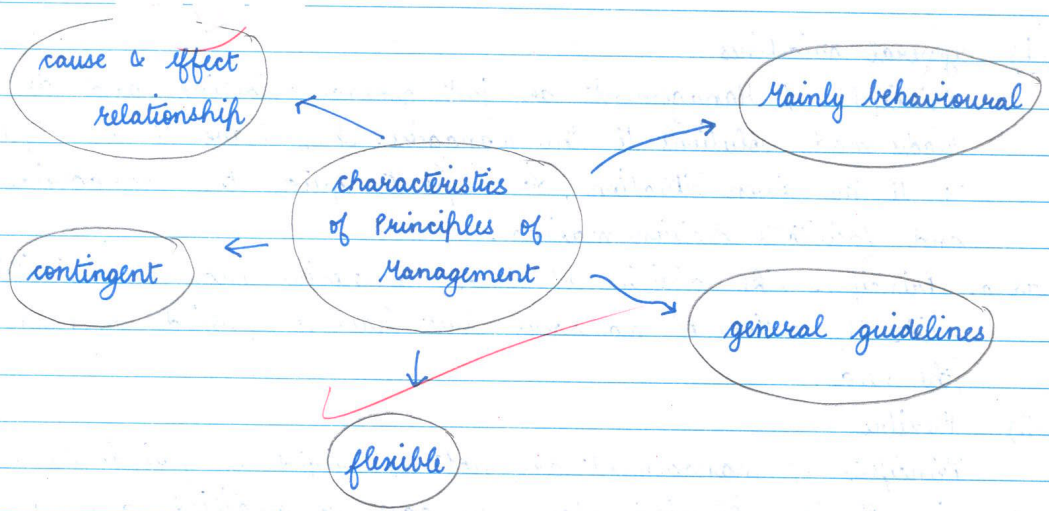
Answer to Question 31 is :-

(a)



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Characteristics of Principles of Management :-

(i) General guidelines

Principles of Management are just general guidelines and do not offer ready made solutions to the managers. They have to be applied according to the given situation. It helps to guide the managerial action and facilitates decision making.

For eg. Principles like division of work, authority and responsibility etc. guides the actions of managers but have to applied by them as per the needs.

(ii) Flexible

Principles of management are not as rigid as principles of science like Physics, Chemistry etc. They can be modified and applied in different situations as per the managers in a personalised manner. The application of principles is based on the judgement and subjectivity of managers.

For eg. If a principle asks manager to do something but it would yield unproductive results, then managers can modify the principle.

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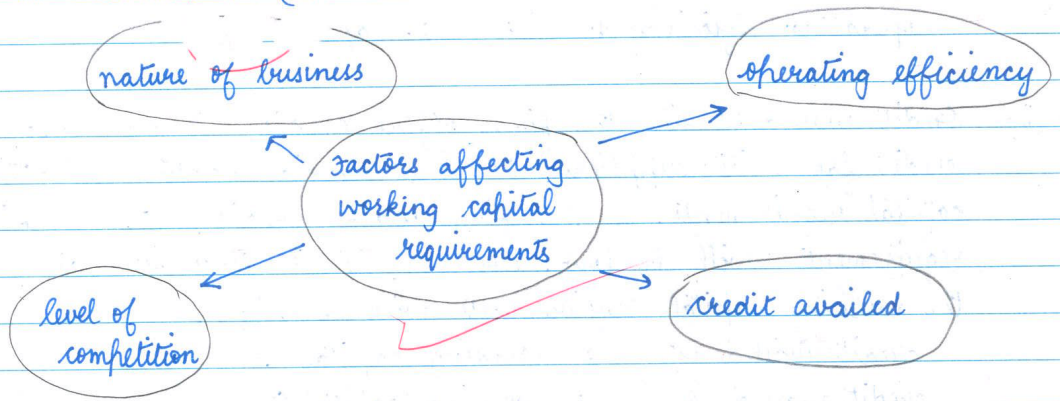
(iii) Cause and effect relationship

The principles of management are based on cause and effect relationship i.e. they help to predict what is going to happen. However, it is difficult to establish cause and effect relationship properly in an organisation as principles deals with human behaviour. Human behaviour is mainly changing.

Answer to Question 32. (a) is :-



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Factors affecting working capital requirements :-

(i) Operating efficiency :-

Operating efficiency is an important factor influencing working capital requirements of a firm. If the operating efficiency of a firm is high, the working capital requirements is likely to be low. However, if the operating efficiency is low, then the working capital requirements will be high. Operating efficiency can be seen through inventory turnover ratio and debtors ratio.

operating efficiency ↑ → W. capital ↓
operating efficiency ↓ → W. capital ↑

(ii) Credit availed :- Like the firm offers credit, it can also avail credit from its suppliers. It is a crucial factor affecting working capital requirements. If the firm avails credit, the working capital requirements will be low. However, if it does not avail credit, the working capital requirements will be high.

