - i) a pure art
 - ii) a pure science
 - iii) neither a pure art nor a pure science
 - iv) partially an art as well as science

13. Understanding the distinction between 'administration' and management is necessary for : (CHSE)
- better conceptual clarity
 - speedy managerial decisions
 - efficient management
 - effective control
14. Managers are placed at the top, middle or lower level primarily on the basis of : (CHSE)
- authority they enjoy
 - qualification they possess
 - salary they get
 - age they have completed
15. Recruitment is a process which means : (CHSE)
- searching candidates for employment
 - eliminating candidates for employment
 - training candidates for skill development
 - evaluating and enriching jobs
16. Out of the following, the one which is not a nature of management is : (CHSE)
- intangible
 - universal
 - social
 - mechanical
17. Development of potential manager is done under : (CHSE)
- planning
 - organising
 - staffing
 - controlling
18. Planning is essentially : (CHSE)
- Backward looking
 - Forward looking
 - Upward looking
 - Backward as well as upward looking
19. Between recruitment and selection activities : (CHSE)
- There is no difference
 - Recruitment activities precedes selection activities
 - Recruitment activities follow selection activities
 - Both are undertaken simultaneously
20. Managers at the top level use maximum of their time in : (CHSE)
- Planning function
 - Organising function
 - Directing function
 - Controlling functions
21. The one which is the essence of management is : (CHSE)
- Planning
 - Organisation
 - Control
 - Co-ordination
22. Management as a science is
- In-exact
 - Exact
 - Pure
 - Hard
23. Which part of human body is compared with management ?
- Stomach
 - Brain
 - Eyes
 - Body
24. Policy formulation is the function of
- top level managers
 - middle level managers
 - operational management
 - all of the above
25. Managerial activities are performed in all types of organisations in all departments and at all levels. Which management character is highlighted here?
- Pervasive
 - Multidimensional
 - Goal Oriented
 - Continuing
26. Which of the following statement is incorrect?
- Management is a goal oriented process
 - Management is a continuous process
 - Management is a tangible force
 - Management is multi-dimensional
27. Which of the following is importance of management?
- Increases efficiency
 - Helps in achieving personal goals
 - Helps in development of society
 - all of the above

28. Social objective of management includes:
- quality products at reasonable price
 - using environment friendly methods of production
 - generation of employment opportunities
 - all of the above
29. Management increases efficiency by
- reducing costs
 - increasing productivity
 - both (i) & (ii)
 - None of the above
30. Skilful and personal application of existing knowledge of a specific discipline to achieve the desired result is
- art
 - profession
 - science
 - none of the above
31. Which of the following is not in function of lower level management?
- Developing a system of co-ordination with other departments
 - Overseeing employees at work
 - Instructing workers regarding work
 - Checking quality of product
32. Management is
- an activity
 - a process
 - a tradition
 - an illusion
33. At what level of management does the Chief Executive Officer operate ?
- Top-level
 - Middle level
 - Lower level
 - None of these
34. To which level of management do the managers of first-line belong ?
- Top-level
 - Middle level
 - Lower level
 - None of these
35. Management is
- a social science
 - a natural science
 - a pure science
 - none of these
36. Planning is
- a mental exercise
 - a physical exercise
 - both mental & physical exercise
 - a psychological exercise
37. Staffing is concerned with
- capital
 - machines
 - employees
 - finance
38. Directing function does not deal with
- leadership
 - communication
 - motivation
 - deviation
39. Managers at lower level spend more time in
- planning
 - organising
 - staffing
 - directing
40. Which of the following statement is correct?
- Planning is a thinking function rather than a doing function.
 - Planning is forward looking function
 - Planning facilitates decision making
 - All of the above.
41. Why planning is called a primary function of management :
- Planning precedes the execution of all other managerial functions.
 - Planning is required at all levels of management and in of all departments of an organisation.
 - Both (a) & (b)
 - None of the above
42. The process of defining and grouping the activities of the enterprise and establishing authority relationship among them is
- planning
 - organising
 - controlling
 - directing
43. Organising helps in brining, about administrative efficiency because :
- it emphasises specialisation which brings effectiveness in management
 - it classifies centres of authority and power and thus results in proper execution of works
 - it provides a clear description of jobs and related duties which result in avoiding duplication of work
 - all of the above

44. Managerial function of filling and keeping filled the positions in the organisation structure is known as
- planning
 - organising
 - staffing
 - directing
45. Staffing does not help in :
- Avoiding rapid advancement of technology
 - Avoiding over manning
 - Avoiding under utilisation of manpower
 - Avoiding high labour cost
46. The process of comparing the actual performance with the standard, finding out the deviation, if any, and taking corrective action is known as.
- planning
 - organising
 - directing
 - controlling
47. A manager is required to make certain assumptions about the future which may be in the form of forecasts. This step in planning is known as
- setting objectives
 - identifying alternative courses of action
 - follow-up action
 - developing premises
48. Which of the following is a characteristic of planning?
- Intellectual exercise
 - Forward looking
 - Flexible
 - All of the above
49. Which of the following describes importance of planning :
- provides direction
 - facilitates decision making
 - provides base for control
 - all of the above
50. Which of the following describes importance of organising function of management?
- Facilitates growth and diversification
 - Reduces wastage of resources putting right people at right place
 - Facilitates both vertical and horizontal communication
 - All of the above
51. Which of the following steps are involved in staffing function of management
- Estimating the manpower requirement of the organisation considering its present and future need.
 - Recruiting, selecting, appointing and providing training
 - Compensating appropriately
 - All of the above
52. Which of the following steps is covered under directing function of management ?
- issuing orders
 - guiding, counselling and teaching subordinates
 - supervising the work of the subordinates to ensure that their work conforms to instructions issued by him
 - all of the above
53. Which of the following describes the importance of directing function of management?
- It initiates action
 - Motivates subordinates
 - Facilitates Co-ordination among them
 - All of the above

ANSWERS**UNIT - I**

1. iv) Directing
2. iii) Planning function
3. iii) Universal
4. i) Inventions
5. iii) Division of work
6. i) Planning
7. iii) after recruitment
8. iv) in his position in management hierarchy
9. iii) decision making
10. iv) all levels
11. iv) both backward and forward looking
12. iv) partially an art as well as science
13. i) better conceptual clarity
14. i) authority they enjoy
15. i) searching candidates for employment
16. iv) mechanical
17. iii) staffing
18. ii) Forward looking
19. ii) Recruitment activities precedes selection activities
20. i) Planning function
21. iv) Co-ordination
22. i) In-exact
23. ii) Brain
24. i) top level managers
25. i) Pervasive
26. iii) Management is a tangible force
27. iv) all of the above
28. iv) all of the above
29. iii) both (i) & (ii)
30. i) art
31. i) Developing a system of co-ordination with other departments
32. ii) a process
33. i) Top-level
34. iii) Lower level
35. i) a social science
36. i) a mental exercise
37. iii) employees
38. iv) deviation
39. iv) directing
40. iv) All of the above.
41. i) Planning precedes the execution of all other managerial functions.
42. ii) organising
43. iv) all of the above
44. iii) staffing
45. i) Avoiding rapid advancement of technology
46. iv) controlling
47. iv) developing premises
48. iv) All of the above
49. iv) all of the above
50. iv) All of the above
51. iv) All of the above
52. iv) all of the above
53. iv) All of the above

MULTIPLE CHOICE QUESTIONS**UNIT - II**

1. The principle of parity of Fayol suggests for balancing of authority with (CHSE)
 - i) responsibility ii) remuneration
 - iii) revenue iv) rotation
2. The type of environment in the country that directly and immediately influences business operation is (CHSE)
 - i) Political environment
 - ii) Social environment
 - iii) Economic environment
 - iv) Natural environment
3. The abbreviation 'LPG' is used for the terms : (CHSE)
 - i) Liberalised Public Grants
 - ii) Liberalisation, Politicalisation, Globalisation
 - iii) Liberalisation, Privatisation, Globalisation
 - iv) Low priced Goods
4. The development of science and technology depends largely on : (CHSE)
 - i) Literacy level ii) Climatic condition
 - iii) Political stability iv) Public support
5. The concept of liberalisation got its vigour from the year : (CHSE)
 - i) 1980 ii) 1991
 - iii) 1999 iv) 2004
6. One of the management functions advocated by Henri Fayol is : (CHSE)
 - i) Commanding ii) Staffing
 - ii) Directing iv) Decision making
7. Principle of scalar chain is connected with the management of : (CHSE)
 - i) money ii) natural
 - iii) machines iv) men
8. The credit for developing the principles of general administration goes to : (CHSE)
 - i) F. W. Taylor ii) P. F. Drucker
 - iii) Henri Fayol iv) G. R. Terry
9. Business environment scanning is done primarily for : (CHSE)
 - i) realistic planning
 - ii) effective control
 - iii) appropriate staffing
 - iv) effective reforms
10. LPG is connected with : (CHSE)
 - i) Economic reforms
 - ii) social reforms
 - iii) political reforms
 - iv) cultural reforms
11. The person who is referred to as the father of scientific management is : (CHSE)
 - i) Henry Fayol
 - ii) F. W. Taylor
 - iii) Louis D. Brandeis
 - iv) Peter F. Dracker
12. The two components of liberalisation are : (CHSE)
 - i) globalisation and nationalisation
 - ii) nationalisation and centralisation
 - iii) centralisation and privatisation
 - iv) privatisation and gloablisation
13. Scientific process of task setting is known as : (CHSE)
 - i) Work study ii) motion study
 - iii) time study iv) fatigue study
14. Fayol concentrated on : (CHSE)
 - i) technical management
 - ii) operational management
 - iii) general management
 - iv) financial management

15. 'Business' and 'Environment' : (CHSE)
 i) have identical meaning
 ii) are totally unrelated to each other
 iii) are interrelated
 iv) are substitutes for each other
16. The principle of scalar chain deals with the : (CHSE)
 i) flow pattern of authority
 ii) layout of mechanics
 iii) processing of products
 iv) flow of supplies to chain stores
17. One of the factor of economic environment is : (CHSE)
 i) family system
 ii) monetary policy
 iii) political parties
 iv) environmental pollution
18. According to Taylor, the number of foremen for planning the work should be : (CHSE)
 i) 2 ii) 4
 iii) 6 iv) 8
19. The basic purpose of division of work, according to Fayol, is to promote : (CHSE)
 i) specialisation ii) order
 iii) centralisation iv) descriptive
20. The main objective of F. W. Taylor is to : (CHSE)
 i) improve labour relation
 ii) improve productivity
 iii) develop theory of management
 iv) fight for workers right
21. Business should be more concerned with the environment which is composed of : (CHSE)
 i) external forces ii) internal forces
 iii) climatic forces iv) military forces
22. The number of foremen according to Taylor : (CHSE)
 i) 4 ii) 6
 iii) 8 iv) 12
23. For better labour-management relationship, 'mental revolution' was suggested as a means of changing their mindset by : (CHSE)
 i) H. Fayol ii) F. W. Taylor
 iii) P. F. Drucker iv) L. Brandeis
24. The full form of FERA is : (CHSE)
 i) Foreign Exchange Reserve Act
 ii) Foreign Exchange Reserve Authority
 iii) Foreign Exchange Regulation Act
 iv) Foreign Exchange Regulation Authority
25. Literacy rate is considered as one of the components of : (CHSE)
 i) Natural Environment
 ii) Social Environment
 iii) Technological Environment
 iv) Political Environment
26. Functional Management Concept was developed by :
 i) Henri Fayol ii) Max Webber
 iii) F. W. Taylor iv) Elton Mayd
27. Taylor focussed his attention on management at the
 i) top level
 ii) middle level
 iii) top and middle level
 iv) lower level
28. F. W. Taylor had started his, career as
 i) apprentice ii) engineer
 iii) manager iv) advisor
29. According to Taylor, planning and doing should be
 i) Combined ii) separated
 iii) flexible iv) rigid
30. Henri Fayol was a/an
 i) French ii) English
 iii) American iv) German

31. In which of the following areas similar opinion has been expressed by both Taylor and Fayol.
- Managerial qualities can be acquired
 - Financial incentive to workers
 - Maximisation of the output of the organisation
 - All of the above
32. Fayol classified business activities into
- Five groups
 - Three groups
 - Six groups
 - Four groups
33. Which of the following is not the Henri Fayol's principle of management?
- Discipline
 - Differential wages
 - Order
 - Initiative
34. In what situation has Fayol permitted the violation of the principle of scalar chain?
- When the employee is extraordinarily capable
 - When there is urgency of communication
 - In all conditions
 - In no situation
35. The number of management principles suggested by Fayol.
- 10
 - 12
 - 14
 - 16
36. What type of centralisation Fayol suggested?
- Little centralisation
 - More centralisation
 - Effective Centralisation
 - No centralisation
37. What did Taylor want to standardise?
- Material
 - Machine and tools
 - Methods
 - All of these
38. What type of revolutionary change is talked about by Taylor
- Green revolution
 - White revolution
 - Mental revolution
 - None of these
39. Scientific management implies:
- Management by scientist
 - application of science to management
 - applications of management to science
 - management for scientists
40. Which of the following is a principle of scientific management ?
- Science not rule of thumb
 - Harmony not discovered
 - Cooperation not individualising
 - All of the above
41. Which of the following is not a technique of scientific management
- Functional Foremanship
 - Scalar Chain
 - Work study
 - Standardisation and simplification of work
42. Time study aims at
- eliminating unnecessary movement to increase work efficiency
 - finding out rest intervals that must be provided to complete job efficiently
 - determining number of workers to be employed for fair days work
 - Finding out the best method of doing a particular job
43. Objective of differential piece wage system is
- Penalising inefficient worker
 - Discriminating between efficient and inefficient workers
 - Motivating the worker towards high productivity
 - All of the above.

44. Conditions in internal environment are:
- Controllable
 - Uncontrollable
 - Flexible
 - Rigid
45. Which of the following is not part of internal environment
- Customer
 - Objectives
 - Policies
 - Organisation Structure
46. Which of the following is included under Macro environment?
- Economic Environment
 - Political Environment
 - Social & legal environment
 - All of the above
47. Which of the following is included under Microenvironment ?
- Customer
 - Supplier
 - Public
 - All of the above
48. External environment implies:
- Which exists outside the business
 - Which is beyond control of the business
 - Which influences the business
 - All of the above
49. Economic environment includes
- Economic system
 - Economic Policies
 - Economic Conditions
 - All of the above
50. Social environment includes
- Family system
 - Literacy level
 - Cultural factors
 - All of the above
51. Political environment includes
- Ideologies of Political parties
 - Type of government
 - Attitude of the government towards business
 - All of the above
52. MNCs stand for :
- Multinational Corporations
 - Multinational Companies
 - Multi Nation Corporations
 - Multi Nation Companies
53. Espirit de corps refers to
- team spirit
 - spirit of co-operation
 - united effort
 - all of the above
54. The principle of order according to Fayol implies
- a place for everyone and every one in his place
 - a proper place for everything and everything in its right place
 - both (i) & (ii)
 - None of the above
55. Gang Plank is related with which principle of management as suggested by Fayol?
- Unity of direction
 - Unity of command
 - Scalar Chain
 - Order

ANSWERS**UNIT - II**

1. i) responsibility
2. iii) Economic environment
3. iii) Liberalisation, Privatisation, Globalisation
4. i) Literacy level
5. ii) 1991
6. i) Commanding
7. iv) men
8. iii) Henri Fayol
9. i) realistic planning
10. i) Economic reforms
11. ii) F. W. Taylor
12. iv) privatisation and globalisation
13. i) Work study
14. iii) general management
15. iii) are interrelated
16. i) flow pattern of authority
17. ii) monetary policy
18. ii) 4
19. i) specialisation
20. ii) improve productivity
21. i) external forces
22. iii) 8
23. ii) F. W. Taylor
24. iii) Foreign Exchange Regulation Act
iv) Foreign Exchange Regulation Authority
25. ii) Social Environment
26. i) Henri Fayol
27. iv) lower level
28. i) apprentice
29. ii) separated
30. i) French
31. iv) All of the above
32. iii) Six groups
33. ii) Differential wages
34. ii) When there is urgency of communication
35. iii) 14
36. ii) More centralisation
37. iv) All of these
38. iii) Mental revolution
39. ii) application of science to management
40. iv) All of the above
41. ii) Scalar Chain
42. iii) determining number of workers to be employed for fair days work
43. iv) All of the above.
44. i) Controllable
45. i) Customer
46. iv) All of the above
47. iv) All of the above
48. iv) All of the above
49. iv) All of the above
50. iv) All of the above
51. iv) All of the above
52. i) Multinational Corporations
53. iv) all of the above
54. iii) both (i) & (ii)
55. iii) Scalar Chain

MULTIPLE CHOICE QUESTIONS**UNIT - III**

1. A marketing concept that is based on the idea that people will purchase more goods and services if aggressive sales techniques are used : (CHSE)
 - i) Marketing Concept
 - ii) Selling Concept
 - iii) Product Concept
 - iv) Production Concept
2. Government issues Treasury Bills for raising : (CHSE)
 - i) short-term fund
 - ii) medium term fund
 - iii) long term fund
 - iv) long &medium term fund
3. SEBI was established in the year : (CHSE)
 - i) 1990 ii) 1991
 - iii) 1992 iv) 1993
4. A market which sells to the final consumer is called : (CHSE)
 - i) Commodity market
 - ii) Spot market
 - iii) Retail market
 - iv) Wholesale market
5. The full form of FMCG is : (CHSE)
 - i) Fast Moving Consumer Goods
 - ii) Fastest Moving Consumer Goods
 - iii) Frequently Moving Consumer Goods
 - iv) First Moved Consumer Goods
6. The market that deals with the issuance of new shares is called : (CHSE)
 - i) Primary market
 - ii) Secondary market
 - iii) Money market
 - iv) Commercial market
7. The only element of marketing mix which earns revenue for the firm is called :
 - i) Product ii) Price
 - iii) Placement iv) Promotion
8. 'Going rate pricing' is a method in which price is fixed : (CHSE)
 - i) above the competitions price
 - ii) below the competitions price
 - iii) at par with the competitions price
 - iv) below the cost
9. An element of promotion mix which intends to increase the volume of sales in short term, is called : (CHSE)
 - i) Advertising ii) Personal Selling
 - iii) Sales Promotion iv) Public Relation
10. Equity share capital is refundable : (CHSE)
 - i) after a fixed period
 - ii) at the desire of the share holders
 - iii) at the time of winding up of the company
 - iv) at the desire of Board of Directors
11. Overdraft facilities are enjoyed by : (CHSE)
 - i) all types of account holders
 - ii) only those having savings accounts
 - iii) only those having current accounts
 - iv) only those having fixed deposits
12. Mass production is an essential feature of : (CHSE)
 - i) product concept
 - ii) production concept
 - iii) selling concept
 - iv) exchange concept
13. Of the following determinants of price, the one that forms the base level of price is : (CHSE)
 - i) demand ii) competition
 - iii) government policies iv) cost

14. Under penetration pricing method, the price is fixed : (CHSE)
- at a lower rate initially which is gradually increased
 - at a higher rate initially which is gradually decreased
 - at a lower rate which remains unchanged
 - at a higher rate which remains unchanged
15. Short term fund is required for : (CHSE)
- one year
 - three years
 - four years
 - seven years
16. The shares on which unpaid dividends accumulate till those are paid, are known as : (CHSE)
- accommodative preference shares
 - accumulative preference shares
 - cumulative preference shares
 - redeemable preference shares
17. Preference shareholders get: (CHSE)
- interest at fixed rate
 - interest at fluctuating rate
 - dividend at fixed rate
 - dividend at fluctuating rate
18. Usually a consumer spend more time while buying : (CHSE)
- convenience goods
 - shopping goods
 - unsought goods
 - speciality goods
19. Which of the following is not a consumer good : (CHSE)
- Soap
 - Jewellery
 - Luxury Car
 - Manufactured Part
20. The 4Ps of marketing mix are : (CHSE)
- people, place, product, promotion
 - product, price, packaging, place
 - product, price, place, promotion
 - product, profit, place, promotion
21. Of the following the one that is not considered as a short term credit is : (CHSE)
- Cash Credit
 - Overdraft
 - Trade Credit
 - Debenture
22. When a company's name acts as a brand, it is known as : (CHSE)
- single branding
 - unitary branding
 - corporate branding
 - conservative branding
23. Mumbai Stock Exchange is a : (CHSE)
- Primary Market
 - Money Market
 - Secondary Market
 - Commodity Market
24. Advertising and personal selling come under : (CHSE)
- Product-mix
 - Price-mix
 - Promotion-mix
 - Placement-mix
25. A branding strategy where a manufacturer uses a single brand name for all his products is known as : (CHSE)
- Individual branding
 - Family branding
 - Middle men branding
 - Local branding
26. A pricing strategy where a new product is sold at a high or premium price, is called : (CHSE)
- going rate pricing
 - what the traffic can bear
 - skimming price
 - penetration price
27. Earning profit through consumer satisfaction is the theme of : (CHSE)
- Selling Concept
 - Marketing Concept
 - Exchange Concept
 - Production Concept

28. The element of promotion mix, that involves face to face interaction with the ultimate consumer is : (CHSE)
- i) Advertising ii) Sales Promotion
 - iii) Publicity iv) Personal Selling
29. Customers always accept products which have innovative features and excellent performance is the basic assumption under : (CHSE)
- i) Production Concept
 - ii) Product Concept
 - iii) Marketing Concept
 - iv) Selling Concept
30. Of the following, the one which is not a component of marketing mix is : (CHSE)
- i) Product ii) Price
 - iii) Profit iv) Place
31. Using two or more brand names for the same product is a type of branding which is called : (CHSE)
- i) Multiple branding
 - ii) Family branding
 - iii) Umbrella branding
 - iv) Corporate branding
32. Labelling is done at the stage of : (CHSE)
- i) Production ii) Pricing
 - iii) Packing iv) Marketing
33. When a manufacturer fixes low price at the initial level to create a market, it is known as : (CHSE)
- i) Penetrating Pricing
 - ii) Skimming Pricing
 - iii) Tender Pricing
 - iv) Mark-up Pricing
34. The participants in financial market comprise of
- i) investors or buyers of securities
 - ii) Sellers of securities
 - iii) Intermediaries and regulatory bodies
 - iv) All of the above
35. Money market instruments include
- i) Treasury bill
 - ii) Inter bank participation certificate
 - iii) Repo instrument
 - iv) All of the above
36. Repo rate implies
- i) The rate at which RBI lends money to Commercial Banks
 - ii) The rate at which Commercial Banks park their excess cash with RBI
 - iii) Both (i) & (ii)
 - iv) None of the above
37. Reverse Repo rate implies
- i) The rate at which RBI lends money to Commercial Banks
 - ii) The rate at which Commercial Banks park their excess cash with RBI
 - iii) Both (i) & (ii)
 - iv) None of the above
38. What is a Hundi?
- i) an instrument of capital market
 - ii) an instrument of unorganised financial market
 - iii) Feminine gender of Hunda
 - iv) None of the above
39. Duration of a treasury bill
- i) 91 days ii) 182 days
 - iii) 364 days iv) All of the above
40. Which of the following is the objective of establishing SEBI
- i) To regulate the activities of stock exchange
 - ii) To protect the rights of investors and ensuring safe investment
 - iii) To register and regulate intermediaries
 - iv) All of the above

41. A market is described as
- a place where buying and selling of commodities take place
 - an activity of buying and selling
 - desire accompanied by ability to purchase goods
 - All of the above
42. What is a spot market ?
- where purchase and the delivery of product take place immediately
 - where transactions are finalised pending delivery of goods and payment of price
 - both (i) & (ii)
 - None of the above
43. What is a future market
- where purchase and the delivery of product take place immediately
 - where transactions are finalised pending delivery of goods and payment of price
 - both (i) & (ii)
 - None of the above
44. A market where goods are purchased in bulk quantity and sold to retailers in small quantity
- Retail market
 - Wholesale market
 - Regional market
 - National market
45. Marketing concept where preservation and enhancement of society's long term interest is taken care of:
- Product concept
 - Exchange concept
 - Societal marketing concept
 - Marketing concept
46. A 'non-profit' marketing concept intended to propagate a socially relevant cause like 'save forest', 'preserve water and energy' etc.
- Exchange concept
 - Societal marketing concept
 - Social marketing concept
 - none of the above
47. A bundle of utilities or satisfaction is known as:
- Purchaser
 - Seller
 - product
 - Market
48. Product mix length implies:
- Total number of items in a product line
 - Total number of items in all the product lines of the product mix
 - Both (i) & (ii)
 - None of the above
49. Product mix width (breadth) implies
- Total number of items in a product line
 - Total number of product lines in a product mix
 - Total number of items in the product mix
 - None of the above
50. Packaging implies
- Wrapping a commodity to make it suitable for transporting, storing and handling
 - A silent sales man
 - Both (i) & (ii)
 - None of the above
51. Objective of packaging includes
- Product identification
 - Product protection
 - Product promotion
 - All the above
52. Product identification is the objective of
- Branding
 - Labelling
 - Packaging
 - all the above
53. Point of purchase promotion is made by
- Branding
 - Labelling
 - Packaging
 - Advertising
54. Price refers to value of goods or services for
- Buyer
 - Seller
 - Both buyer and seller
 - None of the above

55. Pricing at an affordable rate to enable the common masses to get the benefit of such products is
- Customer demand pricing
 - Social and ethical pricing
 - Competitive pricing
 - None of the above
56. The basic objectives of promotion includes
- Creating awareness and interest in company's product
 - Influencing the purchase decision process of the consumer in favour of the company's product
 - Retaining the existing customers and remind them about their continuing presence in the market
 - All the above
57. Which of the following is not a feature of advertisement
- It is a paid form of communication
 - It is effected through personal communication
 - It aims at a target market
 - It is done through an identified sponsor
58. Free samples, gifts, coupons, rebates etc., are included under
- Dealer promotion
 - Sales force promotion
 - Consumer promotion
 - none of these
59. Trade allowances, push money, off-invoice allowance etc. Are included under
- Dealer promotion
 - Sales force promotion
 - Consumer promotion
 - none of these
60. Bonus, Commission to sales people and sales contest among them are included under
- Dealer promotion
 - Sales force promotion
 - Consumer promotion
 - none of these
61. The extent of commonality among different product lines in the product mix is called
- Length
 - Width
 - Depth
 - Consistency
62. The goods purchased as a routine manner with little planning relate to :
- Shopping goods
 - Staple goods
 - Speciality goods
 - None of the above
63. Perishable products require
- A longer channel
 - A shorter and direct channel
 - A medium level channel
 - None of the above
64. The image building activities undertaken by a company with a purpose of winning support of customers come under
- Personal selling
 - Advertising
 - Sales promotion
 - Public relation
65. Prospecting, Pre-approach, Approach, Demonstration and presentation, overcoming the objections and closing the sale are the steps involved in :
- Advertising
 - Personal Selling
 - Sales Promotion
 - Public relation

ANSWERS**UNIT - III**

1. ii) Selling Concept
2. i) short-term fund
3. iii) 1992
4. iii) Retail market
5. i) Fast Moving Consumer Goods
6. i) Primary market
7. ii) Price
8. iii) at par with the competitions price
9. iii) Sales Promotion
10. iii) at the time of winding up of the company
11. iii) only those having current accounts
12. ii) production concept
13. iv) cost
14. i) at a lower rate initially which is gradually increased
15. i) one year
16. iii) cumulative preference shares
17. iii) dividend at fixed rate
18. ii) shopping goods
19. iv) Manufactured Part
20. iii) product, price, place, promotion
21. iv) Debenture
22. iii) corporate branding
23. iii) Secondary Market
24. iii) Promotion-mix
25. ii) Family branding
26. iii) skimming price
27. ii) Marketing Concept
28. iv) Personal Selling
29. ii) Product Concept
30. iii) Profit
31. i) Multiple branding
32. iii) Packing
33. i) Penetrating Pricing
34. iv) All of the above
35. iv) All of the above
36. i) The rate at which RBI lends money to Commercial Banks
37. ii) The rate at which Commercial Banks park their excess cash with RBI
38. ii) an instrument of unorganised financial market
39. iv) All of the above
40. iv) All of the above
41. iv) All of the above
42. i) where purchase and the delivery of product take place immediately
43. ii) where transactions are finalised pending delivery of goods and payment of price
44. ii) Wholesale market
45. iii) Societal marketing concept
46. iii) Social marketing concept
47. iii) product
48. ii) Total number of items in all the product lines of the product mix
49. ii) Total number of product lines in a product mix
50. iii) Both (i) & (ii)
51. iv) All the above
52. iv) all the above
53. iii) Packaging
54. iii) Both buyer and seller
55. ii) Social and ethical pricing
56. iv) All the above
57. ii) It is effected through personal communication
58. iii) Consumer promotion
59. i) Dealer promotion
60. ii) Sales force promotion
61. iv) Consistency
62. ii) Staple goods
63. ii) A shorter and direct channel
64. iv) Public relation
65. ii) Personal Selling

MULTIPLE CHOICE QUESTIONS**UNIT - IV**

1. Complaint contains allegations against : (CHSE)
 - i) National Commission
 - ii) State Commission
 - iii) District Forum
 - iv) Selling Agencies
2. Consumer Protection Act was passed in the year : (CHSE)
 - i) 1984
 - ii) 1985
 - iii) 1986
 - iv) 1987
3. COPRA stands for
 - i) Consumer Offence Prevention Act
 - ii) Consumer Protection Act
 - iii) Consumer Oppressive Practices Restriction Act
 - iv) None of the above
4. Who is a Consumer according to Consumer Protection Act
 - i) All buyers of goods or services
 - ii) Who buys goods or services for own use for a consideration
 - iii) Who buys goods or hires services for commercial purposes
 - iv) Who buys goods for resale
5. A marketer tears the label from the product before selling it to customer. Which right of the consumer is being violated?
 - i) Right to Choose
 - ii) Right to be informed
 - iii) Right to consumer education
 - iv) Right to be heard
6. A marketer shows only a few varieties of a product to the customer without showing all. Which right of the consumer is being violated?
 - i) Right to Choose
 - ii) Right to be informed
 - iii) Right to consumer education
 - iv) Right to be heard
7. Who is not a consumer according to COPRA
 - i) A person who has not paid entire price of the goods
 - ii) Family members who use the goods with the permission of the buyer
 - iii) Purchaser who purchases to resell
 - iv) Purchaser of a car who uses it as a taxi but drives himself
8. COPRA makes consumers aware of their rights under
 - i) Right to Choose
 - ii) Right to be informed
 - iii) Right to consumer education
 - iv) Right to be heard
9. An aggrieved consumer can apply to the state commission if the value of goods and services in question along with compensation is
 - i) Less than Rs. 20 lakhs
 - ii) More than Rs. 1 lakh
 - iii) More than Rs. 20 lakhs
 - iv) More than Rs.20 lakhs but within Rs.1 crore
10. Under which situation a complaint can be disallowed
 - i) Complaint is of general nature and consumers are not identified
 - ii) Complaint by an unregistered association
 - iii) Complaint filed after expiry of limitation period
 - iv) All the above
11. Frivolous and Vexatious complaints refer to
 - i) Silly complaint having no useful or serious purpose
 - ii) Where no court fees required
 - iii) Where there is no need to engage the services of a lawyer
 - iv) None of the above

12. Consumer Protection Act was passed in the year
 i) 1984 ii) 1985
 iii) 1986 iv) 1987
13. COPRA came into force in April
 i) 1984 ii) 1985
 iii) 1986 iv) 1987
14. As per UNO resolution 1985, the number of areas identified where protection was needed for consumers
 i) 05 ii) 06
 iii) 07 iv) 08
15. COPRA extends to whole of India except
 i) Odisha ii) Jamu & Kashmir
 iii) Manipur iv) Nagaland
16. Prime objective of COPRA is to
 i) Promote consumer interest
 ii) Protect consumer interest
 iii) Promote and protect consumer interest
 iv) Promote traders' interest.
17. Consumer Councils are
 i) Advisory bodies
 ii) Executive bodies
 iii) Policy making bodies
 iv) Penalty imposing bodies
18. Central consumer protection council is formed by
 i) State Governments
 ii) International agency
 iii) Central Government
 iv) Supreme Court
19. The chairman of central consumer protection council is
 i) Chief Justice of Supreme Court
 ii) President of India
 iii) Prime Minister
 iv) Central Minister
20. Meeting of state consumer protection council is held at least
 i) Once a year ii) Twice a year
 iii) Thrice a year iv) Four times a year
21. The full form of NGO
 i) New Government Organisation
 ii) National Government Organisation
 iii) Non Government Organisation
 iv) Noble Government Organisation
22. Through consumer awareness programme the consumers are made aware of their
 i) Rights only
 ii) Responsibilities only
 iii) Both rights and responsibilities
 iv) None of the above

ANSWERS

UNIT - IV

1. iv) Selling Agencies
2. iii) 1986
3. ii) Consumer Protection Act
4. ii) Who buys goods or services for own use for a consideration
5. ii) Right to be informed
 iii) Right to consumer education
 iv) Right to be heard
6. i) Right to Choose
7. iii) Purchaser who purchases to resell
8. iii) Right to consumer education
9. iv) More than Rs.20 lakhs but within Rs.1 crore
10. iv) All the above
11. i) Silly complaint having no useful or serious purpose
12. iii) 1986
13. iv) 1987
14. iii) 07
15. ii) Jamu & Kashmir
16. iii) Promote and protect consumer interest
17. i) Advisory bodies
18. iii) Central Government
19. iv) Central Minister
20. ii) Twice a year
21. iii) Non Government Organisation
22. iii) Both rights and responsibilities

2. Answering questions as per instructions given under each part.

Under this question there shall be 4 parts. Specific instructions to answer the question shall be given in each part. The instructions will be as follows:

- A. Express each of the following in one word/term
- B. Correct the underlined portion
- C. Fill in the blanks
- D. Answer in one sentence.

There shall be two to four questions under each part totalling twelve in all under this question. Each question shall be of one mark. For the practice of students, unit wise questions with answers have been given for each part. Answers to part A, B & C are given at the end of the respective parts.

A. Express each of the following in one word/term.

UNIT - I

- | | |
|---|---|
| <ol style="list-style-type: none"> 1. The act of getting things done through and with the people. (CHSE) 2. Occupation in which knowledge skill and code of conduct are essential ingredients. (CHSE) 3. A managerial function that precedes it's all other functions. (CHSE) 4. The right to give command and exact obedience. (CHSE) 5. A forward looking managerial function. (CHSE) 6. A body of knowledge which draws ideas and concepts from various disciplines 7. A systematized body of knowledge 8. Which cannot be seen and touched 9. Which involves selecting the most appropriate alternative out of several 10. Completing a job in cost effective manner 11. Completing a job in right time 12. The number of subordinates that can effectively be managed by a superior 13. Obligation of a subordinate to carry out assigned activities to the best of his ability | <ol style="list-style-type: none"> 14. Managerial function of Filling and Keeping filled the positions in the organisation structure 15. Managerial function of instructing, guiding and inspiring people in the organisation to achieve its objectives 16. Sharing information to reach a common understanding 17. Management function of comparing actual performance with laid down standards, finding out deviation for taking corrective action 18. The managerial function which involves thinking before doing 19. The managerial function of identifying and grouping of activities |
|---|---|

UNIT - II

1. The policy of the government that deals with the tax structure and its collection. (CHSE)
2. The policy that regulates the amount of currency and credit in the country. (CHSE)
3. The environment that exists within the premises of the business entity. (CHSE)
4. The study through which the appropriate rest interval after work is found out. (CHSE)

5. The integration of the country with world economy. (CHSE)
6. The body of knowledge which are evolved with ideas and thoughts contributed by practitioners of management. (CHSE)
7. A study which helps in eliminating or reducing wasteful body movement of workers. (CHSE)
8. The environment which presents a total picture on all population related vital statistics. (CHSE)
9. The overall surrounding under which an enterprise operates.
10. The environment which exists outside the business and on which the business has no control.
11. The external environment which are closely related to business and influence each business unit differently.
12. The external environment which have distant relation with business and influence all business units almost in the same way.
13. The business environment which comprises of economic system, economic policies and economic conditions of the country.
14. The business environment which comprises of political system, political parties, government system and international relations.
15. The business environment which comprises of all the characteristic of society and culture.
16. The business environment which relates to regulatory and legal provisions.
17. The process of unshackling the economy from bureaucratic cobweb to make it more competitive.
18. The process through which some public sector undertakings are brought either partially or completely under private ownership.
19. The economy in which both public and private sector exist.
20. Study to determine the standard time taken by an average worker to perform a well-defined job.
21. Study to find out the extent and frequency of rest intervals that must be provided to a worker in completing a job efficiently.
22. The principle that a subordinate should have one superior from whom he should receive orders and to whom he should be accountable
23. The principle that activities having a common goal must have one head and one plan
24. The principle that relates to chain of authority that runs from top to bottom and line of communication to be followed by superiors and the subordinates under normal situations.

UNIT - III

1. The market that deals in old securities only. (CHSE)
2. The regulatory body for the securities market in India. (CHSE)
3. A marketing concept which propagates a social cause. (CHSE)
4. The process of providing all product-related information on the body of the product or on their wrappers or container for the benefit of consumers. (CHSE)
5. The document a company issues acknowledging debt from the public. (CHSE)

6. A marketing concept based on mass production and mass distribution (CHSE)
7. A reward offered by a company for frequent and regular use of its product. (CHSE)
8. The market which provides medium term loans and funds to business. (CHSE)
9. The small equal part of the total capital of a company
10. A money market instrument issued by eligible large corporations with minimum face value of Rs.5,00,000/- and backed by an issuing bank or company with a promise to pay the face value on date of maturity specified on the note.
11. The process of ensuring sale of new securities through a syndicate of securities dealers.
12. The market where a company sells its new securities directly to the investors.
13. The difference between the face value and the issue price of the treasury bill.
14. The concept of marketing which emphasises on consumer satisfaction.
15. The concept of marketing which emphasises on quality of product
16. The concept of marketing which emphasises on aggressive selling.
17. Classifying product on the basis of quality & size etc.
18. Packing that is made at manufacturing level.
19. Flying Balloons and Kites with suggestive message and illustrative pictures to catch the eyes of masses.
20. A person with advertising boards hanging from the shoulders.
21. Products meant to be used as raw materials for further production.
22. The other name of Secondary Market
23. The market which channelizes saving into most productive use.

UNIT - IV

1. The legal institutions created under the Consumer Protection Act to redress grievances of consumers at District level. (CHSE)
2. The legal institutions created under the COPRA to redress the grievances at state level.
3. the COPRA to redress the grievances at Central level.
4. The statutory body created to promote and protect the interest of consumers District level.
5. The statutory body created to promote and protect the interest of consumers State level.
6. The statutory body created to promote and protect the interest of consumers Central level.

ANSWERS**UNIT - I**

1. Management
2. Profession
3. Planning
4. Authority
5. Planning
6. Multi-disciplinary
7. Science
8. Intangible
9. Decision making
10. Efficiency
11. Effectiveness
12. Span of Control/Supervision
13. Responsibility
14. Staffing
15. Directing
16. Communication
17. Controlling
18. Planning
19. Organising

UNIT - II

1. Fiscal Policy
2. Monetary Policy
3. Internal Environment
4. Fatigue Study
5. Globalisation
6. Principles of Management
7. Motion Study
8. Social Environment
9. Business Environment
10. External Environment
11. Micro Environment
12. Macro Environment
13. Economic Environment
14. Political Environment
15. Social Cultural Environment
16. Legal Environment
17. Liberalisation

18. Privatisation
19. Mixed Economy
20. Time Study
21. Fatigue Study
22. Unity of Command
23. Unity of Direction
24. Scalar Chain

UNIT - III

1. Secondary Market
2. SEBI
3. Social Marketing
4. Labelling
5. Debenture
6. Production Concept
7. Loyalty Incentive
8. Capital Market
9. Share
10. Commercial Paper
11. Underwriting
12. Primary Market
13. Discount
14. Marketing Concept
15. Product Concept
16. Selling Concept
17. Grading
18. Primary Packages
19. Skywriting
20. Sandwichman
21. Industrial Products
22. Stock Exchange
23. Financial Market

UNIT - IV

1. District Forum
2. State Commission
3. National Commission
4. District Consumer Protection Council
5. State Consumer Protection Council
6. Central Consumer Protection Council

B. Correct the underlined portion**UNIT - I**

1. Planning function is more closely related with staffing function. (CHSE)
2. Planning comes under the operative functions of management. (CHSE)
3. There must be suitable codes of conduct in management. (CHSE)
4. Planning is the process of identifying and grouping of activities, assigning task and delegating authority. (CHSE)
5. Authority is the obligation to perform the assigned task. (CHSE)
6. Managers at the top level spend their maximum time in organising activities. (CHSE)
7. Management is static by nature.
8. Management is considered to be science because it is concerned with application of knowledge
9. Administration means getting the work done through and with others.
10. Administration is mainly a function of lower level authority
11. Management is considered to be the oldest science and youngest art
12. Management is a single time activity.
13. Management is a visible force.
14. First line managers imply top level management.
15. Most of the policy decisions are taken at middle level management.
16. Departmental manager is part of top management.
17. Managers follow code of conduct decided by Management Association.

UNIT - II

1. The concept of functional management is the contribution of Taylor. (CHSE)
2. The principle of unity of command emphasizes the importance of specialisation through division of work. (CHSE)
3. Stopwatch is used in motion study. (CHSE)
4. Fayol suggested the need for mental revolution for better management. (CHSE)
5. P. F. Drucker is regarded as the father of general management. (CHSE)
6. Culture is considered as one of the components of political environment (CHSE)
7. Business environment poses only threats for the business.
8. Business environment is static.
9. Economic environmental consists of income distribution, literacy level and demographic factors etc.
10. New economic policy was implemented in the year 1995.
11. I should be replaced with 'we'. The statement indicates principle of order advocated by Fayol.
12. 'Scientific task setting' is a technique advocated by Fayol.
13. Mental revolution is a technique of scientific management

UNIT - III

1. In family branding, companies use different brand names for different production. (CHSE)
2. Mass distribution is an essential feature of product concept. (CHSE)
3. Advertising is a paid form of personal communication. (CHSE)

4. Under discriminating pricing strategy, a very high price is set initially and reduced later on. (CHSE)
5. The retail market normally deals in bulk purchases from the producers. (CHSE)
6. Treasury Bills are issued by corporate houses for procuring short-term funds. (CHSE)
7. Capital market deals in lending and borrowings for short and very short period purposes. (CHSE)
8. Earning profit through consumer satisfaction is the central theme of product concept. (CHSE)
9. Money market and capital market are two branches of stock exchange.
10. The number of variants of the same product offered by a company indicates product mix.
11. Primary channel ensures early and smooth way of transmission of goods and services.
12. Gathering and analysing market information is known as sales promotion.
13. Selling a product at a price lower than its original price is known as brokerage.
14. Pre Approach is the first step in personal selling.
15. Product assortment is also called as sales promotion.
16. Product, profit, place and promotion are the four element of marketing mix.
17. The term marketing is derived from the word marcatus.

UNIT - IV

1. To be a consumer under COPRA it is necessary that the consideration for or purchase of goods services should be paid at once.
2. COPRA was passed in the year 1987.
3. Mr. Ralf Nadar is a political activist.
4. If father takes his son to a doctor for treatment, father is the beneficiary.
5. If father takes his son to a doctor for treatment, only father is the consumer.
6. It is the responsibility of the consumer to make higher claims against the loss they suffered.
7. Complain has to be filed within one year from the date of cause of action.