credit availed ✓ → working capital ↓
credit availed ✗ → working capital ↑

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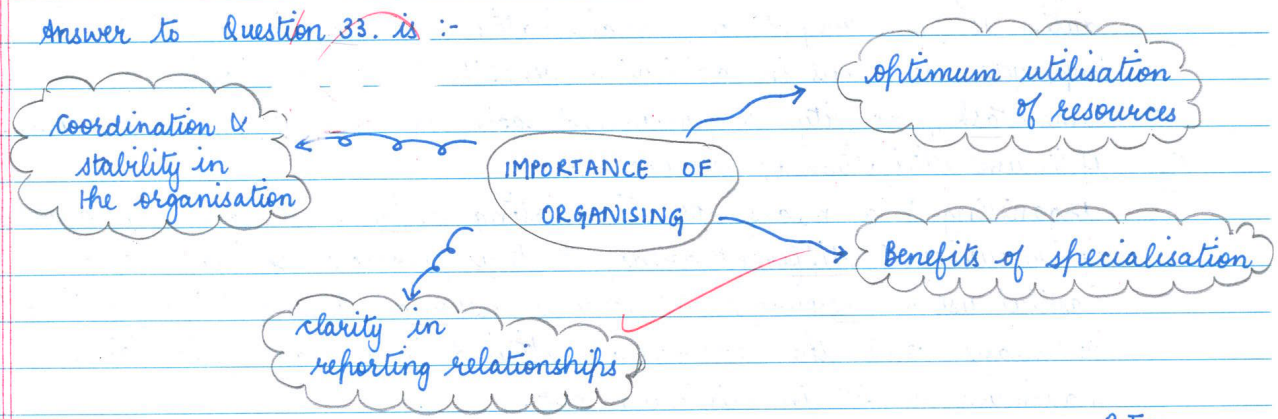
(iii) Level of competition :- The level of competition also influences the working capital requirements. If the level of competition is high, then the firm will have to keep more inventory in order to satisfy the customers. Thus, the working capital requirements will be high. On the contrary, if the level of competition is low, the working capital requirements will be low. Moreover, level of competition also influences the credit policies of the firm.

Level of competition ↑ → working capital ↑
Level of competition ↓ → working capital ↓

Answer to Question 33. is :-



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a) The function of management highlighted above is "organising." Organising refers to the process of identification and division of work, grouping the work, assignment of duties and establishing reporting relationships. It helps to unify and integrate human and physical resources for achieving the organisational objectives.

b) Importance of organising :-

(1) Benefits of specialisation :-

Organising is a process which is concerned wit assignment of duties as per competence, qualification and experience of the employees. It helps in achieving benefits of specialisation as the same task / activity is performed again and again by an employee.

(2) Optimum utilisation of resources :-

Organising is a means for translating action. helps in allocatin-g resources to different areas. It thus reduces spoilage and wasteful use of resources. It ensures resources are utilised optimumlly. It means that the resources are utilised in a way which gives maximum benefit in minimum cost.

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③ Clarity in reporting relationships :-
Organising helps to ascertain who to report to whom. It clearly defines the superior - subordinate relationships i.e. who is to receive orders from whom. Thus, it helps in clarifying the reporting relationsh-ips in the organisation.

④ Coordination and stability in the organisation :-
Organising helps to achieve co-ordination as all the activities are performed through focussed and co-ordinated efforts. It reduces overlapping of activities and reduces wasteful and redundant activities. It also serves as a basis of achieving order and stability in the organisation.

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answer to Question 34 is :-

Controlling process

↓

Step 1:- setting up standards

↓

Step 2:- Measurement of actual performance

↓

Step 3:- Comparison of actual performance with the standards

↓

Step 4:- ~~Tak~~ Analysing deviations

↓

Step 5:- Taking corrective action

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a) The function highlighted above is controlling.
Controlling is a process which helps to determine whether actual performance has been as per plans. It helps in achieving organisational objectives effectively and efficiently.
The controlling process :-

① Comparison of actual performance with the standards :- "The hotel ---- ---- behind the schedule".
The third step in controlling process is comparison of actual performance with the standards. This helps to identify the deviations from the standards.

② Analysing deviations :- " He asked Nitin ------ ---- were defective."
The fourth step is analysing deviations. There are two techniques to analyse deviations which are :-

ⓐ Critical Point of control
ⓑ Management by exception

Both the techniques state that if deviations are beyond acceptable range, then there is need for managerial action.

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③ Taking corrective action :- "Nitin - - - - - - deadline is met."
If the deviations ~~of~~ are outside the acceptable range, then there is immediate need for managerial attention. For eg. if a machinery is causing problems, it should be repaired or replaced. This is the last step of controlling process.

b) Importance of controlling :-

① Judging accuracy of standards :-
* good control system helps to judge the accuracy of standards sets. It helps to modify standards with the changes taking place in the environment by analysis and prediction. Thus, controlling helps to judge the accuracy of standards set in the plans.

② Ensures order and discipline :-
Controlling also ensures order and discipline in the organisation. It helps to see whether all people are working as per the plans. It keeps a check on the employees through a system of CCTV cameras etc.