ANSWERS**UNIT - I**

1. Controlling
2. Administrative
3. Profession
4. Organising
5. Responsibility
6. Planning
7. Dynamic
8. Art
9. Management
10. Top level
11. Art, Science
12. Continuous Process
13. Intangible
14. Lower level
15. Top
16. Middle
17. Do not follow
18. Continuous

UNIT - II

1. Henri Fayol
2. Division of Work
3. Time
4. Taylor
5. Henri Fayol
6. Social Cultural
7. Threats and Opportunities
8. Dynamic
9. Social Cultural
10. 1991
11. Esprit de Corps
12. Taylor

13. Principle

UNIT - III

1. Individual
2. Production
3. Non-personal
4. Skimming
5. Wholesale Market
6. Govt. through RBI
7. Money Market
8. Marketing
9. Financial market
10. Depth
11. Distribution
12. Market research
13. Rebate
14. Prospecting
15. Product Mix
16. Price
17. Market

UNIT - IV

1. It is not necessary
2. 1986
3. Consumer
4. Son
5. Both father and son
6. Proper
7. Two

C. Fill in the blanks**UNIT - I**

1. Management is situational because there is no _____ best way of doing thing. (CHSE)
2. Controlling is _____ oriented. (CHSE)
3. Management is a/an _____ science. (CHSE)
4. There should be parity between authority and _____. (CHSE)
5. Planning looks _____. (CHSE)
6. Management is _____ disciplinary by nature. (CHSE)
7. _____ is said to be the essence of management. (CHSE)
8. Management is a _____ Science.
9. According to Oliver Sheldon Administration is _____ Management.
10. According to Henri Fayol Administration and Management are _____.
11. European Management experts like Kimbal & Kimbal opine that Administration is _____ Management.
12. Workers are included at _____ level.
13. Another name of supervisory management is _____ level management.
14. Leadership and motivation are two important elements of _____ function of management.
15. Planning is goal oriented whereas controlling is _____ oriented.
16. Organising is the process of _____ and grouping of identical activities.
17. Delegation of authority is an element of _____ function of management.
18. Management as a dynamic function refers to a _____ process.

UNIT - II

1. _____ is conceived as a global village. (CHSE)
2. Everything that reduces the role of subordinates is called _____. (CHSE)
3. The principle of spirit of loyalty and devotion to the group to which one belong in termed as _____ by Fayol. (CHSE)
4. According to Taylor, planning function should be separated from _____ functions. (CHSE)
5. Micro environment affects the firms of an industry _____.
6. Generally, by business environment we mean _____ environment.
7. The tax revenue and public expenditure come under _____ policy of government.
8. Money supply in the economy and interest rate regulation come under _____ policy.
9. _____ formulates and implements monetary policy in India.
10. Planned disinvestments in the public sector is a feature of _____.
11. Handing over loss making and sick enterprises to BIFR is a feature of _____.
12. Free movement of capital, labour, goods and services among the different countries are features of _____.
13. Abolition of Industrial licensing is a feature of _____.
14. Scientific improvement and innovation are the two factors included in _____ environment.
15. As a principle of scientific management, Taylor suggested for replacement of _____ by scientific way of doing things.

UNIT - III

1. Direct channel is also called _____ level channel. (CHSE)
2. 'Same product but different prices' is the principle under _____ Pricing method. (CHSE)
3. Under _____ concept the marketer displays a concern for society's wellbeing while earning profit. (CHSE)
4. Securities prices are determined by _____ forces. (CHSE)
5. RBI regulates the circulation of money and credit through _____ policy from time to time. (CHSE)
6. _____ helps consumers in getting all product related information. (CHSE)
7. _____ is determined by supply and demand of goods and services.
8. The word market is derived from the Latin word _____.
9. The desire to buy staple goods may cause to go for shopping but the desire to buy _____ goods is a result of shopping.
10. Marketing is _____ oriented activity.
11. _____ help in preventing false claim about a product by the manufacturer.
12. _____ stands for exchange value of the product.
13. _____ channel of distribution is oldest, shortest and simplest.
14. _____ of promotion mix results in immediate sales.
15. Samples, coupons, free gifts etc., are included under _____ sales promotion.
16. Gaining goodwill in the market is one of the _____ of marketing management.
17. Product promotion is one of the _____ of packaging.

UNIT - IV

1. The President and other members of the District forum are appointed by the _____ government. (CHSE)
2. According to COPRA a complaint cannot be admitted unless it is filed within _____ years from the date on which the cause of action has arisen.
3. COPRA came into force in the month of _____ 1987.
4. For protection of consumers' interest Government promulgated _____ Act in the year 1986.
5. To seek redressal under COPRA, one has to be a _____ first.
6. _____ is the Chairman of District Consumer protection Council.
7. There are _____ levels of consumer protection councils.
8. Membership of central consumer protection council shall not exceed _____.
9. The State Government sets up a District Consumer Protection Council for every District as per Consumer protection (Amendment) Act _____.
10. Consumer awareness means understanding by a consumer of his _____ with regard to product or service.
11. _____ work to protect and preserve the rights of consumers.
12. The first consumer association set up in India was _____.

ANSWERS**UNIT - I**

1. one
2. goal
3. in exact
4. responsibility
5. forward
6. multi
7. co-ordination
8. social
9. above
10. same
11. part of
12. non-managerial
13. lower
14. directing
15. action
16. identifying
17. organising

UNIT - II

1. world
2. centralisation
3. Esprit de Corps
4. execution
5. separately
6. external
7. fiscal
8. monetary
9. RBI
10. privatisation
11. privatisation
12. globalisation
13. liberalisation
14. technological
15. rule of thumb

UNIT - III

1. zero
2. discriminating
3. societal marketing
4. market
5. monetary
6. advertising
7. price
8. marcatus
9. impulse
10. consumer
11. labelling
12. price
13. direct
14. personal selling
15. consumer
16. objectives
17. functions

UNIT - IV

1. State
2. Two
3. April
4. Consumer Protection
5. Consumer
6. Collector
7. Three
8. 150
9. 2002
10. Rights and responsibilities
11. Consumer Organisations
12. Indian Association of Consumers

D. Answer each of the following in one sentence**UNIT - I**

1. What is meant by structured interview. (CHSE)
2. In what name is training provided under real work-setting ?
3. Which function of management in forward looking ? (CHSE)
4. In what other name is the right to command known? (CHSE)
5. State any two objectives of management. (CHSE)
6. Explain management as a social process. (CHSE)
7. How many basic steps are there in controlling? (CHSE)
8. What are the elements of directing function? (CHSE)
9. Clarify the term efficiency and effectiveness in management.
10. Why is it said management is all pervasive?
11. Why is it said that management is goal oriented?
12. Why is management called group activity ?
13. "Management creates a dynamic organisation", How ?
14. "Management also takes care of personal objectives while focussing on attainment of overall objective of the business". What does it imply ?
15. 'Anything minus management is nothing'. What does it imply ?
16. What is meant by levels of management ?
17. What is top management ?
18. What is lower level management ?
19. What is administrative management ?
20. What is operational management ?
21. Explain 'MOST'.
22. What do you mean by communication?
23. What do you mean by motivation?
24. What is division of labour ?
25. What is span of supervision ?
26. What is planning ?
27. What is organising ?
28. What is staffing ?
29. What is Directing ?
30. What is controlling ?

UNIT - II

1. What does the principle of unity of command suggest? (CHSE)
2. What is meant by business environment? (CHSE)
3. What does principle of parity advocated by Fayol suggest? (CHSE)
4. What is the work of a gang boss in the process of scientific management ? (CHSE)
5. What is micro environment? (CHSE)
6. What is basic objective of work study? (CHSE)
7. What does scalar chain indicate? (CHSE)
8. Name the two parts in which external business environment is divided.

9. Name the two broad divisions of the business environment.
10. Write the full form of BIFR.
11. What do you mean by liberalisation?
12. What do you mean by privatisation?
13. Which policy moved India in the path of globalisation?
14. Give full form of FIPB.
15. What is meant by market orientation?
16. What is included in Technological Environment of business?
17. "The understanding of Business Environment enables the firm to identify opportunities". What is meant by opportunities here?
18. "The understanding of business environment helps the manager to identify threats". What is meant by threats here?
19. Give the title of the publication of Fayol's work on general management which was published in French in 1916.
20. What observation has Fayol made on grooming of managers which holds true even now ?
21. Who was the first person to identify the managerial functions of planning, organising, commanding, coordinating and controlling ?
5. What is meant by new issue market? (CHSE)
6. How is pricing done under skimming pricing policy? (CHSE)
7. What is trade credit? (CHSE)
8. Classify finance on the basis of period. (CHSE)
9. What is meant by branding? (CHSE)
10. How do products move under 'Zero-level Channel'? (CHSE)
11. What is a debenture? (CHSE)
12. What is a label? (CHSE)
13. Why is a preference share so called? (CHSE)
14. Explain the 'societal marketing concept'. (CHSE)
15. What are the two basic types of shares issued by a company? (CHSE)
16. IPO Stands for
17. What is the basic difference between Primary and Secondary market?
18. Which element of promotion mix pin points the specific customers?
19. Exchange offer relates to which kind of sales promotion?
20. What is P.O.P. display.
21. What is market?
22. What is marketing?
23. Who is customer?
24. Who is a marketer?
25. What is marketing management?
26. What is a product?
27. What is packing?
28. What are packages?

UNIT - III

1. What is meant by stock exchange ? (CHSE)
2. What is product mix ? (CHSE)
3. Give the full form of SEBI. (CHSE)
4. What are the 4Ps, of marketing? (CHSE)

UNIT - IV

29. What is packaging?
 30. What do you mean by industrial products?
 31. What are consumer products?
 32. What do you mean by unsought goods?
 33. What is price?
 34. What is a direct channel or zero level channel?
 35. What is a two-level channel?
 36. What is a three-level channel?
 37. State the meaning of product identification function of packaging.
 38. What do you mean by Brand?
 39. What is Brand Name?
 40. What is a Brand Mark?
 41. What is Trade Mark?
 42. What is meant by Price Mix?
 43. What is promotion mix?
 44. What are the elements of promotion mix?
 45. What is meant by place mix?
 46. What is physical distribution?
 47. Explain public relation as an element of promotion mix.
1. "Consumer under COPRA does not include persons who obtain goods for commercial purposes only". What do you mean by 'commercial purposes' here ?
 2. In which case a person purchasing an asset for commercial purpose also treated as a consumer under COPRA ?
 3. What do you mean by consumers' right to protection against hazardous goods ?
 4. What do you mean by consumers' right to information ?
 5. What do you mean by consumers' right to access ?
 6. What do you mean by consumers' right to be heard?
 7. What do you mean by consumers' right to seek redressal?
 8. What do you mean by consumers' right to education?
 9. Who is a complainant?
 10. What are Consumer Protection Councils?
 11. How many levels of Consumer Protection Councils are there and what are they?

ANSWERS**UNIT - I**

1. The interview which is systematically planned in advance as regards the type of information to be sought and time allotted for it etc.
2. Such type of training is known as on the job training.
3. Planning function of management is forward looking.
4. The other name of right to command is authority.
5. The two objectives of management are securing maximum result with minimum effort and maximising returns for owners and employees.
6. Management is a social process in the sense that it operates through the people managing relation among them and for the people by satisfying needs of various stake holders such as shareholders, workers, consumers and above all the government.
7. Basic steps in controlling are setting standards of performance, measurement of actual performance, comparing actual performance with the standard, analysing deviation and taking corrective action.
8. The four basic elements of directing are communication of orders and instructions, persuasive leadership, proper monitoring and supervision and proper motivation.
9. Efficiency refers to doing the job in cost effective manner whereas effectiveness refers to completing the job on time, no matter whatever the cost.
10. It is so because it is practiced at all levels of management, at all departments, in all business, in all spheres and in all countries.
11. Management is said to be goal oriented as it directs all its efforts in attaining the objective of the organisation.
12. It is so because it is the co-ordinated effort of a group of persons to attain the goal of the business.
13. It is so because, management creates an organisation which is capable of facing the ever-changing challenges of the business environment.
14. The interests of employees are not overlooked in the process of directing their efforts to achieve organisational objectives.
15. Any activity, business or non-business, cannot achieve the objective without proper management.
16. It indicates the series of managerial positions from top to bottom arranged in terms of authority they enjoy.
17. The Top-level Management consists of owners, shareholders, Board of Directors, Chief Executive Officer like Managing Director, the General Manager etc.
18. This is the lowest level of management in an organisation consisting of Superintendents, supervisors, foremen etc.
19. It is higher level of management concerned with thinking function like policy determination and planning.

UNIT - II

20. It is lower level of management concerned with use of men, machine materials and money in execution and implementation of plans and policies.
 21. It stands for Mission, Objectives, Strategies and Tactics usually formulated by top management.
 22. It is the act of sharing or exchanging information, ideas or feelings.
 23. It relates to psychological factors stimulating the behaviour of the people.
 24. It refers to dividing the work into tasks and assigning each task to an individual worker.
 25. It is also span of management or control which refers to the number of subordinates a superior can supervise, manage or control effectively.
 26. Planning is deciding in advance what needs to be done in the future.
 27. Organising is the process of defining and grouping of activities of the enterprise and establishing authority relationships among them.
 28. Staffing is a managerial function of filling and keeping filled the positions in the organisation structure.
 29. It is the managerial function concerned with instructing, guiding, supervising and motivating the employees to work efficiently and effectively in order to achieve organisational objectives.
 30. Controlling is the process of comparing the actual performance with the standards, finding out deviations, if any, and taking corrective action.
1. Every employee should have only one superior (boss) to whom he shall be accountable for the orders received from him.
 2. The business environment consists of all those external things to which business is exposed and by which it may be influenced directly or indirectly.
 3. There should be a balance between authority and responsibility.
 4. The work of gang boss is to assemble tools and equipments before the actual operation.
 5. The situation that prevails just outside of business premises but very close to it and immediately and directly affects it is known as micro environment. For example customers, suppliers, competitors, public, market intermediaries, workers etc.
 6. It is study of an activity with an objective to remove inefficiency and find out one best way of performing it.
 7. Scalar chain represents hierarchy of authority and indicates the flow pattern of authority from top to the bottom.
 8. Micro & Macro environment are the two divisions of external environment of business.
 9. Internal and external business environment.
 10. BIFR stands for Board for Industrial and Financial Reconstruction.
 11. It means reduction in government control and restrictions.
 12. Privatisation refers to process of reducing the role of public sector and increasing that of private sector in the nation building process.

13. Industrial Policy 1991
14. Foreign Investment Promotion Board
15. Producing goods after analysing market needs.
16. Technological environment includes forces relating to scientific improvements and innovations which provide new methods and techniques.
17. Opportunities refer to the positive external trends of changes that will help a firm to improve performance.
18. Threats refer to external environmental changes that will hinder a firm's performance.
19. 'General and Industrial Management'.
20. "Managers are made not born".
21. Henri Fayol.
7. Trade credit is the credit extended by one trader to another when the goods and services are bought on credit.
8. On the basis of period finance is classified in to three types such as short-term finance, median-term finance and long-term finance.
9. Branding is a tool used by the marketers to distinguish their product from the products of competitors' by assigning a name, term, symbol, design or a combination of it to their product.
10. Here the product moves directly from producers to consumers without a middleman.
11. Debenture is an acknowledgement of debt by a company for the capital borrowed from public.
12. Label is a slip of paper or other material attached to the product, carrying information about the product and the manufacturer.

UNIT - III

1. Stock exchange is an organised market for the sale and purchase of securities.
2. A product mix is the set of all product lines and items that a particular seller offers for sale to buyers.
3. SEBI stands for Securities and Exchange Board of India.
4. 4Ps of marketing are Product, Price, Place, Promotion.
5. It is the primary market where new stocks and bonds are said to investors.
6. Under skimming pricing principle price is fixed initially at higher rate and gradually the rate in decreased.
13. The preference shares are so named because the holders of such shares enjoy two preferences over equity shares such as preference at the time of distribution of divided and at the time of return of capital on liquidation of the company.
14. According to the concept, the company should earn profit and customers should get their products in a satisfying manner but everything must be done in an atmosphere of broad social welfare with least adverse impact on the society.
15. Equity shares and preference shares are two basic types of shares issued by a company.
16. Initial Public Offerings.

17. The basic difference between primary and secondary market lies in the fact that the former deals in new issues of securities whereas later deals in old issues.
18. Personal Selling is the element of promotion mix which pin points the specific customers.
19. Exchange offer is a type of consumer sales promotion.
20. It is display set up at the retailer's location to build traffic, advertise the product or induce impulse buying.
21. Market is a place where buying selling takes place.
22. Marketing is a social process by which human needs and wants are satisfied through exchange of goods and services of value.
23. Customer is a person or organisation which seeks satisfaction of its needs and wants through purchase of goods and services.
24. A marketer is a person or organisation who takes more active part in the process of exchange and arranges products or services and makes them available to the customers to satisfy their need and wants.
25. Marketing management is the process of planning, organising, directing and controlling the activities which help in exchange of goods and services between the manufacturer and the consumer.
26. Product refers to goods or services or anything of value which is offered to satisfy the needs and wants of the buyer.
27. Packing is the act of housing the product in the packages.
28. A package is a wrapper or a container in which a product is enclosed, encased, housed or sealed.
29. Packaging involves promoting and protecting the product.
30. Industrial products are used by buyers to produce other goods.
31. Consumer products are goods and services meant for final consumer for personal, family and household consumption.
32. These are goods which the consumers either are not aware of or are not thinking of buying them but purchase when pressurised or persuaded or on happening of some events.
33. Price refers to the amount paid to obtain a product or service.
34. Here producer sells goods or services directly to the customer without involving any middlemen.
35. Under this channel, wholesaler and retailer are two middlemen between manufacturer and customer.
36. Under this channel there are three middlemen between manufacturer and ultimate customer such as agent, wholesaler and retailer.
37. It is the function of packaging which differentiates between the product of the company and that of competitors.
38. It refers to a special word, symbol, letter or the mixture of all these.
39. It refers to that part of brand which can be spoken e.g. Onida.
40. It refers to that part of brand which cannot be spoken but can be recognised easily e.g. Devil of Onida.

41. When a brand is registered under the Trade Mark Act 1999 then it becomes a trade mark.
42. It refers to combination of all those decisions which are concerned with the price fixation of any product or service.
43. It refers to the combination of all decisions relating to promotion of sales of product and services.
44. Personal selling, advertising, sales promotion and public relation are four elements of promotion mix.
45. It refers to combination of all decisions related to making products available to consumers.
46. Physical distribution is the set of activities concerned with efficient movement of finished goods from point of production to the consumers.
47. Public relation here implies that a company by its good act and favourable publicity campaign builds an image of a good corporate citizen.
4. A consumer has right to be informed by the producer about the quality, quantity, potency, purity, standard and price of goods he buys.
5. According to this right a shopkeeper cannot force or create conditions under which a consumer is left with no alternatives but to buy the goods shown by him and has no scope to exercise his choice.
6. Right to be heard implies that every consumer will receive due attention from appropriate authorities while presenting his/her grievances.
7. As per this right a consumer can seek redressal against any type of trade practices that he considers as an unscrupulous exploitation.
8. According to this right COPRA should make provision in the system so that consumers are educated and become aware of their rights and remedies available to them.

UNIT - IV

1. When the Asset is used with an intention of earning profits.
2. If the asset is used by him for self-employment purpose without engaging others.
3. The consumers have right to take legal action for speedy and effective remedy against any loss inflicted on their life and property from using any hazardous goods.
9. Complainant is a person or agency who files the complaint.
10. Consumer Protection Act prescribes establishment of Consumer Protection Councils for the purpose of spreading consumer awareness.
11. There are three levels of Consumer Protection Councils. They are Central council, State councils and District councils.

GROUP - B

SHORT TYPE QUESTIONS

3. SHORT QUESTIONS TO BE ANSWERED IN 30 WORDS (2 MARKS EACH)

Under this question there shall be 13 bit questions out of which 10 bit questions are to be answered. Each bit question will be of 2 marks and total marks in this question will be 20 (2x10) marks. For the practice of the students Unit wise probable model questions have been given with answers.

UNIT - I

1. Why management is considered universal? (CHSE)
2. Explain management as a social process. (CHSE)
3. Why management is regarded multi-disciplinary in nature ? (CHSE)
4. State any two objectives of management. (CHSE)
5. State any four features of profession. (CHSE)
6. State any two differences between management and administration. (CHSE)
7. State any four function of lower level management. (CHSE)
8. State any four features of planning. (CHSE)
9. Name any four steps involved in planning. (CHSE)
10. What is decision making ? (CHSE)
11. Explain organising a process. (CHSE)
12. What do you mean by authority ? (CHSE)
13. Name the elements involved in the management function of directing. (CHSE)
14. Mention any four basic steps in controlling. (CHSE)
15. State any two importance of controlling. (CHSE)
16. What is top management?
17. What do you mean by middle level management ?
18. What is lower level management ?
19. What do you mean by Art ?
20. What is science ?
21. Can management be considered as an exact science ?
22. Explain management as a group activity.
23. Explain management as a dynamic function.
24. Explain management as a goal oriented process.
25. Explain management as a continuous process.
26. Explain management as an Intangible force.
27. Management is the brain of the enterprise. Explain.
28. How management helps in development of society ?
29. How management helps in achieving personal objectives ?
30. How management helps in economic development of the country ?
31. What is the fundamental difference between American and English concept of Management Vs. Administration ?
32. What is the modern concept of Management Vs. Administration ?

33. Give two names of scholars who subscribe to American concept of Administration Vs. Management.
34. Give two names of scholars who subscribe to English concept of Administration Vs. Management.
35. Give two names of scholars who subscribe to the modern concept of Administration Vs. Management.
36. 'Administration is part of management' Explain.
37. State the meaning of planning.
38. Explain how "planning is a mental exercise".
39. Explain how 'planning is a continuous process' ?
40. Explain how 'planning is futuristic' ?
41. Why is planning an all pervasive function of management ?
42. How is effective administration possible through organisation function of management ?
43. How does the directing function bring about balance in the organisation ?
44. State any two features of organising.
45. State any two importance of organising.
46. Define staffing.
47. State any two features of staffing.
48. State any two importance of staffing.
49. "Organisation leads to specialisation". Explain.
50. How optimum utilisation of resources is possible under organising function of management ?
51. How organising function of management help Development of Personnel ?
52. How staffing is helpful in better performance of the organisation?
53. Define 'directing'.
54. State two features of directing.
55. State two importance of Directing.
56. "Direction initiates action", Explain.
57. Define controlling.
58. State two features of controlling.
59. State any two importance of controlling.
60. What is motive ?
61. What is the most critical step in planning process?
62. What is meant by primacy of planning?
63. How does planning reduce the risk of uncertainty ?
64. What do you mean by managers ?
65. "Organisational objective can be achieved through satisfaction of personal objectives". What do you mean by personal objectives ?
66. "Organisational objectives can be achieved through satisfaction of personal objectives". What do you mean by organisational objectives?
67. What do you mean by hierarchy of management ?
68. "Co-ordination is the essence of Management". Explain.
69. What are the basic steps in co-ordination.

ANSWERS**UNIT - I**

1. Wherever there is group activity, there is a need for management. Its principles are applicable not only in business undertakings but also in political, social, religious and educational institutions. Even in the same organisation at all levels and in all departments there is need of management. Therefore, management is considered universal.
2. Management is a social process because:
 - It operates through the people.
 - It is primarily concerned with managing relations among people.
 - It handles resources in such a manner that it satisfies the needs of various groups of society such as share holders, workers, consumers, suppliers and government.
3. Management has to deal with varieties of problems under different dynamic conditions for which it makes use of knowledge drawn from different disciplines like economics, anthropology, sociology, psychology, engineering, mathematics, statistics, accountancy etc. Therefore, it is regarded as multi-disciplinary.
4. Hints. - Choose any two objectives of management from the text book.
5.
 - Specialised knowledge
 - Formal education and training
 - Restricted entry
 - Code of conduct
6. **Management**
 - a) It is a doing function
 - b) It is largely a function of middle and lower level management**Administration**
 - a) It is a thinking function
 - b) It is a function of top level management
7.
 - To assign job and tasks to workers
 - To issue orders and instruction
 - To arrange machinery, tools and materials for the workers
 - To supervise and control operations and workers performance.
8.
 - Primary function
 - Intellectual exercise
 - Goal Oriented
 - Continuous activity
9. Steps involved in planning are: (select any four)
 - Identification of goals.
 - Analysis of present situation.
 - Identifying barriers.
 - Development of planning premises.
 - Development of alternative courses of action.
 - Evaluation of different courses of action.
 - Selection of a course of action.
 - Feed back
10. Decision making is choosing the best alternative. It is a process of planning. Managers make evaluation of various courses of action available to achieve the target and take the decision to adopt the best one which achieves the target in most effective and efficient manner.
11. Organising is a process because it involves a series of activities. It involves:
 - Division of work.
 - Grouping of activities.
 - Delegation of authority
 - Establishment of proper co-ordination among various departments and individuals etc.
12. Authority means a right of a person to take decision and issue orders and instructions to subordinates. It is associated with the position that a person holds in the organisation.

13. The elements involved in directing are:
 - Communication of orders and instructions
 - Persuasive leadership
 - Proper monitoring and supervision
 - Proper motivation
14. Following are the basic steps in controlling process. (choose any four)
 - Setting standards of performance
 - Measurement of actual performance
 - Comparing actual performance with the standards
 - Analysing deviations
 - Taking corrective action.
15.
 - Helps in achieving organisational goal
 - Helps in minimising errors.
16. Top management consists of the Board of Directors, Chairman and the chief executive.
17. Middle level management stands between top and supervisory management. The number of positions or levels under middle level depends upon the size of the business organisation.
18. It is also known as supervisory level and its basic responsibility is supervision and deals with the supervision of workers.
19. The term Art refers to the application of skill and knowledge to attain the desired result so it involves application of personal skill which differs from person to person.
20. Science is systematised body of knowledge.
21. Management deals with people whose behaviour is ever changing. So, it cannot be considered as exact science like Physics, Chemistry and Biology where cause and effect are related in a definite pattern.
22. To achieve the objective of an enterprise a group of people are involved. Management helps to bring co-ordination among the group to achieve the objective in an effective manner. So management is called a group activity.
23. Management is dynamic in the sense that it has to adapt and adjust itself to the regularly changing environment.
24. We need management when we have some goals to be achieved. Success of management is measured in terms of effectiveness and efficiency in which these goals are achieved.
25. Management is a continuous process because it continues to operate so long as there is organisation and keeps manager busy throughout.
26. When a business becomes successful it is because of good management. The presence of management can only be felt in terms of its good result but it cannot be seen as it does not have physical body. So management is intangible.
27. Management is a thinking function like predicting the future, designing appropriate course of action to achieve the ultimate goal. As thinking is done in our brain, so management is called the brain of the enterprise.
28. Business as a corporate citizen has some social responsibilities. Through providing employment, controlling environment pollution, providing good quality products at reasonable price and above all improving the standing of living of the people, who constitute the society, it helps in development of society.
29. Group goal can be achieved effectively if personal benefit of each member of the group is taken care of. Management motivates each member of the group by giving them suitable remuneration, promotion, opportunity to participate in management, thus satisfying their personal needs, to achieve the group goal.
30. Quality management makes proper utilisation of wealth producing resources of the country such as man, machine, material and money. Thus leading to economic development of the country.

31. According to American concept, Administration is wider than Management whereas according to English concept it is just the reverse i.e. Management is wider than Administration.
32. According to modern concept Management and Administration are synonymous.
33. Oliver Sheldon and W. R. Spiegel subscribe to this concept of Administration Vs. Management.
34. E.F.L. Brech and Kimbal & Kimbal Junior are the scholars who subscribe to the English concept of Administration Vs. Management.
35. Henry Fayol and Peter F. Drucker are the scholars who subscribe to the modern concept of Administration Vs. Management.
36. This concept implies that administration is part of management. Management can be divided into Administrative Management which involves policy making and planning and operative management which involves use of men, machine material and money in the execution of plans and policies.
37. Planning is deciding in advance what to do, how to do it, when to do it and who is to do it.
38. Planning is a mental exercise as it is related to thinking before doing something. The planning involves thinking about (i) What to do? (ii) How to do it?, (iii) When to do it? and (iv) Who is to do it?
39. Planning is a continuous process in the sense that plan relates to a particular period after completion of which another plan is to be ready for the next period. Besides, plan needs to be revised on the demand of the situation.
40. Always a plan is made for activities to be undertaken in a future period so it is called futuristic.
41. Planning is a necessary and primary activity of managers working at all levels of management, so it is called pervasive.
42. Organisation function of management clearly defines the posts, roles, authorities and relations among the posts. This helps each person in the organisation structure to work efficiently and effectively leading to effective administration.
43. Managers, through direction convince employees how they can fulfil their personal objectives while achieving organisational objectives, thus, overcoming the possible clash between personal objectives and organisational objectives and bringing a balance in the organisation.
44. Hints. : Refer text book
45. Hints. : Refer text book.
46. The staffing function pertains to recruitment, selection, development, training and compensation of subordinate managers.
47. Hints. : Refer text book.
48. Hints. : Refer text book.
49. Under organising function, management divides the work into smaller well defined jobs and each job is assigned to a person. Doing the same job time and again the person becomes expert in the job which leads to specialisation.
50. Organising function avoids duplication of any job which in turn leads to optimum utilisation of resources like material, men, machine and money.
51. Under the process of organising authority is delegated to subordinates enabling him to take decisions in carrying out the job. This helps the subordinate to grow and develop.

52. Staffing helps in posting of right persons at right places through selection of suitable persons who contribute to the better performance of the concern by their efficiency.
53. Direction is the executive function of guiding and observing subordinates.
54. Hints. : Refer text book.
55. Hints. : Refer text book.
56. After staffing function which puts people at proper places it is directing function which motivates people for action informing them what to do and how to do. Thus, it initiates action.
57. Controlling is the process of taking steps to bring actual results and desired result closer together.
58. Hints. : Refer text book.
59. Hints. : Refer text book.
60. Motive is what induces a person to act in a particular way. It is a state of mind or desire which encourages and energises an individual to do a particular activity for satisfying certain need.
61. Finding the best possible alternative among the different alternatives is always the critical step in the process of planning.
62. Planning is the first function of management and the success of all other function depends on the accuracy with which planning has been done. This shows the primacy of planning.
63. Planning reduces risk of uncertainty by trying to visualise the future uncertainties much in advance and preparing to face the challenges posed by it.
64. Persons engaged in performing the functions of the management are known as managers. In other words, those managing the organisational resources for realising its goals are known as managers.
65. Here 'Personal objectives' refer to the objectives with which employees join an organisation.
- They join an organisation to satisfy their different needs such as:
- Financial needs like good salary, incentives and other monetary benefits.
 - Social needs like recognition in the organisation.
 - Higher level needs like personal growth and development.
66. These are the main objectives of the Organisation and refer to economic goals of the organisation. They are (i) Survival, (ii) Profit and (iii) Growth.
67. To manage a large organisation efficiently many managerial positions are created and arranged in the organisation structure in hierarchical order for smooth flow of authority from top to bottom. This is known as hierarchy of management or levels of management.
68. According to the principle of 'division of labour', a complicated work is divided into small tasks. Each task is assigned to a person. If we want that the work is to be completed efficiently and effectively then there should be proper co-ordination among the persons doing the tasks. Similarly, without proper co-ordination in the activities of various departments and section of an organisation, achievement of the organisational goal is almost impossible. Therefore, co-ordination is treated as the essence of management.
69. Co-ordination involves three basic steps: Balancing, Timing and Integration.

QUESTIONS**UNIT - II**

1. What are considered as demographic factors? (CHSE)
2. Name any four components of legal and regulatory environment. (CHSE)
3. What is meant by globalisation ? (CHSE)
4. What is meant by liberalisation? (CHSE)
5. What basic factors are inducing people to go for globalisation? (CHSE)
6. State any two features of globalisation. (CHSE)
7. Explain the principle of Scalar chain.(CHSE)
8. What does the principle of 'unity of command' suggest? (CHSE)
9. Explain the principle of unity of direction. (CHSE)
10. "There should be parity between authority and responsibility." Explain the statement. (CHSE)
11. Name the different tools that Taylor Suggested for scientific task setting. (CHSE)
12. Explain the meaning and basic objective of fatigue study. (CHSE)
13. Explain time study. (CHSE)
14. What purpose does time study serve?(CHSE)
15. What is the purpose of motion study?(CHSE)
16. What are the techniques of work study ? (CHSE)
17. State any two differences between time study and motion study. (CHSE)
18. Explain mental revolution.(CHSE)
19. Show the difference between 'Unity of Command' and 'Unity of Direction'. (CHSE)
20. What is business environment ? Define it.
21. What is internal environment of business ?
22. What is external environment of business?
23. What is micro environment ?
24. What is macro environment ?
25. Explain any three features of business environment.
26. Explain the specific and general forces of business environment.
27. Why is it necessary to understand business environment?
28. Enumerate the dimensions of general environment.
29. What does social environment mean?
30. What is political environment ?
31. What is legal environment ?
32. What is technological environment ?
33. Cite two examples of impact of political environment on business.
34. Explain "increasing competition" as an impact of government policy change on Business and industry.
35. What changes are initiated by the government of India since 1991?
36. What changes have been made in the industrial policy in the recent past ?
37. What do you mean by disinvestment ?

38. What is environment scanning ?
39. What is meant by threat ?
40. What is meant by opportunities?
41. Why is business environment uncertain?
42. Why is it said that business environment is a relative concept ?
43. What do you mean by first mover advantage?
44. What is meant by the term 'warning signal'?
45. How can political stability be beneficial to business ?
46. "Opportunity for one organisation may prove threat for others". Explain with a suitable example.
47. Many state government of India banned the sale of 'Maggie Noodles' on the allegations of high levels of lead found in it. This resulted in decline in its market share. State the dimensions of business environment involved.
48. What is liberalisation? Mention one major step that has been initiated for liberalisation in India.
49. What is privatisation? State one of its features.
50. What is globalisation? State one of its features.
51. Explain any two features of management principles.
52. Management principles help managers to take scientific decisions. Explain.
53. How do management principles provide useful insight to reality?
54. What is motion study?
55. What is method study?
56. What do you mean by the term 'Science not rule of thumb'?
57. What do you mean by the term 'Harmony, not discord'?
58. What do you mean by 'Cooperation, Not individualism'?
59. What do you mean by "Development of each and every person to his/her greatest efficiency and prosperity"?
60. What do you mean by 'division of work'?
61. What do you mean by the principle of 'discipline'?
62. Explain the principle 'subordination of individual interest to general interest'?
63. Explain the principle "Just and fair remuneration to employees".
64. What was the opinion of Fayol as regards centralisation and decentralisation?
65. Explain the principle of 'order'.
66. Explain the principle of 'Equity'.
67. Explain the principle 'stability of tenure of personnel'.
68. Explain the principle 'Initiative'.
69. Explain the principle "Esprit de Corps".
70. What is meant by fiscal policy? (CHSE)
71. What is meant by monetary policy?
72. How does monetary policy affect economic environment (CHSE).

ANSWERS**UNIT - II**

1. The demographic factors which constitute a component of social cultural environment of business consist of size of population, growth rate, agricultural composition, sex ratio etc. These have a great impact on the demand of various goods and services supplied by a business. Thus, business should be aware of the demand of such growing population and its activities should be tuned accordingly.
2. (a) Various legislations passed by the government such as (i) Licensing Laws (ii) Business Laws (iii) Labour Laws (iv) Taxation Laws.
(b) Administrative orders issued by government authorities.
(c) Judgement of Courts
(d) Decisions rendered by commissions and agencies.
3. Globalisation is the process of integrating Indian economy with the various economics of the world.
4. Liberalisation refers to the removal of all unnecessary controls and restrictions on business and industry.
5. There are two factors i.e. pull factors and push factors which induce business people to go for globalisation.
 - Pull factors - Relative profitability of foreign market and growth.
 - Push factors - Saturation of demand for the product in the domestic market and competition.
6. ● Removal of Geographical Gap or Political barriers for the purpose of business.
 - Increased level of interaction and interdependence among the various nations of the global economy.
7. Scalar chain refers to the formal lines of authority from highest rank to the lowest rank. It indicates the flow pattern of authority from top to bottom. It serves as chain of command as well as lines of communication in normal circumstances.
8. According to this principle an individual employee should have only one superior from whom he should receive orders and to whom he should be responsible. If an employee receives orders from more than one superior at a time it creates confusion and conflict.
9. According to this principle, activities having a common goal must have one head and one plan. This helps in coordinating the efforts and bringing a focussed attention in achieving the objectives of the organisation.
10. According to Fayol there should be a balance between authority and responsibility. If any subordinate has been assigned with any responsibility, he should be given adequate authority to take relevant decisions to do his job efficiently. Granting more authority will create chances of misuse of power, whereas, assigning responsibility without granting required authority will not enable employees to perform their duties properly.
11. The tools suggested by Taylor for scientific task setting are: (a) method study (b) motion study (c) time study and (d) fatigue study.

12.
 - Fatigue study intends to find out the number and frequency of rest intervals that must be provided to a worker in completing a job efficiently.
 - Workers cannot work at a stretch.
 - After putting in work for a certain period of time they feel tired which affects their performance. If they are allowed rest intervals they will regain their stamina and will resume their work with greater energy.
13.
 - Time study determines the standard time taken to perform a given task.
 - It is determined by taking several readings of time taken by workmen of different efficiency levels in completing a specific task.
14. The purpose of time study is
 - (i) to decide how much time is normally required to complete a work
 - (ii) to determine a fair day's work for the workmen
 - (iii) to determine number of workers to be employed
 - (iv) to formulate incentive schemes
15. The main purpose of motion study is to identify the motions which are unproductive or wasteful so that, these may be eliminated and the best way of doing the job may be determined.
16. The techniques of work study are: (a) method study (b) motion study (c) time study and (d) fatigue study.
17. See answer to question No. 8 under 50 word answers.
18. Mental revolution as suggested by Taylor implies that there should be a change in the attitude of workers and management towards their work and relationship. Workers should put in their best effort so that the company makes profit and at the same time management should share part of profit with the workers. There should be a spirit of togetherness between workers and management.
19. Unity of command suggests that a subordinate should receive orders from one superior to whom he shall be accountable. It is intended to avoid subordinates receiving conflicting orders from more than one superior which leads to chaos. On the other hand unity of direction suggests that there should be one head and one plan for a group of person working together with same objective. This is intended to have a co-ordinated effort in a single direction to achieve the objective of the group.
20. Business is conducted under the impact of various situations and circumstances some of which exist within the business premises and can be controlled by the business and some of which exists outside the business which are beyond the control of the business. They are known as internal and external environment of business respectively. But generally the external environment is treated as business environment. So, we can define business environment as "the sum total of external factors which influence the business and over which business has no control."
21. It refers to all those factors
 - which influence the business
 - which exists within the business premises
 - which are under the control of the business

22. It refers to all those factors
- which influence the business
 - which exists outside the business
 - which are beyond the control of the business.
23. It refers to all those factors
- which are external to the business
 - which are closely related to business
 - which influence each business unit differently
- Examples of such factors are customer, suppliers, competitions, public market intermediaries and workers union etc.
24. It refers to all those factors
- which are external to business
 - which have distant relation with the business
 - which affect all business units almost in the same way
- Examples of such factors are economic environment, political environment, social, cultural environment, legal environment and technological environment etc.
25. (i) Specific & general forces
(ii) Dynamic nature
(iii) Uncertainty and complexity
26. ● Specific forces have direct impact on the day to day working of the business such as customers, competitors, investors etc.
- General forces have indirect impact on the operation of the business such as social, political, legal forces.
27. Proper understanding of the business environment is essential for the business because internal environment shows the areas of strength and weaknesses of the organisation while external environment indicates opportunities and threats for the organisation.
28. The components of general environment are
- (i) Economic Environment
 - (ii) Political environment
 - (iii) Social environment
 - (iv) Technological environment
 - (v) Legal environment
29. Social environment implies literacy rates, educational levels, values, customs, life style, demographic distribution and other characteristics of society in which organisation exists.
- Changes in social environment affect the demand for product, supply of labour, capital etc.
 - Understanding the social environment and utilising it in favour of organisation can make a business successful but going against it may lead to disaster.
30. ● Political environment implies the political condition of the country and attitude of government towards business.
- Generally attitude of government towards business changes with change of the party in power.
 - Understanding the mood of the government and complying with the policy changes is helpful for the success of the business.

31. ● Legal environment implies Acts passed by the government, judgements of courts, decisions taken by various commissions and agencies appointed by government which regulates the operations of a business.
- Foreexistence, business must know and follow all the rules and regulations those relate to it.
32. ● Technological environment consists of innovations of new techniques and equipments for production and distribution of goods and services.
- Adaptation of such technology increases efficiency and effectiveness of business.
- So, quick adaptation keeps the business ahead of the competitions.
33. ● In 1977 the Janata government adopted a stringent attitude towards multinationals which impacted adversely IBM and Coca-Cola.
- It was only because of political interest that IT companies were established in large scale in Hyderabad for which it came to be known as cyberabad.
34. After new industrial policy was announced by government of India in the year 1991, there has been entry of many business houses increasing competition in every field of business.
35. ● New Industrial Policy
- New Trade Policy
- Fiscal reforms
- Change in monetary policy
- Capital market reforms
- Phasing out of subsidies and price controls.
36. ● Almost total abolition of industrial licensing system.
- Passing of Information Technology Bill.
- De-reservation of several industries reversed for public sector.
- Disinvestment.
- Increase in foreign equity participation.
- Establishment of Foreign Investment Promotion Board (FIPB) for promoting and channelizing foreign investment in India.
37. Disinvestment means disposing off shares of public sector companies to private sector. In other words, it refers to privatisation of public sector companies.
38. Environment scanning means a process of monitoring the relevant business environment to identify opportunities and threats affecting the business.
39. It refers to those environmental trends which hinder the performance of an enterprise.
40. It refers to positive external trends that help an enterprise to improve its performance.
41. Business environment is uncertain due to unexpected rapid changes in the components of business environment.
42. Business environment is related to the local conditions and this is the reason for which business environment is different in indifferent countries and even in the same country at different places. So, business environment is relative.
43. A company which is more conscious about the changes taking place in the business or in other words who identifies and avails opportunities earlier than the competitors is the first mover. In the process the advantage the company gets is known as first mover advantage.

44. Regularly studying the changes taking place in the business environment help us to know about the threats that are likely to be faced in the future. This warning signal is a timely information to get prepared to face or surmount any possible threat.
45. ● Political stability leads to firm policy decision which is not likely to be changed in near future.
- This creates confidence among the business people to invest and take up new ventures as per the policies of the government.
46. This happens when a change takes place in the business environment. For example: through online selling e-tailors have taken vast share of the market of brick and mortar retailers. Thus, online selling is an opportunity for e tailors where as a threat for the retailers.
47. ● Social Environment - health concerns of the public
- Legal Environment-order by the government.
48. ● Liberalisation refers to unshackling the economy from bureaucratic cobweb to make it more competitive.
- One example of liberalisation in India is delicensing of industries.
49. ● Privatisation refers to such economic process through which some public sector undertakings are brought either partially or completely under private ownership.
- One of the features of privatisation is encouraging healthy competition. Public sector is made to compete with private sector. This is treated as a healthy trend as it makes both efficient.
50. ● Globalisation refers to integration of the national economy with the rest of the world.
- One of the features of globalisation is removal of all business related barriers.
51. ● Universal Applicability - The principles of management are applicable to all types of organisation and at all levels of management whether it is business organisation, government institution a domestic household.
- Flexible - Though they are universal in nature, their applicability depends upon the situation, size of operation, nature of activity etc. Thus, they need to be modified by the managers according to the given situation.
52. ● An effective decision must be based on facts.
- Principles of management help the managers in taking decisions based on the objective assessment of the situation, free of any bias and prejudice.
- Thus, they approach various problems scientifically, leading to timely implementation of right decisions.
53. ● Management principles add to the knowledge of managers.
- This sharpens their ability to analyse various situation on the basis of their own and others past experience and enable them to take right decision at right time.

54. ● Motion study refers to the study of various movements like sitting, standing, holding, turning, changing position etc. of workers while performing a job.
- The main objective is to eliminate the unnecessary movements so as to complete a given task in least possible time and more effectively.
55. It refers to identifying the most suitable way to do a particular activity in order to minimise the cost of production and maximise the quality of product and satisfaction to customer.
56. Rule of thumb refers to decision taken by managers basing on their personal judgement, intuition and usual practice. But Taylor suggested that in order to increase the organisational efficiency the 'rule of thumb' method should be substituted by the methods developed through scientific analysis.
57. According to Taylor there should be complete harmony between the workers and the management. Both management and workers should realise the importance of each other as conflict between the two will be beneficial neither to manager nor to workers nor to the enterprise.
58. This principle is an extension of principle of 'harmony not discord'. According to this principle all the activities should be done with a spirit of mutual co-operation. Taylor suggested that both manager and worker should jointly determine the standard. This increases involvement and this, in turn, increases responsibility.
59. According to this principle, the efficiency of each and every person should be taken care of right from his selections since success of any organisation depends to a great extent on the skill and capabilities of its employees. An efficient employee gives his best to produce more. This ultimately helps to attain prosperity of both organisation and employee.
60. According to Fayol, "the intent of division of work is to produce more and better work from the same effort. Specialisation is the most efficient way to use human effort." According to this principle, work can be done more efficiently if it is divided into different tasks and each task is assigned to a specialist in the field. Or to put it otherwise, assigning a particular job to a particular person makes him a specialist in his field of work.
61. Discipline means obedience to organisational rules and employment agreement. According to Fayol discipline requires
- (a) good supervision at all level of management.
- (b) Clear and fair agreement and
- (c) application of penalties judiciously.
62. According to Fayol organisational interest should be given priority over individual interest of an employee. This implies that when there is a conflict between individual interest and organisational interest, the individual interest should be sacrificed to achieve organisational interests.
63. The principle suggests that the remuneration payable to employees should be fair to both employees and the employer because a satisfied worker always puts in his best. Employees should be remunerated adequately, however, it should be within the paying capacity of the business.

64. According to Fayol "there is a need to balance subordinate involvement through decentralisation with manager's retention of final authority through centralisation". It clearly states that depending upon the situation authority should be delegated to lower level managers to perform their duties well whereas authority to take major decision shall be retained at higher level.
65. According to Fayol, "people and material must be in suitable places at appropriate time for maximum efficiency". There should be a suitable place for everything and everyone and everything and everyone should be at their right place.
66. The principle states that "good sense and experience are needed to ensure fairness to all employees, who should be treated as fairly as possible". This implies that managers should be impartial and sympathetic towards workers.
67. According to Fayol, "Employees turnover should be minimised to maintain organisational efficiency". This implies that after proper selection and placement of employees they should be given sufficient time period to show their performance at a particular job. If an employee receives transfer order by the time he learns and gets settled in a job we are not able to get his best.
68. According to Fayol workers should be encouraged to develop and carry out their plans for improvement. This implies that the employees at all levels should be given freedom to some extent so that they take initiative and exercise their own judgement as regards their work. This develops their potentiality to work and provides them the required job satisfaction.
69. According to Fayol, "Management should promote a team spirit of unity and harmony among employees". The principle refers to team spirit which can be developed through proper cooperation and coordination among the employees.
70. It is composed of policy decisions relating to entire financial structure of the government including tax revenue, public expenditure, loan, debt management, budgetary deficit and so on. In sum it refers to the policy of the government connected with income and expenditure of the country.
71. Through such policy the supply of money and the cost of availability of credit in the economy is being regulated by the RBI. It aims at regulating inflationary situation and maintaining price stability in the country.
72. Monetary policy regulates money supply in the economy through interest rate controls. This affects cost and availability of credit to the business organisations. Thus, it affects the economic environment of the business.

QUESTIONS**UNIT - III**

1. Distinguish between primary and secondary market. (CHSE)
2. State the features of "Treasury Bills". (CHSE)
3. Differentiate between money market and capital market. (CHSE)
4. Distinguish between spot market and future market. (CHSE)
5. What is meant by forward market ? (CHSE)
6. What preferential rights are attached to preference shares ? (CHSE)
7. What do you mean by societal marketing concept ? (CHSE)
8. Name any four concepts of marketing. (CHSE)
9. What is product concept of marketing? (CHSE)
10. What is meant by market ? (CHSE)
11. What are the two types of market on the basis of nature of goods sold? (CHSE)
12. Name the different facilitating functions of marketing. (CHSE)
13. Name the different elements of marketing mix. (CHSE)
14. What is meant by product line ? (CHSE)
15. What are the features of shopping goods? (CHSE)
16. What are industrial products ? (CHSE)
17. State the basic objectives of branding. (CHSE)
18. State the basic objectives of labelling. (CHSE)
19. Name and narrate any two types of labels. (CHSE)
20. Distinguish between packing and packaging. (CHSE)
21. Explain POP (Point of Purchase). (CHSE)
22. Mention the objectives of packaging. (CHSE)
23. What are the common methods of demand-based pricing ? (CHSE)
24. What is the objective of penetrating pricing? (CHSE)
25. Explain price skimming. (CHSE)
26. At what rate is the price fixed in the initial stages under
 - (i) penetrating pricing strategy ? and
 - (ii) under skimming pricing strategy? (CHSE)
27. What is meant by pricing strategy? (CHSE)
28. What do you mean by physical distribution? (CHSE)
29. What are the functions of physical supply? (CHSE)
30. Distinguish between consumer sales promotion and trade sales promotion. (CHSE)
31. State the elements of promotion mix. (CHSE)
32. What are 5 Ms process in advertising. (CHSE)
33. What incentives are given to sales force for promoting sales ? (CHSE)
34. Explain the meaning of sales promotion. (CHSE)
35. What do you understand by call money market?
36. What is a commercial paper?
37. What is a certificate of Deposit?
38. What is Inter-Bank Participation Certificate?
39. What is Repo Instruments?
40. State any two functions of financial market.
41. What is near money?
42. Name the participants of money market.
43. Name the participants of the capital market.
44. Name any four instruments dealt in money market.
45. Name the securities traded in capital market.
46. Why do the commercial banks feel shortage of funds and go for borrowing from the money market though they receive huge funds from the public by way of deposits every day?
47. What is Cash Reserve Ratio?
48. What is price rigging?

49. What do you mean by production concept of marketing?
50. What do you mean by selling concept of marketing?
51. What do you mean by Marketing Concept?
52. What do you mean by social marketing concept?
53. Who is a marketer? Can a buyer be a marketer ?
54. Who is a customer?
55. Classify the market on the basis of the area it covers.
56. What are the two types of market on the basis of volume of business transacted?
57. What is marketing?
58. Differentiate between need and want.
59. What do you mean by 'customer support services'?
60. What is a target market?
61. What do you mean by 'product'?
62. What is meant by 'service'?
63. What are consumer goods?
64. 'Services are perishable in nature'. Explain
65. What do you mean by 'inseparability' of services?
66. What do you mean by 'Scanning the environment'?
67. Explain the characteristic 'heterogeneity or variability' of services.
68. What do you mean by 'ownership' as a characteristic of services?
69. Why we say services are intangible?
70. Name two types of brand according to the number of products they cover.
71. 'The container acts as a silent sales man'. Explain.
72. 'Tender pricing is a competitor-based pricing'. Explain.
73. Explain "what the traffic can bear' pricing.
74. What do you mean by 'breakeven point'?
75. What is 'going rate pricing'?
76. State the situations under which adoption of skimming pricing strategy is suitable.
77. What do you mean by 'Psychological Pricings'?
78. What is place mix?
79. What do you mean by a direct channel?
80. What do you mean by indirect channel?
81. Name the intermediaries involved in two level channel.
82. Give four examples of Direct Channel.
83. Explain 'Breaking the bulk' as a function of the distribution channel.
84. Explain 'Assortment' as a function of the distribution channel.
85. Explain 'matching' as a function of the distribution channel.
86. "Physical distribution bridges the spatial distance between product and consumer". Explain.
87. How physical distribution helps in price stabilization?
88. What do you mean by 'Pre approach' in personal selling?
89. What physical qualities are required of a good salesman?
90. What psychological qualities are required of a good sales man?
91. What social qualities are required of a good salesman?
92. What character should a good salesman possess?
93. What is advertising?
94. Explain 'coupon' as a consumer sales promotion tool.
95. What is POP display?
96. What are different types of POP displays?
97. What do you mean by frequent user incentives?
98. Give two examples of 'frequent user incentives'.
99. What do you mean by 'exchange offers'?
100. What are 'referral gifts'?
101. What is a sales contest?
102. What do you mean by 'Sweepstakes'?

ANSWERS**UNIT - III**

1. Primary market is that part of capital market which deals with issuance of new securities and proceeds from the issue of securities go to the company that issued the securities.
Secondary market is that part of capital market where investors buy and sell securities they already own and proceeds from the sale of securities go to the selling investor not to the company. Such transactions take place in a market known as stock exchange.
2. Government usually issues treasury bills through RBI to raise short term funds. It has a maturity period maximum up to one year. It is issued at a discount and matures at its face value, the difference being the gain to the purchaser of the bill.
3. Money market deals in short term securities having maturity period upto one year where as capital market deals in medium and long term securities having maturity period of more than one year
4. Spot market refers to market where purchase and delivery of the product takes place simultaneously. Future market refers to market where transactions are finalised pending delivery of goods and payment of its price to take place at a future date.
5. Forward market refers to a market dealing in commodities, currencies and securities for future (forward) delivery at a price agreed upon on the date of making the contract.
6. Preference share holders get two types of preference over equity share holders. They are
 - (i) For payment of dividend -Preference share holders get their dividend prior to equity shareholders at the time of distribution of dividend.
 - (ii) For return of capital - At the time of liquidation of the company capital contributed by preference share holders will be returned prior to return of capital to equity share holders.
7. According to this concept of marketing besides consumer satisfaction, the business organisation should aim at welfare of whole society. For example using a chemical which is detrimental to the health of children to produce a doll at cheaper price may save money of consumer and result in immediate satisfaction of ignorant customer but not social welfare.
8. Any four of the following: production concept, product concept, selling concept marketing concept, societal marketing concept, social marketing concept.
9. This concept of marketing believes in product quality and product excellence. It is assumed that good, noble and innovative products will be sold automatically.
10.
 - a) Place concept - It is a place where buying and selling of commodities takes place.
 - b) Activity concept - It may not be a geographical meeting place, but getting together of buyers and sellers may be in person, by mail, telephone, internet or through any other means of communication with an intention to engage in an exchange process for mutual gain.
11.
 - a) Commodity market - Different physical products required by customers are sold in such markets. These include agricultural produce, manufactured goods or bullion like gold, silver etc.
 - b) Service market - various services including financial services are sold in this market.

12.
 - Product development
 - Branding Packaging and labelling
 - Customer support service
 - Physical distribution
 - Storage and warehouse etc.
13. Product, price, place and promotion.
14. Product line refers to a group of closely related products having same characteristics, customers and/or users. They may share same technology, distribution channels, related services etc.
15. Shopping goods are more expensive than convenience goods. Consumers usually spend more time and effort in comparing the style, design, price etc. before taking the purchase decision of such goods. The example of such goods are refrigerators, washing machine, furniture, garments etc.
16. Industrial products are purchased not for final consumption. They are usually purchased by industrial houses as raw materials to produce other goods.
17. The basic objective of branding is to create a separate identity for a company's product in the market.
18. Hints. : The objectives of labelling are
 - (a) Brand identification
 - (b) Description
 - (c) Promotion
 - (d) Sales tool
19. Choose any two of the following
 - (a) Brand label - Simply mentions the name of the brand of the product.
 - (b) Grade label - Describes the quality level of the product
 - (c) Descriptive label - This provides full information about the product such as date of manufacture, date of expiry, ingredients, grade and quality of the product etc.
20. Packing is concerned with wrapping a commodity in packages or containers like tins, cans, bags, jars, bottles, boxes and the like to make it suitable for transportation, storage, sale and final use. Packaging on the other hand deals with activities of planning and designing of different means of packing the products so that it acts as a silent salesman and an effective medium of advertisement. Thus packing is concerned with product protection where as packaging with product promotion.
21. Point of Purchase (POP) implies the retail outlets where goods are displayed and customers select and buy it. It indicates the point of sale or purchase of the commodities, the important stage in the process of marketing. Therefore, businessmen emphasise on good packaging to attract the attention of customer at point of purchase.
22.
 - (a) Product identification
 - (b) Product protection
 - (c) Product convenience
 - (d) Product promotion
23. The following are demand based pricing.
 - (a) What the traffic can bear pricing
 - (b) Price skimming
 - (c) Penetration pricing
24. The objective of penetration pricing is to gain a foot hold in a highly competitive market. Under this pricing method initially a lower rate is fixed to win away customers from competitors.
25. When the brand name becomes very famous or target market prefers to buy the product because of status value attached with the product or the product is having no competitive products, the firm sets a high/premium price to skim the cream of the demand. So, this type of pricing is known as skimming cream strategy or simply price skimming.

26. Under penetrating pricing strategy initially a lower price as compared to that of competitors is fixed.
- Under skimming pricing strategy initially a higher price is fixed to earn high profit through skimming the cream of the demand.
27. Pricing strategy is the method/process of pricing a product or service that takes into consideration cost, competition and demand factors.
28. Physical distribution relates to physical flow of goods from the point of origin to points of use to meet customer needs. It includes a series of inter related activities such as transportation, inventory management, ware housing and order processing of goods.
29. The following are the functions of physical supply
- Transportation
 - Inventory management
 - Ware housing and
 - Order processing
30. Consumer sales promotions pull a product through the channel by creating demand whereas trade promotions push a product through the distribution channel.
31. The elements of promotion mix are
- Personal selling
 - Advertising
 - Sales promotion
 - Publicity
32. The five Ms of advertising process are:
- Mission
 - Money
 - Message
 - Media
 - Measurement
33. The following incentives are given to sales force for promoting sales.
- Bonus for achieving target sales within the specified period
 - Rewarding through sales contests
 - Rewarding or giving recognition to successful sales personnel in sales meetings/ conventions/conferences.
34. Sales promotion covers those marketing activities that provide short term incentives to increase sale or to encourage purchase of a product or service.
35. The call money market refers to the market for extremely short period loans, say one day to fourteen days. These loans are usually given to brokers and dealers in stock exchange. In this market banks with surplus funds lend to other banks with 'deficit funds' which help banks to meet their statutory liquidity requirements.
36. Commercial paper is an unsecured promissory note issued with a fixed maturity by a company approved by RBI. It can be transferred by endorsement and delivery. It is issued at a discount on the face value determined by the issuing company. The size of single issue (minimum amount invested by single investor) should not be less than Rs.1 crore and size of each should not be less than Rs. 5 lakhs. The maturity period may be 7 days and above but not exceeding six months.
37. Certificate of Deposit is a short term deposit instrument issued by banks and financial institutions to raise large sums of money for a short period. The subscribers are individuals, corporations, trusts, associations and NRIs. They have a specific face value and maturity and are transferable from one party to another through endorsement and delivery. They are issued at a discount to face value and matures at the face value.
38. Banks troubled with capital constraints sell their "excess baggage" of loans asset to other banks in the form Inter-Bank participation certificates. It is intended to provide banks with an additional instrument to even out their short term liquidity imbalances and is typically bought back by the seller bank within the period, depending on the agreement. The scheme is confined

- to scheduled commercial banks only and the period is restricted to minimum 91 days and a maximum of 180 day.
39. Repo stands for repurchase. Under repo transaction the borrower issues securities to the lender with an agreement to repurchase them at the end of the fixed period at a specified price. The difference between the purchase price and the original price is cost to the borrower and known as 'repo rate'. Usually when banks have any shortage of fund, they can borrow from RBI. The rate at which RBI lends money to commercial banks is known as 'repo rate'. Similarly when banks park their excess cash in the RBI availing a rate of interest is called reverse repo rate.
40. ● Mobilisation of saving and channelizing the funds to more productive uses.
● Providing liquidity to financial assets.
41. Near money otherwise known as quasi money and refers to assets that can quickly be converted into cash. Money market instruments are known as near money as the maturity period of these securities is very short.
42. The main participants of money market are RBI, Commercial banks, Non Banking Financial Companies, State Governments, large Corporate Houses and Mutual Funds. Ordinary public does not participate in money market.
43. The participants of capital market are financial institutions, banks, public and private companies, foreign investors and ordinary public.
44. The instruments dealt in money market are call money, treasury bills, commercial bills, certificate of deposits, commercial papers, inter-bank participation certificates, repo instruments, money market mutual funds, promissory notes etc.(Choose any four)
45. The Financial products usually dealt in capital market are shares, debentures, bonds and other innovative securities.
46. ● To earn profit commercial banks lend money.
● They are required to maintain a certain percentage of deposits they receive as a reserve with the RBI on daily basis known as Cash Reserve Ratio (CRR).
● Though they receive a huge sum of money in the form of deposit there may be shortage of funds to maintain CRR because of large scale lending.
● So they go for short term borrowing from the money market to maintain CRR.
47. It is a percentage of total time and demand deposits every commercial bank required to maintain as a reserve with the central bank (Reserve Bank of India) on the daily basis.
48. It refers to manipulation of prices with the objective of deliberately increasing or decreasing the market price.
49. This concept of marketing believes that through mass production and well managed distribution the cost of the product can be reduced and made available at place of consumption at lesser price. Low price and easy availability of goods mill market the goods. It focuses on internal capabilities of the firm rather than on the desire and need of the customers.
50. This concept believes in aggressive selling of goods. It is assumed that goods are not bought they are sold. So customers need to be educated and attracted through heavy advertising, personal selling and persuasion to achieve the sales target. Main philosophy being 'selling what you have'.

51. This concept recognises the importance of consumers. The basis of this concept is that only those goods/services should be made available which the consumer want or desire. In other words they do not sell what they make but they make what sells.
52. This is a non-profit marketing. Here the marketing effort aims at propagating a social cause and changing the opinion and attitude of society towards better living. Examples of such are 'Save Forest', 'plant a tree', 'preserve water and energy', Aids awareness etc. These may be non-profit making but makes publicity of the company as a good corporate citizen.
53. Any person whether seller or buyer who takes active part in the process of exchange is a marketer. Usually, it is seller who takes active part in the process of exchange and generally known as the marketer. But in certain situations buyer also takes active part in exchange process. In case of rare supply, a buyer may take extra efforts to convince the seller to go for the sale of the product/service to him. In such cases buyer becomes the marketer.
54. A customer is a person or organisation who wants to satisfy its needs.
55. (a) Local market - local market is confined to a geographical location such as a town or a particular area of the town.
(b) Regional market - Such markets have a wider area like a state or a group of states.
(c) National market- It caters to entire length and breadth of the country.
(d) International/global market - The entire world is treated as a market.
56. (a) Retail market - This market deals with ultimate consumers who purchase goods in small quantities as per their requirement.
(b) Wholesale market - In this market goods are purchased in bulk quantities and sold to retailers in small quantities.
57. Marketing is a social and managerial process by which individuals and groups obtain what they need and want through creating offerings and freely exchanging products and services of value with others.
58. A felt deprivation is a need. But Want is a need influenced by culture. For example, hunger creates a need for food. But south Indians may want 'Sambar, Chatni and Dosa' where as north Indians may want 'Pao bhaji' to satisfy this need - 'hunger'.
59. In marketing concept, the customer is the king. Having a customer and retaining him is the most important challenge before marketing. A customer is attracted towards a product and buys the product time and again if he is satisfied with the product and the supplier. So, the suppliers besides selling the goods also provide some additional facilities such as after sales-service, quick handling of customer's complaints, credit facilities, product related information etc. These are known as customer support services.
60. The target market consists of potential customers who are selected on the basis of their Demographic, Psychographic, Geographic and other considerations and to be targeted for the sale of the product of the business organisation.
61. Product is a 'bundle of utilities' which satisfies the need of its buyer. It is a mixture of tangible and intangible attributes which can be exchanged for value and can satisfy the needs of the customer. It is more than a physical object. It may be a service, a feeling, a pleasure, a place, a person, an organisation, an event, an idea or concept.
62. Service refers to an intangible actor performance that can satisfy some needs and can be offered for sale.
For example - Nursing Home, Repair Shop, Banks, LIC, General Insurance etc.

63. Consumer goods are goods and services meant for the final consumer for personal, family and household consumption and not for further processing.
64. Services are perishable in the sense that they cannot be stored. In case of physical goods. They can be stored for sale/use at another time but in services unconsumed service is a lost service for ever.
65. In case of service both the service provider and the buyer or client need to be present simultaneously for the service production and consumption. For example, if you are ill and buying medical service you are required to be present along with the service provider, the doctor for effective service delivery.
66. This process includes gathering, filtering and analysing information related to the marketing environment. It helps in monitoring the changes taking place in the environment and forecasting the future. Such analysis helps to spot opportunities and threats posed by the environment.
67. Quality of service depends on who provides them as well as when, where and how they are provided. It depends on the ability of the service provider, this psychological state of mind at the time of service delivery. Thus service varies from provider to provider and from the same provider from time to time.
68. When we purchase a tangible thing we become the owner of that thing, take for example a car. But in case of services there is no transfer of any tangible object. So the buyer does not become the owner of anything.
69. Before and after buying physical products like soap, fruits vegetables, furniture the buyer can see, feel, touch, smell and use to check its effectiveness and quality. But services are intangibles and cannot be seen, tested, felt or smelt before the purchase is made.
70. (a) Family brand - a single brand for all the products of the firm
(b) Individual brand - a brand that represents only one product.
71. Sometimes the design of the container acts as a motivating force to induce a customer to go for the purchase of the product at the point of purchase. So, businessmen focus on design and colour of the container to make it attractive and to promote the brand.
72. This type of pricing is usually used while filing tender papers for government projects. The lowest bid is granted the work. So, while bidding the price the understanding of competition or the intelligent guess of the price that can be quoted for the project by the competitor is essential in addition to the expected cost to be incurred and profit desired. So it is a competition based pricing.
73. This type of pricing is based on the capacity of the customer to pay for the product. This type of pricing is used where there is Monopolistic or Oligopolistic market conditions and demand is relatively inelastic.
74. It is the level at which total cost exactly equals the total revenue and there is no profit or no loss. So that indicates the total number of units that are required to be produced and sold to reach no loss no profit situation at a given price of a product.
75. This is a competitor-based pricing otherwise known as parity pricing. Under this method the firm fixes same prices as that of competitors ignoring its own costs and demand of the product.

76. The following are the situations in which skimming pricing strategy is suitable.
- (a) The product is very distinctive and that distinctiveness can be maintained for some time until competitors match the product.
 - (b) The demand for the product is inelastic
 - (c) The product is a novel one and possesses some status value.
 - (d) Presence of customers who do not care how much they pay for a novel product.
77. Psychology of customer plays an important role in the buying decision. Pricing a product of Rs.299, 399, 499 instead of Rs.300, 400 or 500 respectively gives a psychological impression that the price is low though only one rupee in the price has been reduced. Bata Shoe Company is the best example for adopting this pricing method. This is also known as odd and even pricing.
78. Place mix refers to important decisions on.
- (a) The designing of a suitable channel of distribution
 - (b) Physical distribution
79. This is a channel without any intermediary or middlemen between producer and ultimate consumer of goods. This is also known as zero level channel.
80. In such type of channel the producer takes help of intermediaries to reach the ultimate consumer. The intermediaries are wholesaler, retailer or agent.
81. Intermediaries involved in a two level channel are wholesaler and retailer.
82. (a) Door to door selling
(b) Internet Selling
(c) Mail order Selling
(d) Company owned retail outlets.
83. The intermediaries or channel members usually purchase goods in large quantities and sell in small quantities as per the requirement of the customers. The process of dividing large quantities into smaller lots is known as breaking the bulk.
84. Assortment mean a combination of variety of products a channel member deals with. The channel members like wholesalers and retailers keep an assortment of large number of products to meet the shopping requirement of individual customers without making them run from one shop to another.
85. Anticipating the need of the targeted customers the channel member procure right kind of goods to make them available to customers to satisfy those needs. This is called matching the consumers needs with right kind of goods.
86. When the place of production and ultimate consumer of the product are located at two different places it is the physical distribution which make such goods available to consumer bridging the spatial distance between them.
87. Through stocking of good at different warehouses and efficient logistic support, physical distribution helps in balancing demand and supply which in turn stabilises the prices of the product.
88. Pre-approach refers collecting information about the consumers, their capacity to buy and fixing prior appointment to meet the likely customers.
89. A salesman's job is to move around and explore business opportunities for his company's product or services and convert them into sales. Therefore he should have sound health, correct body postures, good breath, pleasant and clear voice and a good appearance.

90. When a salesman approaches a potential customer he faces the possibility of both acceptance and rejection. He should have mental strength to take both the situation in his stride. He should have the power of imagination, comprehension and ability to anticipate the future circumstances. He should be cheerful and full of self confidence.
91. Salesman's job is to move around people understand their needs and persuade them to purchase his products to satisfy their needs. Therefore, he should have good communication skill. His mannerism, tactful handling, courtesy, ability to win the confidence of the customer and empathy are important social qualities.
92. A person of strong character is always accepted and respected by others. Honesty and integrity of a salesman increase his credibility and trustworthiness among the customers which in turn help him discharge his professional job with maturity and courage.
93. Advertising refers to any paid form of non-personal presentation and promotion of ideas, goods and services by an identified sponsor.
94. A coupon is a certificate generally supplied along with the product that entitles consumer to an immediate price reduction when they buy the product or cash refund.
95. A Point of Purchase (POP) display includes any promotional display set up at the retailer's location to build traffic, advertise the product or induce impulse buying.
96. The POP displays include.
- (a) Shelf 'talkers'-Signs attached to store shelves
 - (b) Shelf extenders - Attachment that extend shelves so products stand out
 - (c) Advertisements on grocery carts and bags
 - (d) End-aisle and floor stand displays
 - (e) In store audio messages and audio-visual displays
97. Frequent user incentive is a consumer sales promotion tool in which a customer is rewarded for frequent repeat purchases. This is also known as loyalty marketing program. It is intended to build long term, mutually beneficial relationships between a company and its key customers.
98. (a) Major Airlines offer frequent flyer programme where the customers are given additional free tickets on the basis of the total mileage travelled by them.
- (b) Auto rental agencies like 'OLA'; Uber offer similar incentives to those who frequently avail their services.
99. In exchange offer an old product is exchanged for a new one with reduced price. For example manufacturers of television and home appliances, make such offers to persuade customers to change their old products with new models.
100. Referral gift is a consumer sales promotion tool in which existing customers are given gifts for referring their friends to the company.
101. Sales contest is a tool of trade sales promotion in which retailers are encouraged to compete with each other and the best ones are given rewards and prizes along with public recognition.
102. Sweepstakes are consumer sales promotion tools in which a consumer uses his skill and knowledge to answer certain questions, complete a sentence or write a paragraph about the product and submit the proof of purchase. Winner is selected through random draw of lots. Though participation is free winning a sweepstake depends on chance.

QUESTIONS**UNIT - IV**

1. State the provisions in the Consumer Protection Act regarding appeals against the order given of district forum. (CHSE)
2. How has the term 'Complaint' been defined under Consumer Protection Act ? (CHSE)
3. What interests of consumers need to be protected ? (CHSE)
4. Who can be a complainant as per Consumer Protection Act? (CHSE)
5. What is a frivolous and vexatious complaint?
6. What are the reasons that vexatious complaints are filed under COPRA?
7. What measures have been prescribed under COPRA to prevent filing of vexatious complaints?
8. 'User of goods with the permission of the buyer is treated as consumer under COPRA'. Explain.
9. Under which conditions the user of goods bought for commercial purposes is treated as consumer?
10. What do you mean by consumers right to information?
11. What do you mean by consumers right to access?
12. Mention any two rights of consumer recognised by COPRA.
13. Mention any four responsibilities of consumers.
14. What is the time frame within which a consumer can lodge a complaint under COPRA?
15. State the primary objectives of Central Consumer Protection Council.
16. State the jurisdiction of District Forum.
17. Mention any four remedies a District Forum may order.
18. State the composition of District Forum
19. State the composition of State Commission.
20. State the Composition of National Commission.
21. Can a complaint be filed after death of the buyer of goods?
22. Against whom the complaint under consumer protection act is filed.
23. Is Consumer Protection important for a business man? If yes, what steps can be taken in this regard?
24. Give example of any two 'marks' a buyer should look for while purchasing goods.
25. What 'Green Dot' and 'Brown Dot' on packages of goods indicate?

ANSWERS**UNIT - IV**

1. If any party is not satisfied with the order given by the District Forum, it can appeal to the State Consumer Commission within 30 days from the release of such order. The state committee shall not admit an appeal by a party who has been ordered by the District Forum to pay any amount unless he deposits 50% of such amount or Rs.25,000/- whichever is less in the District Forum.
 2. Complaint or complain is a statement made in writing by the aggrieved consumer containing certain allegations to the National Commission or the State Commission or District Forum to get relief provided under the Act.
 3. The following interest of consumers need to be protected. It is expected that the goods and services for which they have paid are:
 - of good quality, pure and defect free
 - supplied at right and reasonable price
 - given in right quantity & rightly measured and all information considered essential for their use are provided and no misleading information have been given to them with the intention of cheating or deceiving them.
 4. A complainant can be
 - (a) a consumer
 - (b) any voluntary association of consumers registered under the Companies Act or under any other law for the time being in force
 - (c) the Central or State Government
 - (d) any one or more than one consumer, where there are numerous consumers having the same interest.
 - (e) the legal heir or representative, in case of death of the consumer.
- In addition to above following persons can also file a complain
- (a) Beneficiary of goods and services
 - (b) Husband of a woman consumer
 - (c) A relative of consumer
 - (d) Insurance company
5. It refers to silly complaints having no useful or serious purpose.
 6. Vexatious complaints are seen to be filed because of the following reasons:
 - No court fee is required to file a complaint
 - No need to hire the services of a lawyer
 7. The following measures have been prescribed under COPRA to prevent filing of vexatious complaints
 - Any complaint before accepted, should be properly examined.
 - If a consumer/complainant found guilty of filing such type of complaint shall be imposed with a fine of maximum Rs.10,000/-.
 8. If a person uses a product with the permission of the buyer, he can sue the seller if some defect arises in the product. When purchase is made for family members, relatives or friends, it is implied that they have permission to use the goods and can sue the seller if any defect arises in the product.
 9. Under following conditions, the user of goods bought for commercial purposes is treated as consumer
 - Buyer himself manages the goods without engaging others.
 - Goods are used exclusively for the purpose of earning his livelihood.
 - Buyer use sit for self-employment.

10. A consumer has right to be informed by the producer about the quality, quantity, potency, purity, standard and price of goods he buys.
11. Under this right a consumer is granted freedom of choice. A shopkeeper can not force or create a condition in which a customer is left with no choices.
12. Hints. : Mention any two rights out of six rights of consumers recognised by COPRA (Refer text book).
13. Hints. : Mention any four responsibilities of consumers recognised by COPRA (Refer text book).
14. The time frame within which a consumer can lodge a complaint under COPRA are:
- A complaint has to be filed within two years from the date on which the cause of action has arisen.
 - However, if the Forum/Commission is satisfied that there was sufficient cause for not filing the complaint within the prescribed period, they may allow such complaints to be entertained.
 - But the Commission/Forum must record the reasons for condonation of delay.
15. Central Consumer Protection Council gives wide publicity to the (i) rights of the consumers, (ii) regarding the consumer dispute redressal agencies and (iii) procedure of filing complaints through television, radio, newspapers and magazines.
16. Jurisdiction means limit of authority to hear and decide cases. A forum takes up those matters which fall under its jurisdiction.
- (i) Pecuniary Jurisdiction - District Forum can entertain complaints where the value of goods or services and compensation, if any, claimed does not exceed Rs. 20 lakh.
- (ii) Territorial Jurisdiction - A complaint should be filed in that District Forum where other party has the business or branch office or personally works for gain.
17. (i) to remove the defect in the goods pointed out by the laboratory report
(ii) to replace the goods with new goods of similar description free from any defect
(iii) to repay the price to the complainant
(iv) to compensate to the consumer for any loss suffered due to negligence of opposite party.
18. Each District Forum shall consist of
- A President who is or has been or is qualified to be a district judge.
 - Two other members one of whom shall be a woman.
19. Each State Commission shall consist of
- A President who is or has been a judge in High Court
 - At least two other members one of whom shall be a woman.
20. The National Commission shall consist of
- A President who is or has been a judge of the Supreme Court
 - At least four other members one of whom shall be a woman.
21. Yes, the legal heir of the deceased consumer can file a complaint.
22. The complaint may be filed against the manufacturer or the person/firm/organisation who sells goods or services.
23. In the age of social marketing to succeed in the long run the businessmen should take consumer protection seriously. For this, the businessmen use self regulation by setting up consumer grievance cells or a special department to attend to the problems of consumers.
24. ISI mark - to be sure about safety of goods
AGMARK - for quality of Agricultural producer
HALLMARK - while buying jewellery
25. Green dot on the package indicates that content is vegetarian product whereas Brown dot indicates non-vegetarian product.

4. SHORT QUESTIONS TO BE ANSWERED IN 50 WORDS (3 MARKS EACH)

Under this question there shall be 6 bit questions out of which 4 bit questions are to be answered. Each bit question will be of 3 marks and total marks in this question will be 12 (3x4) marks. For the practice of the students Unit wise probable model questions have been given with answers/hints.

UNIT - I

1. Mention any three features of management. (CHSE)
2. Mention any six objectives of management. (CHSE)
3. State any three reasons why management should be regarded as science. (CHSE)
4. Explain how management is science as well as an art. (CHSE)
5. Explain how planning is both backward and forward looking. (CHSE)
6. State the importance of directing. (CHSE)
7. What are the basic steps of controlling? (CHSE)
8. What are the functions of top-level management ?
9. What are the functions of middle level management ?
10. What are the functions of lower level management?
11. What are the features that are identified with Art ?
12. Why do we regard management as science? Give any three reasons.
13. Give any three reasons why management should be regarded as a profession.
14. 'Organising' has the same importance for business organisation as 'structure of bones in human body'. Explain.
15. What are the elements of direction?
16. What are the basics steps in controlling process?
17. What do you mean by the term 'planning establishes standards for controlling'?
18. "Planning is meaningless without controlling and controlling is blind without planning". Explain.
19. "Supervisor acts as a link between workers and management". Explain.
20. How are planning and controlling interdependent and interlinked to each other ?
21. "The planning is basically forward looking it also looks back". Explain.
22. "The controlling basically backward looking but it also looks forward." Explain.
23. "Success of an organisation largely depends upon its management". Explain any six reasons to justify the statement.
24. 'Management aims at effectiveness and efficiency'. Explain.
25. What do you mean by economic objectives of business?
26. Is management a full pledged profession? Give three reasons in support of your answer.
27. "Management is an inexact science", Explain.

ANSWERS**UNIT - I**

1. Three features of management are:
 - Universal phenomenon
 - Social process
 - Multi-disciplinary
2. Six objectives of management are:
 - Securing maximum result with minimum efforts
 - Enhancing efficiency of factor of production.
 - Maximising returns for owner(s) and employees.
 - Improving quality of life of human resources.
 - Fulfilling social responsibility.
 - Ensuring better co-ordination.
3. Three reasons for which management should be regarded as science are:
 - Management is based on a systematised and organised body of knowledge containing many concepts and principles.
 - Certain management principles have been developed through observation, experimentation, experience and inference.
 - It has universal applicability.
4. Management can be regarded both as science and as art because it combines some of the features of both of them. It is considered as science because it is based on an organised body of knowledge developed through observation and experimentation having universal applicability. It is treated as an art because it is the personal skill and creativity of manager through which these management principles are applied effectively in different conditions.
5. Planning is forward looking in the sense that it is concerned with examining, analysing and understanding future challenges and opportunities. It helps in preparing action plans much in advance to meet the challenges. Planning is backward looking in the sense that it draws much of its thinking from the experience of past performances. So planning is both backward and forward looking.
6. Hints: Explain the following points in brief
 - It initiates actions.
 - Facilitates co-ordination.
 - Means of motivation.
 - Provides stability.
 - Best utilisation of resources
 - Coping up with the changes.
 - Timely performance of work.
7. Following are the basic steps in controlling process. Setting standards of performance
 - a) Measurement of actual performance
 - b) Comparing actual performance with the standards
 - c) Analysing deviations
 - d) Taking corrective action.
8. Hints. Write the functions of top-level management.
9. Hints. Write the functions
10. Hints. Write functions
11. Hints. Write down the features such as: application of knowledge, personalised skill, continuous practice, creative and personal feelings and emotions.

12. Hints. :
- Management as science has concepts, theories and principles.
 - Developed through observation experimentation.
 - Universal applicability
13. Hints.
- (a) Management is backed by a systematic body of knowledge.
 - (b) Practice of management needs specialised knowledge and skill.
 - (c) Manager has to apply his personal skill and acquired knowledge to tackle the problems in organisation depending upon situational requirements.
14. Hints. : Define organisation and explain how it provides the basic framework to the business organisation through clearly defined roles and positions for every individual employee and their interrelationship in the entire organisation.
15. The elements of direction are Supervision, Communication, Leadership and Motivation.
16. The basics steps in controlling process are: Setting standard, measurement of actual performance, comparing actual performance with the standard, analysing deviations and taking corrective actions.
17. Controlling involves comparing actual result with standard and taking corrective actions. But it is the planning function which sets the standard by defining the work to be done, when to be done and how to be done. This facilitates managers to undertake controlling function. So, planning establishes standards for controlling.
18. Planning sets standards which are used to compare the actual performances for controlling purpose. So, planning becomes meaningless if standards set by it are not used to compare the actual performance. Similarly, without planning controlling is blind because if we do not have any standards, actual performance cannot be compared to know the deviations and take corrective measures.
19. Supervisor conveys the management's expectations to the workers and makes the management aware of the problems and grievances of workers. So, he acts as a link between workers and management.
20. Controlling is comparing actual performance with the planned or expected performance. At the same time, the deviations observed during controlling process form the basis for bringing effectiveness in the future planning. So, planning and controlling are interdependent and interlinked to each other
21. Planning is always made for a future period so circumstances that will prevail in the future is the basic concern of planning. So, planning is basically forward looking. But at the same time, it also looks back as the experience from the past performance provides the foundation of planning.
22. Controlling is backward looking because the manager compares the actual work done (which has already been done) with the standards set in the beginning of the work. It is forward looking because it suggests the corrective measures to be taken in future so that deviation occurred in the past may be taken care of.

23. i) It helps in achieving group goals.
ii) It increases efficiency.
iii) It makes optimum utilisation of organisational resources.
iv) It creates a dynamic organisation.
v) It helps in satisfying personal objectives
vi) It helps in the development of the society.
24. The terms effectiveness and efficiency are different but they are interrelated.
- Effectiveness means doing the right task within the given time period. Thus, management aims at achieving desired targets with optimum efforts with in targeted time period.
 - Efficiency means doing the task correctly with wise utilisation of resources in a cost-effective manner. Thus, management aims at proper utilisation of scarce resources to achieve the desired targets at minimum cost.
25. Economic objectives of a business relates to survival, profit and growth.
- Survival - It must earn enough revenues to recover the cost.
 - Profit - Mere survival is not enough it must earn profit to reward the stakeholders for the risk they have undertaken.
 - Growth - To thrive in the long run it must grow.
26. Management is not a full-fledged profession because of the following reasons.
- (a) Restricted entry - Entry to a profession is restricted through prescribed qualification. But there is no restriction on anyone being appointed as a manager in a business enterprise.
 - (b) Professional association - All professions have their association - which enforces a code of conduct for the professionals and issues certificate for practice. Though there are some professional association like AIMA for managers, there is no compulsion for managers to be member of such association.
 - (c) Ethical code of conduct - Professional Associations prescribe a set of code of conduct for its members. Though AIMA has prescribed a set of code of conduct for Indian managers it is not binding on all.
27. Science is a systematized body of knowledge. It establishes the cause and effect relationship between two or more events. Management is treated as a science because it is a systematic body of knowledge having concepts, theories and principles developed over a period of time through experimentation and observations. But it differs from exact sciences because its principles lack universal applicability". As management deals with human being and their behaviour it needs to be modified according to the demand of the situation. So, it is treated as science but as inexact science.

QUESTIONS**UNIT - II**

1. Mention any three components of business environment. (CHSE)
2. State the components of internal environment. (CHSE)
3. What is the impact of political environment? (CHSE)
4. Explain the meaning of liberalisation, privatisation and globalisation. (CHSE)
5. State the features of globalisation. (CHSE)
6. Discuss any three important features of business environment. (CHSE)
7. Explain any three principles of scientific management. (CHSE)
8. State any three differences between time study and motion study. (CHSE)
9. What is scalar chain?
10. Name any three techniques that are followed in the work study. (CHSE)
11. Mention any three major contribution of Fayol. (CHSE)
12. "Managers are not born they are made". Comment.
13. Why external environment is treated as business environment and not the internal environment?
14. What constitutes internal environment of Business?
15. What is liberalisation? Give two major steps initiated for liberalisation in India.
16. What is privatisation? Discuss its features and implications.
17. Discuss the features of globalisation
18. Enumerate six negative impact of LPG.
19. Enumerate six positive impact of LPG
20. State six impacts of government policy changes on Business and Industries in India.
21. What do you mean by management principles?
22. How are management principles are derived?
23. Describe any three features of principles of management.
24. State any three reasons why management principles are required.
25. Describe method study with a suitable example.
26. Describe motion study with a suitable example.
27. Describe time study with a suitable example
28. Describe fatigue study with a suitable example.
29. What is differential piece wage system and why Taylor suggested the system?
30. Explain "Functional Foremanship" introduced by Taylor.
31. How can you implement the principle, "Development of each and every person to his/her greatest deficiency and prosperity", suggested by Taylor?
32. What do you mean by decentralisation? What is the opinion of Fayol in this regard?
33. What do you mean by 'material order' and 'social order'?

ANSWERS**UNIT - II**

1. Three components of business environment are:
 - (a) Economic Environment
 - (b) Political Environment
 - (c) Social Environment
2. The components of internal environment are:
 - (a) Company image
 - (b) Physical structure and facilities
 - (c) Research and Development
 - (d) Marketing Resource
 - (e) Finance
 - (f) Human Resources
3. Hints: Discuss the impact of each of the component of political environment such as political system, government system, political parties, international relation.
4. Hints: Give the meaning of the three (refer text book, also answered earlier)
5. Globalisation has following features
 - Free movement of goods and services among different countries.
 - Free movement of capital and labour across borders
 - Free flow of technology and information
 - A global governance perspective
 - A common acceptable mechanism for the settlement of disputes.
6. Hints. Explain dynamic nature, uncertainty and relativity.
7. Hints. Briefly describe any three of the following
 - i) Science, not rule of thumb
 - ii) Harmony, not discord
 - iii) Mental revolution
 - iv) Cooperation not individualism
 - v) Development of each and every person to his/her greatest efficiency and prosperity.
8.
 - Meaning - Time study determines the standard time taken by a worker to perform a given task whereas motion study refers to study of movement of workers while performing a given task.
 - Objective - Objective of time study is to determine the number of workers to be engaged for a fair day's work whereas objective of motion study is to eliminate unnecessary movements to increase workers efficiency.
 - Tools used - For time study stopwatch is used whereas motion study is done by assigning colours & symbols for each motion.
9. Hints.
 - Give the meaning citing the opinion of Fayol on this principle
 - Show the diagram of flow of authority
 - Explain gang plank

10. Hints. : Give any three techniques with their meaning from the following
- Methods study, Motion study, Time study or Fatigue study
11. Following are the major contributions of Fayol:
- Fayol was first to define the four functions of management: Planning, Organising, Directing and Controlling.
 - He laid down 14 principles of management.
 - He divided the industrial activities into technical, commercial, financial security, accounting and management.
12. Earlier people believed that good managers are born not made. But now it has been established that inborn talent is not enough to make competent managers. They need specialised knowledge and training to succeed as managers. Hence, it has been rightly observed that managers are not born they are made.
13. Most authors opine and it is generally understood that environment that exists outside the business premises and influence the business as business environment. Internal environment is not considered as important part of business environment for two reasons. First, its restricted impact and second, its controllability. It affects the said business and these factors can be controlled by the business itself.
14. The internal factors which influence the operational strategy and policy decisions of a business but under the control of the management collectively constitute internal environment. They are: Company image, Physical structure and facilities, methods of production, marketing resources, Finance, Human resource, Managerial attitude etc.
15. Hints. Give definition and two major steps (Refer text book)
16. Hints.
- Give the meaning
 - Discuss the features
 - Discuss the implications (impact) (Refer text book)
17. Hints. : Refer text book
18. i) Threats from multinational companies
ii) Corporate vulnerability
iii) Increased Competition
iv) Fast changing technology
v) Threat to indigenous culture and values
vi) High labour turnover
19. Enumerate six positive impact of LPG
- i) Availability of latest technology
 - ii) Inflow of Foreign Capital
 - iii) Investment by Indian Companies in foreign countries
 - iv) Changed attitude of labour unions
 - v) Easy import of capital goods
 - vi) More choice for the customers
20. i) Increasing Competition
ii) More demanding customers
iii) Rapidly changing technological environment
iv) Need for developing human resources
v) Market orientation
vi) Decrease in the budgetary support to the public sector

21. ● Principles are statement of fundamental truths about some phenomena and serve as a guide for thoughts and actions.
- They establish cause and effect relationship
- Similarly management principles provide guidelines to the managers for decision making and actions and to manage the enterprise in '3E Way' i.e. 'economically', 'effectively and 'efficiently'.
22. Management principles have emerged gradually through an evolutionary process of combining deep observations and experimental studies.
- (i) Observation method: Under this method, practical events are observed and analysed by researchers to derive managerial principles. For example, it is observed that dividing the total work into different jobs efficiency of workers improved. As a result, principle of division of labour emerged.
- (ii) Experimental method: Under this method, experiments are conducted leading to formation of management principles. For example: Two units are formed. One with one superior and the other with two superiors from whom the workers of respective units received command. It was observed that the unit having one superior performed better. As a result, the principle of 'unity of command' emerged.
23. Hints. Briefly explain any three of the following features
- Universal applicability
- General Guidelines
- Formed by practice and experimentation
- Flexible
- Mainly behavioural
- Cause and effect relationship
- Contingent
24. Hints. : Explain any three of the following
- provides useful insight into reality
- leads to optimum utilisation of resources
- helps in scientific decision making
- helps in facing changing environmental requirements
- fulfils social responsibility
25. Hints.
- Meaning has already been discussed earlier.
- Example - X Ltd. was using labour intensive technology to produce plastic bags as cheap labour was available in the locality. But, due to migration of labour to better industrial area labour became costly. The managers analysed the various options and found out a capital-intensive technology through which more bags can be produced using very less manpower at lower unit cost of production. This is an example of method study which helped management to find out the best method of producing plastic bags.

26. Hints.

- Meaning has already been discussed earlier.
- Example - As the input point of the machine where raw material was to be loaded was at a height the worker has to bend and lift material and put it on the machine. The works manager observed the motions of the worker such as bending and lifting each time he has to load material on the machine. He built a platform at a height where materials from the godown are delivered and from where the worker loaded the required quantity on the machine without bending and lifting. This saved much of his time and energy resulting in more output. This is an example of motion study.

27. Hints.

- Meaning has already been discussed earlier.
- Example - To establish a standard time for a particular job to be performed by a worker Mr. X the manager allotted the same job to 5 different workers to do that job for 10 times each and recorded each ones time with the help of a stop watch and worked out the average reading of all the 50 variables of time taken. It came to 57 minutes. He added 3 minutes for contingency and fixed standard time of 60 minutes to complete the job. This is a case of time study.

28. Hints.

- Meaning has already been discussed earlier.
- Example - To meet the demand of customer, Y Ltd. reduced the lunch time and asked the workers to put in extra effort to increase the production. But it was observed that instead of perceptible increase in production there was heavy wastage of materials. Manager who was supervising workers found that after working for 2 hours workers are becoming tired and wasting materials in a hurry to increase the production. He allowed a rest of 15 minutes after every 2 hours of work. He observed that the rest allowed has a refreshing effect on the workers and there is a perceptible increase in the production. He suggested to higher authorities to introduce 15 minutes break after every 2 hours of work. The same was introduced and it was observed that production of entire factory was increased.

29. It is a system of wage payment in which efficient and inefficient workers are paid at different rates for similar work - wages at higher rate to efficient workers and wages at lower rate to inefficient worker. The workers who perform above the standard are treated as efficient workers and ones who perform below standard are treated as inefficient workers.

The intention of Taylor in introducing the system was to motivate the workers towards higher productivity.

30. Functional foremanship is the extension of the principle of 'specialisation'. Here, Taylor suggested for separation between planning and execution function. So, there should be one planning in charge and one production in charge under factory manager. Under planning in charge, he placed four personnel with definite task such as

- a) Instruction card clerk to draft the instructions for worker
- b) Route clerk to specify the sequence of both manual and machine work
- c) Time and Cost Clerk to fix the time to start and complete the work
- d) Disciplinarian to ensure discipline at the work place

Under production in charge, he placed four personal such as:

- (a) Speed boss - to see timely and accurate completion of jobs.
 - (b) Gang boss - for keeping machine and tools ready for work
 - (c) Repair boss - to maintain machines and tools in proper working condition.
 - (d) Instructor-To ensure proper quality of work.
31. ● This principle of Taylor emphasises on taking care of development of efficiency of the employees. Since an efficient worker works hard and produces more to earn more, this helps to enhance the prosperity of not only the workers but also the organisation. This can be done in the following manner.

- Scientifically selecting suitable employees.
- They should be properly trained
- The work assigned to each employee should be according to his/her physical, mental and intellectual capabilities.

32. Decentralisation is the process of disposal of power of decision making to lower levels where as centralisation is the process of concentration of power of decision making with one person.

Fayol was of the opinion that there should be a judicious decentralisation with managers retaining the final authority with them.

In case of a big organisation as all the activities cannot be done by a single person adequate authority should be delegated to lower levels for efficient completion of their assigned duties. Whereas authority to take major decisions should be with the managers at higher levels.

33. Fayol has suggested that people and material must be at suitable places at appropriate time for maximum efficiency. Arrangement of thing at suitable places for their availability at right time is called material order and arrangement of people at suitable places for their proper functioning at appropriate time is called social order. This ensures reduction in wastage of time in search for material and men and results in increased efficiency and productivity.

QUESTIONS**UNIT - III**

1. State any three objectives of SEBI. (CHSE)
2. How does capital market help business houses? (CHSE)
3. Show any three differences between shares and debentures. (CHSE)
4. Name the different marketing concepts. (CHSE)
5. Differentiate between product concept and production concept of marketing. (CHSE)
6. Mention any three basic objectives of marketing. (CHSE)
7. Explain only three factors that influence marketing mix. (CHSE)
8. What do you mean by product mix ? (CHSE)
9. Name the different types of labels. (CHSE)
10. Name and explain different types of labelling. (CHSE)
11. Explain any three objectives of packaging. (CHSE)
12. What are the common methods of demand-based pricing? (CHSE)
13. State any six functions of channels of distribution. (CHSE)
14. State any three functions of channels of distribution. (CHSE)
15. Mention any three elements of physical distribution function. (CHSE)
16. State any three factors influencing the selection of channel of distribution. (CHSE)
17. Mention any three differences between marketing & selling. (CHSE)
18. What is promotion mix and what elements are involved in it ? (CHSE)
19. What are trade promotion schemes? (CHSE)
20. Differentiate between capital market and money market on the basis of (i) Duration (ii) Liquidity and (iii) Participants.
21. State any three functions of financial market.
22. State any three features of stock exchange.
23. "Financial market reduces the cost of transaction". Explain.
24. "SEBI prohibits price rigging", Comment.
25. What is insider trading?
26. Can SEBI impose penalties? If so when?
27. "SEBI is the watch dog of security market". Comment.
28. Explain the concept of marketing mix.
29. Enumerate the important conditions for 'exchange' in relation to marketing.
30. How does marketing satisfy needs and wants of people?
31. Product is a 'bundle of utilities'. Comment.
32. "Product is a mixture of both tangible and intangible attributes". Discuss.
33. What is product life cycle?
34. Can a product last indefinitely?
35. Mention the characteristics of services.
36. What are the qualities of a good brand name?
37. What does the label indicate?
38. Mention the internal factors influencing the pricing decision of a firm.
39. Mention the external factors which influence the pricing decision.

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| <p>40. What do you mean by cost-based pricing? Discuss various methods of cost-based pricing.</p> <p>41. What is demand based pricing? Mention the various methods under it.</p> <p>42. What is competitor based pricing? Mention the methods under it.</p> <p>43. What do you mean by price lining?</p> <p>44. Write any three conditions in which penetrating pricing strategy is suitable.</p> <p>45. Explain the various levels of channel of distribution.</p> <p>46. Name the intermediaries involved in a three-level channel.</p> <p>47. Explain the customer oriented factors influencing the designing of a distribution channel.</p> | <p>48. Describe how product characteristics influence channel selection.</p> <p>49. Name the factors under company characteristics that influence channel selection.</p> <p>50. How do middlemen influence selection of a distribution channel?</p> <p>51. What are the basic objectives of promotion.</p> <p>52. What are the steps in the process of personal selling?</p> <p>53. Give any three features of advertising.</p> <p>54. Give any three limitation of advertising.</p> <p>55. State the three kinds of sales promotion activities.</p> <p>56. State any three functions of a public relation department of a business organisation.</p> |
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ANSWERS

UNIT - III

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| <p>1. Three objectives of SEBI are:</p> <ul style="list-style-type: none"> ● To regulate the activities of stock exchange ● To protect the rights of investors and to ensure safety of their investment. ● To promote a healthy and vibrant market for securities. <p>2. Capital market helps business houses in the following manner:</p> <ul style="list-style-type: none"> ● It creates a market where business houses would obtain long term and medium term funds. ● It helps business houses to sell their securities to the public ● It enhances the liquidity of securities issued by business houses by making available a market for sale of the securities held by investors. ● It channelizes the surplus savings to productive uses by business houses. | <ul style="list-style-type: none"> ● It enables business houses to determine the price of their securities through interplay of demand and supply forces. <p>3.</p> <ul style="list-style-type: none"> ● Shares are the owned capital whereas debentures are borrowed capital of a company. ● Dividend is paid on shares whereas interest is paid on debentures. ● Interest on debentures is paid irrespective of profit earned by the business but dividend is paid out of profit of the business. <p>4. The different marketing concepts are:</p> <ul style="list-style-type: none"> (a) Production concept (b) Product concept (c) Selling concept (d) Marketing concept (e) Societal marketing concept (f) Social marketing concept |
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5. Production concept believes in low cost and easy availability of goods at place of consumption. For this it focusses on its internal capabilities, goes for mass production of goods to reduce the unit price of goods and through proper distribution makes goods available at place of consumption at cheaper price. But product concept believes in quality and excellence of goods. So, it focusses on product innovation and quality of goods.
- Production concept targets cost reduction where as product concept aims at enhanced quality of goods and services.
6. Three basic objectives of marketing are:
- To satisfy customers.
 - To increase profit for the growth of the business
 - To increase market share
7. Factors that influence marketing mix are:
- Target market - It refers to the persons for whom the product has been designed and produced or to be produced.
 - Business environment - It refers to both micro and macro business environment. The knowledge of impact of the factors constituting these environments is very necessary for designing the marketing mix.
 - Company resources - It determines the dimensions of marketing mix strategies. It includes financial, technological and man power resources.
8. A product mix is the set of all product lines and items that a particular seller offers for sale to buyers. It is also known as product assortment. If an enterprise deals with different varieties of soaps, oil, toothpaste, perfumes etc., the group of all these products is called product mix.
9. Has already been answered.
10. Has already been answered.
11. (a) Product identification - The colour, style and design of a package gives a different identity of the product. The customer can identify the product in a retail store by just having glance at the package.
- (b) Product protection - The packages preserve the quality and quantity of the content.
- (c) Product convenience - An appropriately designed package helps in storing, stripping, handling, displaying and using the product.
- (d) Product promotion - An attractive packaging acts as a silent sales man.
12. Following are the common methods of demand-based pricing
- (a) What the traffic can bear pricing
 - (b) Price skimming
 - (c) Penetration pricing
13. Choose any six of the following
- (a) Breaking the bulk
 - (b) Provide market information
 - (c) Assortment
 - (d) Physical distribution
 - (e) Financing
 - (f) Risk taking
 - (g) Matching
14. Choose any three of the following
- (a) Breaking the bulk
 - (b) Provide market information
 - (c) Assortment
 - (d) Physical distribution
 - (e) Financing
 - (f) Risk taking
 - (g) Matching

15. Any three of the following:
- Transportation
 - Inventory management
 - Warehousing
 - Order processing
16. Following are the factors influencing selection of a channel of distribution. (select any three)
- Product related factors
 - Company characteristics
 - Market or customer related factors
 - Middlemen characteristics
 - Environmental factors
17. Hints. : See answers to Q No. 8 under long questions.
18. Promotion mix consists of all the activities aimed at persuading customers to buy the product. The various elements of promotion mix are:
- Advertising
 - Personal selling
 - Sales promotion
 - Publicity
19. The various trade promotion schemes are :
- Trade allowances
 - Push money
 - Off-invoice allowance
 - Free Merchandise
 - Store demonstrations
 - Trade fairs & Exhibitions
 - Business meeting and conventions
 - Sales contests.
20. Duration - Money market deals in securities with a duration up to 1 year whereas capital market deals in securities with a duration of more than 1 year.
- Liquidity - Money market securities enjoy high degree of liquidity compared to the securities dealt in capital market.
- Participants - The participants of money market are financial institutions commercial banks, RBI, Public and Private Companies, Participants in capital market are financial institutions, banks, public and private companies, foreign investors and ordinary public.
21. Price determination - Like goods and services market, financial market is helpful to discover the price of securities through operation of demand and supply forces.
- Provide credit related information - Financial market makes available various types of information needed for buying and selling securities.
 - Enhancing income - Financial market helps lenders to earn interest or dividend on their surplus funds, thus contributing to enhancement of the individual and national income.
22. Features of stock exchange are:
- It is an organised market for securities.
 - It deals with second hand securities.
 - Only listed securities are bought and sold in a stock exchange.

23. Financial market provides a ready market and facility for raising funds as well as their liquidity. Investors can easily invest their surplus fund in shares and securities as well as in money market instruments and sale them whenever they need in financial markets. The market also provides necessary information regarding the instruments and the intermediaries for ready reference. Thus, it reduces the cost of transactions.
24. To defraud and cheat the investors in the stock exchange price of securities is manipulated and kept deliberately high or low by unscrupulous securities dealers. SEBI is formed to prohibit such practices.
25. Insider is a person who has sensitive information which can affect the prices of securities of a company because of the fact that he works in the company. This information is not available to general public. If such person uses such information to make some profit through trading in a stock exchange, it is known as insider trading. For example, if a director of a company who knows that the company will go for bonus issue which is not known to others and goes for purchase of such shares in the stock exchange to make profit with the bonus issue then it is known as insider trading.
26. Yes, SEBI can impose penalties for violation of fair practices in stock exchange. In following cases SEBI can impose penalties.
- (i) For fraudulent and unfair trade practices
 - (ii) Failure to observe rules and regulations
 - (iii) Failure to redress grievances
 - (iv) Failure to furnish required information
27. SEBI was set up in the year 1992 as per SEBI Act 1992 with the object of regulating the trading in the securities markets and protecting the rights and interest of investors. It is considered as watch dog as it performs the following functions.
- (i) It checks price rising
 - (ii) It prohibits insider trading
 - (iii) It prohibits fraudulent and unfair trade practices
 - (iv) It regulates and controls intermediaries
 - (v) It undertakes inspection and audit works
 - (vi) It imposes penalties for wrong doings.
28. The term marketing mix refers to a unique blend of product, price, place and promotion, designed by business organisations to produce mutually satisfying exchanges with the target market. Each element of the marketing mix is important in its place. For example, a product of improper quality cannot be sold or, if sold, cannot have a sustained market even if we offer it at less price or go for aggressive promotional measures. Similarly, excellent product cannot be sold in the market unless it is brought to the notice of the target market through advertisement or not supported by appropriate pricing and or not made available at the place of consumption through suitable distribution measure.
29. The following conditions are essential for exchange of goods and services.
- (i) There must be a buyer and a seller
 - (ii) Both must be in a position to offer something of value
 - (iii) Both must be willing to enter into the transaction

- (iv) There should be proper communication between the two
- (v) Both should have right to accept or reject other party's offer.
30. Hints.
- Marketing is satisfaction of consumer needs. So, such products are developed and marketed which are needed by the customers. However, marketing undertakes following functions to satisfy the needs and wants of the people.
 - Mention the functions without explaining.
31. A product is a bundle of utilities as it provides functional, psychological and social satisfaction. Let us take an example. Buying an apartment provides the functional satisfaction of having a home to stay. It provides psychological satisfaction that one has his own home. It also provides social satisfaction that the owner of a house is regarded as a permanent resident of the locality not as a tenant.
32. When we think about a product, generally, it refers only to the tangible attributes of the product. For example, when we buy a utility for preservation of food items, we say we purchased a refrigerator and we describe its tangible attributes like its size, colour, capacity etc. But while taking the buying decision we have also considered its intangible attributes like its brand name image of the company, guarantee, warranty after sales service, resale value and many other such attributes. Therefore, a product is a mixture of both tangible and intangible attributes.
33. A product has a life and passes through the following stages:
- (i) Introduction stage
 - (ii) Growth stage
 - (iii) Maturity stage
 - (iv) Saturation stage
 - (v) Decline stage
34. The products that we are seeing now in the market may not continue to be in the market place in the future. Its stay may be prolonged. But generally, it comes to an end due to various reasons. For example, now we do not see black and white TVs or tape recorders in the market, which were much in demand some time in the past. This is because the product has a life cycle which goes through various stages like introduction, growth, maturity, saturation and decline.
35. Generally, services have five characteristics.
- (a) Intangibility
 - (b) Inseparability
 - (c) Variability
 - (d) Perishability and
 - (e) Ownership
36. (a) Simple and short
(b) Clearly pronounceable
(c) Suggestive
(d) Distinctive
(e) Should not be offensive, obscene or negative.
37. The following information are usually indicated on a label.
- (a) Brand name
 - (b) Ingredients

- (c) Weights and measures
 - (d) Place of manufacture
 - (e) Instructions for use
 - (f) Grade
 - (g) Name of the manufacturer
 - (h) Dates of manufacture, period of safe use and date of expiry
 - (i) Warnings, if any
38. The internal factors which influence the pricing decision are costs, management policy, marketing objectives, marketing mix and product differentiation.
39. The external factors which influence the pricing decisions are demand, competition, economic condition, buying characteristic and government regulations.
40. Under this method of pricing, cost of the product forms the basis. The various methods under cost based pricing are:
- (a) Cost plus pricing - In this method of pricing total cost of the product plus a margin for profit is taken into consideration.
 - (b) Full cost or absorption pricing - Under this method variable cost which are directly attributable to production of a product is taken into consideration. In addition, it considers an allocation of fixed cost that cannot be directly attributed to the product.
 - (c) Marginal cost pricing - Under this method the incremental cost incurred to produce the product is taken into consideration keeping some provision that fixed cost can be recovered from the contribution.
- (d) Breakeven point - The breakeven point is the level where total costs exactly equal the total revenue. So, profit will be zero at breakeven point. This method is very useful for determining the price of competitive product.
- (e) Target pricing method - Under this method a desired rate of return is determined beforehand on the basis of capital invested. This percentage is added to the cost of production to determine the price.
41. The basis of this type of pricing is consumer demand not cost as in case of cost based pricing. The various methods under it are (a) What the profit can bear pricing, (b) price skimming, (c) Penetration pricing.
42. Under this method of pricing competitors price is taken into consideration. The various methods are:
- (a) Parity pricing
 - (b) Premium pricing
 - (c) Pricing below the competitors
 - (d) Tender pricing
43. Price lining refers to having assortment of goods of different prices to accommodate customers of all income levels. For example, having assortment of 'Sarees' of different quality and prices say Rs. 500, 750, 1000, 5000 so on to suit the purse of all levels of customers. In this way, a line of prices is created to allow the customers to plan their purchases.

44. Penetrating pricing strategy is suitable in following situations.
- (a) Demand for the product is highly elastic and there is strong potential competition in the market.
 - (b) Target customers are not 'class customers' and unable to pay high price.
 - (c) The firm is new entrant and wants to keep its foot hold in the market.
45. (a) Zero level channel - It has no middlemen between the manufacturer and consumer.
- (b) One level channel - It has one intermediary between the producer and ultimate consumer.
- (c) Two level channel - It has two intermediaries between the producer and ultimate consumer.
- (d) Three level channel - It has three intermediaries between the producer and ultimate consumer.
46. There are three intermediaries involved in three level channel. They are:
- (a) Agent (b) Wholesaler and (c) Retailer
47. The following are customer oriented factors:
- (a) Number of customers targeted and the expected frequency of their purchase.
 - (b) Geographic concentration of customers
 - (c) Buying habit of customers
 - (d) Size of purchase orders and
 - (e) Size of the market
48. Price, weight, complexity and perishability of product play an important role in channel selection. Low priced products need to be sold in large quantities over a large area so need a larger channel. Heavy and bulky products are distributed directly to the customer to save transportation cost needing a short channel. Direct channel is necessary for complex products as the customers need various information and better service. Perishable goods need shorter channels as they are required to be consumed with in a short period.
49. Degree of channel control desired, financial resources, product mix, marketing policies of the company and ability of management are the factors under company characteristics that influence a channel selection.
50. Middlemen constitute the medium through which a channel of distribution is designed. Quality of middlemen available, the cost involved and type of service they provide are important factors that are taken into consideration to plan a channel of distribution.
51. The basic objectives of promotion are:
(a) Informing, (b) Persuading, (c) Reminding
52. Hints. Just name the steps. (Refer text book)
53. Features of advertising are:
(a) paid form (b) non-personal communication and (c) done through identified sponsors.
54. Hints. : refer text book.
55. (a) Consumer sales promotion
(b) Trade sales promotion
(c) Sales force promotion.
56. Hints. : Refer text book.

QUESTIONS**UNIT - IV**

1. State the situation under which a complaint can be disallowed. (CHSE)
2. Name the quasi-judicial bodies which function at National, State and District levels for redressal of consumer grievances. (CHSE)
3. Explain any three important roles of Consumer Organisations and NGOs. (CHSE)
4. Why did consumer need protection? Give any three reasons.
5. State any three objectives of COPRA
6. Where did an aggrieved consumers file his complaint?
7. What do you mean by consumer protection council? Name the different levels of consumer protection councils.
8. State the composition of Central Consumer Protection Council.
9. State the Composition of State Consumer Protection Council.
10. State the Composition of District Consumer Protection Council.
11. State the qualification of members of district forum.
12. State the powers of District Forum.
13. What are executory powers of the District Forum.
14. Outline the jurisdiction of State Commission.
15. Outline the jurisdiction of National Commission.
16. What are the qualification needed for members of District Forum, State Commission at National Commission.
17. Who are disqualified to become a member of District Forum, State Commission or National Commission.
18. State the importance of Consumer Awareness (any three)
19. Name the persons who are not considered as consumers under COPRA.
- A The following persons are not considered as consumer under COPRA.
20. Write the functions of Consumer organisations (any three)

ANSWERS**UNIT - IV**

1. Under following situations a complaint can be disallowed.
 - (a) Complaint is of a general nature where consumers are not identified
 - (b) A complaint by an unregistered association
 - (c) A complaint filed after expiry of limitation period i.e. 2 years from the date on which cause of action arises. However, the consumer forum may accept after verifying the genuineness of delay.
2. The quasi-judicial bodies at National, State and District Level are:
 - (a) At District Level - Consumer Dispute Redressal Forum (District Forum)
 - (b) At State Level - State Consumer Disputes Redressal Commission (State Commission)
 - (c) At National Level - National Consumer Disputes Redressal Commission (National Commission)

3. The following are the three important roles of Consumer Organisations and NGOs.
- Educating the consumers about their rights and responsibilities
 - Encouraging Consumers to protest and take legal action against unscrupulous, exploitative and unfair trade practices of sellers
 - When required file complaints in appropriate forum or commission on behalf of consumers.
4. The protection is needed because (choose any three)
- They are generally simple, innocent and indifferent in matters of buying
 - They do not have time, patience or interest for intelligent buying
 - They are unorganised
 - They are not exposed to consumer education and not aware of their rights and responsibilities and remedies available.
 - Absence of a proper legal system before COPRA
 - Non-recognition of consumer exploitation as a great social menace.
5. Objectives of COPRA are:
- To protect the consumers from exploitation.
 - To safeguard the interest of consumers
 - To deliver speedy justice to consumers with minimum cost.
6. Where or with whom to file a complaint depends upon the value of goods or services or compensation claimed. As per COPRA, the consumer can file the complaint with the
- District Forum if the value of claim is within Rs. 20 lakhs.
 - State Commission if the value of claim exceeds Rs. 20 lakhs but within Rs. 1 crore.
 - National Commission if the value of claim exceeds Rs. 1 crore.
7. Consumer protection councils are advisory bodies created to advise and assist the consumers in promoting and protecting their interests. The Act provides for the establishment of Consumer Protection Councils at the Central, State and District levels. At Central, State and District levels they are known as Central Consumer Protection Council, State Consumer Protection Council and District Consumer Protection Council respectively.
8. Hints. (Refer text book)
9. Hints. (Refer text book)
10. Hints. (Refer text book)
11. Hints. (Refer text book)
12. Hints. (Refer text book)
13. Hints. (Refer text book)
14. Hints. State the Pecuniary, Territorial, Appellate and Revisionary jurisdictions.
15. Hints. State the Pecuniary, Territorial, Appellate and Revisionary jurisdictions.

16. The qualification needed for the members of District Forum, State Commission and National Commission are same. The members should
- be not less than 35 years of age
 - possess a bachelors degree from any recognised university
 - be person of ability and integrity and have enough knowledge and experience of at least 10 years in dealing with problems relating to economics, law, commerce, accountancy, industry or public affairs.
17. A person is disqualified to become a member of District Forum, State Commission or National Commission if he
- has been convicted and sentenced to imprisonment for an offence which, in the opinion of the State Government, involves moral turpitude or
 - is an un-discharged insolvent
 - is of unsound mind and stands so declared by competent court, or
 - has been removed or dismissed from the service of the Government or a body corporate owned and controlled by the government, or
 - has, in the opinion of the State Government, such financial or other interest as is likely to affect prejudicially the discharge by him of his functions as a member, or
 - has such other disqualifications as may be prescribed by State Government.
18. The following are importance of Consumer Awareness:
- To protect the consumer and help them get value for their money
 - To educate them about their rights and reliefs
 - To help them to get united and organised so that they can save themselves from being deceived by strong, powerful and organised producers.
19. The following persons are not considered as consumer under COPRA.
- The person who obtains goods or hires services without any consideration.
 - The person who uses the goods or avails the services without the approval of the buyer
 - The person who buys the goods for the purpose of resale or commercial purpose.
20. Select any three of the following.
- Bringing out brochures, journals etc.
 - Spreading consumer awareness.
 - Collecting data of different products and testing them
 - Arranging seminars and conferences for the purpose of focusing on the problems of consumers.
 - Encouraging consumers to boycott the goods of inferior quality on harmful contents.
 - Advise consumers for legal rights.

GROUP - C

LONG TYPE QUESTIONS

UNIT - I

1. Define management and discuss its features. (CHSE)
2. Explain the meaning of management and discuss its importance. (CHSE)
3. Can management be called a profession? Give arguments. (CHSE)
4. Discuss in brief the various function of management. (CHSE)
5. Explain the nature of planning and point out its importance. (CHSE)
6. Distinguish between Administration and Management.
7. What do you mean by levels of management? State the levels and explain the function at each level of management.
8. Explain the objectives of Management.
9. Explain the steps involved in the organising function.
10. Explain the steps involved in staffing function.
11. Explain the elements of directing.
12. Explain the basic steps in controlling process.
13. Explain the nature of organising and point out its importance.
14. "Staffing involves filling and keeping filled the positions in the organisation structure". Explain.
15. Define directing and state its importance.
16. Define controlling and state its importance.
17. Define management and point its importance.
18. What do you mean by management? Discuss its functions.
19. Is Management art or science ? Explain with reasons in support of your answer.

UNIT - II

1. Define business environment and discuss its importance. (CHSE)
2. Explain the recent trends in the economic environment in India. (CHSE)
3. Explain the impact of economic environment of business. (CHSE)
4. Explain the meaning of Scientific Management and state the reasons why workers opposed it. (CHSE)
5. Discuss the objectives of scientific management. (CHSE)
6. Discuss in brief, the techniques of scientific management. (CHSE)
7. What is time study? How is it different from motion study? (CHSE)
8. Describe any eight Fayol's principles of management. (CHSE)
9. Write short notes on (CHSE)
 - (a) Parity between authority and responsibility
 - (b) Centralisation
 - (c) Unit of direction
10. Define Business Environment and discuss its features.
11. What is micro environment? Discuss its components.
12. What is macro environment? Discuss any six components.
13. What is liberalisation? Discuss the major steps initiated for liberalisation in India and benefits of liberalisation.
14. Discuss the features of privatisation.

15. What is globalisation? Discuss the features of globalisation.
16. Define Principles of Management? Describe its features.
17. What do you mean by principles of management ? Describe its importance.
18. Make a comparative study of the contribution of Taylor and Fayol
19. Discuss the Taylor's principles of Scientific Management.
15. What do you mean by marketing mix? Discuss the factors affecting the marketing mix decision of a company.
16. What do you mean by 'service'? Discuss its characteristics.
17. What do you mean by branding? Discuss its functions.
18. What do you mean by price of a product? Discuss the objectives of pricing.
19. What are the factors influencing pricing decision of a firm?

UNIT - III

1. What is meant by financial market and what are its important functions ? (CHSE)
2. What are primary and secondary markets? What are the functions of financial market? (CHSE)
3. Explain marketing functions. (CHSE)
4. Explain the essentials of good packaging. (CHSE)
5. What do you mean by channel of distribution? Discuss the factors which influence the choice of a channel. (CHSE)
6. Define sales promotion. Discuss its importance and objectives. (CHSE)
7. Discuss the various tools of consumer sales promotion. (CHSE)
8. Distinguish between marketing and selling. (CHSE)
9. What is a stock exchange ? Discuss its functions.
10. What is SEBI ? Discuss its importance.
11. Discuss the marketing concepts.
12. What is marketing? Discuss its features.
13. What is marketing ? Distinguish between marketing and selling.
14. What are the objectives of marketing?
20. What is pricing strategy? Discuss in brief the methods of pricing.
21. What do you mean by channel of distribution? Discuss its functions.
22. What do you mean by 'Physical distribution'? Discuss its elements.
23. Discuss the objectives of Physical distribution.
24. "Physical distribution, by making the products reach at the right place at right time generates place and time utility in them", discuss.
25. What is personal selling? Explain the steps involved in personal selling.
26. What is the importance of a good salesman in marketing? Describe the qualities of a good salesman.
27. What is advertising ? Discuss its economic and social role.
28. Discuss the various tools of trade sales promotion.
29. Make a critical assessment of sales promotional measures.
30. What is public relations? Describe the functions undertaken by a public relation department of business organisation to promote sales.

UNIT - IV

1. Mention the different rights and responsibilities of consumers. (CHSE)
2. State the procedure of dealing with complaint in a District Forum. (CHSE)
3. What is COPRA ? What it protects and why?
4. Write a note on evolution of Consumer Protection movement.
5. What is COPRA? State its features and outline its objectives?
6. Who is a Consumer under COPRA?
7. Explain the objectives of Consumer Protection Council.
8. Write a note on scope of remedies available in district forum.
9. Write a note on composition jurisdiction of State Commission.
10. Write a note on procedure of handling of cases and penalties for non-compliance of orders in a State Commission.
11. Write a note on composition and jurisdiction of the National Commission.
12. Describe the procedure of handling of disputes, appeals, finality of orders and penalties imposed by the National Commission.
13. Define Consumer Awareness. State its needs and importance.
14. Explain the role of Consumer Organisation & NGOs in protecting the interests of consumers.
15. State the laws enacted in India to protect the interest of consumers (Any Eight).

ANSWERS**UNIT - I**

1. Hints.
 - Define management
 - Discuss its features (Refer text book)
2. Hints.
 - Explain the meaning of management.
 - Discussion its importance (Refer text book)
3. Hints.- Give the features of profession.
 - Examine management in the light of the features of profession.
 - Conclude (Refer text book)
4. Hints.Discuss in brief the following function of management.
 - Planning ● Organising
 - Staffing ● Directing
 - Controlling (Refer text book)
5. Hints.
 - Explain the feature/nature of planning.
 - Mention its importance (Refer text book)
6. Hints.Discuss as per the points given in the book.
7. Hints.
 - (a) Explain what the levels of management imply.
 - (b) State the three levels of management with the name of the position held by functionaries.
 - (c) State the functions at each level
8. Hints.Explain in details the objectives of management.
9. Hints.Discuss the points given in the text book.
10. Hints.Explain the points given in the text book.

UNIT - II

11. Hints. Elaborate on the following four elements.
 - (i) Supervision
 - (ii) Communication
 - (iii) Leadership and
 - (iv) Motivation
12. Hints. Elaborate on the following steps
 - (i) Setting standard
 - (ii) Measurement of actual performance
 - (iii) Comparing actual performance with the standard
 - (iv) Analysing deviations and
 - (v) Taking corrective action.
13. Hints.
 - (i) Give the features of organising function of management
 - (ii) Elaborate the importance. (Refer text book)
14. Hints. : Explain the meaning and features of staffing giving stress on the following:
 - Identifying manpower requirement
 - Searching and obtaining competent person on a continuous basis.
 - Attracting and retaining persons through provision of proper job satisfaction
15. Hints. Refer text book.
16. Hints. Refer text book.
17. Hints. Give the definition, meaning and the importance (refer text book).
18. Hints. Give the meaning of management and describe each managerial function in brief.
19. Hints.
 - (a) State the features of art and examine whether management possesses these attributes.
 - (b) State the features of science and examine whether management possesses these attributes.
 - (c) Conclude.

1. Hints. Define business and discuss the importance given in the text book.
2. Hints.
 - Explain the economic environment.
 - Discuss the present scenario of economic environment after announcement of new industrial policy.

Such as :

 - Reduction in fiscal deficit
 - Abolition of industrial licensing system (New Industrial policy) 1991 leading to growth of industries and increase in production.
 - Allowing private sector to enter into core sector which was earlier reserved for public sector.
 - Amendment of MRTP Act, which enabled the large companies to expand their capacity and to diversify without taking any permission.
 - Establishment of FIPB for promoting & channelling Foreign Investment
 - Import licensing in respect of certain goods (raw materials, capital goods) was eliminated
 - Introduction of Liberalised Exchanged Rate Management System (LERMS)
 - Steps to bring back the gold which was pledged with Bank of England & Japan
 - Structural adjustment loan from World Bank and IMF
 - Introduction of Immunity Scheme and India Development Bond Scheme for repatriation of funds held abroad

3. Hints. Discuss the impact of the following
- Level of development of economy
 - Economic condition: Income levels, distribution of income, demand and supply trends, foreign exchange reserve position, gross domestic product trends.
 - Economic Policies: Industrial policy, trade policy, Monetary policy, Fiscal policy, Foreign Exchange policy etc.
 - Global Linkages: Trade Flows, Financial Flows etc.
4. Hints.
- State the meaning
 - Discuss workers opposition on the following points.
 - Taylor viewed workers as mere factor of production ignoring their social and ego need
 - Loss of job
 - Monotony
 - Differentiation between efficient and inefficient workers
5. Hints. Discuss the objectives of scientific management basing on objectives of each principle and techniques of scientific management.
6. Hints. Discuss the techniques. (Refer text book)
7. Hints.
- Explain both time study and motion study
 - Give the difference between the two
8. Hints. Discuss any 8 out of 14 principles given by Fayol (Refer text book)
9. Hints. : Answer to each bit has already been discussed earlier.
10. Hints. : Explain the meaning of Business Environment emphasising external environment as the business environment. Cite a definition. Discuss features (Refer text book).
11. Hints. Explain micro environment, give its features and explain the elements/ components of micro environment.
12. Hints. Explain macro environment, give its features and discuss any six components.
13. Hints.
- Define liberalisation.
 - Discuss all the steps taken in this regard in India and benefits of such measures (Refer text book)
14. Hints. Elaborate on Transfer of ownership, Restrictive role of public sector and Healthy competition.
15. Hints. Give the meaning and features. (Refer text book)
16. Hints.
- Management principles are fundamental truths of general validity which have value in predicting the result of management action.
 - Features (Refer text book)
17. Hints.
- Give the meaning
 - Discuss its importance (refer text book)
- 18.
- Discuss the similarities.
 - Discuss the dissimilarities.
19. Hints. Discuss the following principles
- Science, not rule of thumb
 - Harmony, not discord
 - Mental revolution
 - Co-operation, not individualism
 - Development of each and every person to his/her greatest efficiency and prosperity.

UNIT - III

1. Hints.
 - Explain the meaning of financial market.
 - Discuss the following functions :
 - (a) Mobilisation of savings and channelization of fund to more productive use
 - (b) Price determination
 - (c) Liquidity
 - (d) Credit related information
 - (e) Income generation
2. Hints.
 - Explain the primary and secondary markets
 - Discuss the functions of financial markets
3. Hints.(Refer Text Book)
4. Hints. Explain briefly on the following -
 - (a) Package design
 - (b) Convenience of usage
5. Hints.
 - Give the meaning of channel of distribution.
 - Discuss the factors under following heads
 - (a) Product related factors
 - (b) Company characteristics
 - (c) Market or customer related factors
 - (d) Middlemen characteristics
 - (e) Environmental factors
6. Hints.
 - Give the Definition
 - Narrate its importance and objectives (Refer text book)
7. Hints.Refer text book.
- 8.

- (c) Guarantee of economy
- (d) Environment friendly
- (e) Informative

Sl. No.	Basis	Selling	Marketing
1.	Meaning	Selling means exchanging goods for money	Marketing means identifying customer needs and satisfying them
2.	Wideness of the term	Selling is a part of the process of marketing	Marketing is a wider term and includes selling
3.	Focus	Selling focuses on sellers need	Marketing focuses on providing maximum satisfaction to customer i.e. buyers' need.
4.	Profit	Selling aims at earning profit through maximisation of sales	Marketing aims at earning profit through maximisation of customer satisfaction
5.	Scope	Selling starts after product is developed and ends with sale of the product	Marketing starts much before the product is produced and continues even after the product is sold.
6.	Emphasis	In selling emphasis is on product and making the customer to buy the product	In marketing emphasis is on customer and making the product as per customer need.
7	Strategy	Selling involves efforts like promotion and persuasion of customer	Marketing uses integrated marketing efforts.

9. Hints.
- Give the meaning of stock exchange.
 - Discuss its function as given in the text book.
10. Hints.
- Give the full form of SEBI, year of establishment, most important objective of its formation.
 - Discuss the importance (refer text book)
11. Hints. : Discuss in brief the following concepts : Production Concept, Product Concept, Selling Concept, Marketing Concept, Societal Marketing Concept and Social Marketing concept.
12. Hints.
- Give both the definitions of marketing given by Kotler indicating the difference between the two
 - Discuss the features
13. Hints.
- Explain the definition of marketing given by Kotler indicating the change in the marketing concept over time.
 - Discuss the difference between marketing and selling (given at question No. 8)
14. Hints. Elaborate on the following points.
- To satisfy customers
 - To increase profit of the business
 - To increase market share
 - To create goodwill and public image of the company
 - To determine marketing mix
 - Help in the improvement of standard of living of the people
 - To ensure customer retention.
15. Hints.
- Explain marketing mix
 - Discuss the factors under following head.
- Target market
 - Business environment
 - Company resources
 - Marketing objectives
 - Company objectives
16. Hints.
- Explain the term service
 - Discuss in detail the following characteristics of 'services'
- Intangibility
 - Inseparability
 - Variability
 - Perishability
 - Ownership
17. Hints.
- Explain the meaning of branding
 - Discuss its following functions.
- Creating product differentiation
 - Easy advertising
 - Fixing differential price
 - Introducing new products
 - Creating product identification
 - Enhancing customer confidence
 - Satisfying status symbol need of the consumers.
18. Hints.
- Give the meaning of the price
 - Discuss the objectives referring the text book.
19. Hints. Discuss both internal factors like costs, management policy, marketing objectives, marketing mix, product differentiation and external factors like demand, competition, economic condition, buyer's characteristics, government regulation etc.

UNIT - IV

20. Hints.
- Give the meaning of pricing strategy
 - Discuss the cost based pricing methods, demand based pricing methods and market based pricing methods.
21. Hints.
- Explain channel of distribution
 - Discuss following functions
 - (a) Breaking the bulk
 - (b) Provide market information
 - (c) Assortment
 - (d) Physical distribution
 - (e) Financing
 - (f) Risk taking
 - (g) Matching
22. Hints.
- Give the meaning of physical distribution
 - Discuss the following elements
 - (a) Transportation
 - (b) Inventory management
 - (c) Warehousing
 - (d) Order processing
23. Hints.Refer text book
24. Hints.
- Give the meaning
 - State the elements emphasising their importance
25. Hints.
- Give the meaning of personal selling.
 - Refer text book for the steps.
26. Hints.Refer text book
27. Hints.Refer text book
28. Hints.Refer text book
29. Hints.Discuss advantages and limitations of sales promotion (Refer text book)
30. Hints. : Refer text book.
1. Hints.
- State the six rights recognised by the Act
 - State the responsibilities commonly accepted (Refer text book)
2. Hints.
- Discuss the following points.
- On receipt of the complaint intimation to opposite party to explain its stand
 - Steps if allegations admitted by the opposite party
 - Steps if allegation not admitted by the opposite party
3. Hints.
- Give the meaning of COPRA
 - Mention what interests of customers need to be protected and why
4. Hints. : (Refer Test Book)
5. Hints.
- Give the meaning of COPRA
 - State the features
 - State the objectives (Refer text book)
6. Hints.
- Give the definition of Consumer as per COPRA
 - In relation to purchase of goods
 - In relation to payment of service
7. Hints.Refer text book
8. Hints. State the 12 points given in the text book.
9. Hints.Discuss on the following
- Composition
 - Qualification of members
 - Disqualification
 - Appointment
 - Period of office
 - Resignation
 - Terms of Service
 - Jurisdiction
 - Transfer of Cases

10. Hints. Discuss on the following
- Procedure of handling
 - Penalties for non compliance
11. Hints. Discuss on the following
- Composition
 - Qualification of members
 - Disqualification
 - Appointment
 - Period of office
 - Resignation
 - Terms of Service
 - Jurisdiction
 - Transfer of Cases
12. Hints. Describe on the following
- Procedure of handling disputes
 - Appeals
 - Finality of orders
 - Penalty
13. Hints. (Refer Text Book)
14. Hints. (Refer Text Book)
15. Hints. State any Eight of the following Acts.
- The Consumer Protection Act, 1986
 - The Contract Act, 1872
 - The sales of goods Act, 1930
 - The Essential Commodities Act, 1955
 - The Agricultural Produce (grading and marketing) Act, 1937.
 - The Prevention of Food Adulteration Act, 1954.
 - The standards of weights and measures Act, 1976.
 - The Trade Mark Act, 1999
 - The Competition Act, 2002
 - The Bureau of Indian Standards Act, 1986.