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Answer to Question 30 is :-

(b) Marketing mix refers to the set of tools which are used by a marketeer to attain marketing objectives. The four elements of marketing mix are :-

(1) Product :- Product refers to a bundle of utilities. It is anything which can be marketed like services, experiences etc. It is a combination of both tangible and intangible things. It offers '3' types of benefits namely function benefits, social benefits and psychological benefits.

(2) Price :- Price refers to the money paid by the customer in consideration to purchase a product. It is the amount paid by the customer to a producer. It is the single most important factor affecting the revenue of an organisation. It is influenced by many factors like product cost, utility and demand, extent of competition etc.

(3) Physical distribution :- It refers to the activities which are undertaken to facilitate flow of goods and services from producers to consumers. It involves two major decisions i.e. decision regarding channels of distribution and warehousing and transportation.

(4) Promotion :- It refers to the activities undertaken by the organisation to create awareness of its products, the general public and in market.

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It involves advertisements, sales promotion, public relations, personal selling etc.

Answer to Question 29 is :-

a) The type of organisation highlighted is "informal organisation." Interaction among employees due to social needs gives rise to an informal organisation. It is not definite in shape and does not follow a fixed line of communication. It is not a deliberate ~~function~~ decision and emerges itself.

b) Advantages of informal organisation

1. Unlike formal organisation which focusses on work or, informal organisation helps to meet the social needs of the people by the way of interaction, satisfaction and friendship. It helps employees to satisfy their esteem needs as well.

2. Informal organisation helps to fulfill the organisational goals as they help to provide managers with the actual and correct feedback of a decision.

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~~(3) It also facilitates quick decision making as the info~~

(3) It also helps attainment of objectives as decisions move very quickly through the informal organisation

Answer to Question 28 is :-

Basis	Production concept	Marketing concept
a) Meaning	Production concept means increasing the production and producing on a large scale to reduce average cost of production and making product available.	Marketing concept is aies satisfaction of customers needs and wants after identification of target market and needs & preference of target customers.
b) Main focus	to increase production and reduce average cost of production.	to satisfy the needs and wants of customers
c) Means	Availability and affordability were the means to success of organisation.	Satisfaction of customer's needs & wants is the means to success.

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d)

	Production concept	Marketing concept
Ends	profit maximisation through reducing average cost of production	profit maximisation through satisfaction of customers needs

~~Q27~~ Answer to Question 27. (a) is :-

a) Limitations of Planning

① Planning may not work in a dynamic environment :-

- Business environment is dynamic i.e. changes are taking place at a very fast pace and nothing is constant.
- It is often difficult to ascertain future trends when changes are taking at a very rapid speed. eg. changes in fashion, demand etc.
- Thus planning may not work in a dynamic environment.

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② Planning reduces creativity :-

- Planning is an activity which is done by top level management.
- Lower and middle level managers have to follow the plans and are not allowed to deviate from them.
- As a result, they start to think along the same lines and creativity is reduced.

③ Planning is time consuming :-

- Planning is a very lengthy process. It involves taking many decisions which may require high levels of calculation.
- Sometimes, it may happen that all time has been spent on planning and no time is left for execution.
- Thus, planning becomes meaningless if it is not implemented. Thus, it is a time consuming process.

④ Planning does not guarantee success :-

- The success of an organisation does not depend on how well a plan is but depends on how it is executed.
- Just because a plan has worked earlier, it does not mean it will work again. Managers have a tendency to rely on previously formulated plan. As a result, planning does not guarantee success of an organisation.

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Answer to Question 26 s :-

The communication barriers highlighted above are semantic barriers. The first type of semantic barrier highlighted is :-

(1) Faulty translation :- On frequent - - - - was received."
When a message is passed in one language which is not understandable to the workers. A translator helps to translate the message. A translator thus has to be proficient in both languages to facilitate proper communication.

(2) Technical jargon :- "Not only this - - - - employees".
Sometimes technical experts when explai g a particular thing tend to use some terms like technical terms which are beyond the understanding of the labour force. Thus it becomes a barrier to effective communication.

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Answer to Question 25 is :-

a) The right of consumer discussed above is right to consumer education.
The line which highlights this is, " He felt that the - - - - - presentations in the village.
This right states that consumers need to be made aware about their rights and reliefs available to them. They have a right to consumer education to be aware about their responsibilities. Many companies and organisations are actively working in this direction.

b) The right being violated by Bholaram is "right of safety."
The line which highlights this is, " Bholaram started engaging - - - - complain."
The ~~for~~ right of safety states that consumers should buy goods which are made from sub-standard materials to ensure safety. They need to be provided a safe guard against goods hazards to health and life.
The consumers for eg. should buy electrical appliances after looking for ISI mark as it ensures the quality of product.

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Answer to Question 24 is :-

Protective functions of SEBI are :-

1. Prohibition of fraudalent activities like manipulation, unfair practices, price rigging etc.
2. Promotion of fair trade practices and code of conduct.
3. Controlling manipulative activities like insider ading, speculat -ive activities etc.

Answer to Question 23 is :-

a) The method of training highlighted is "vestibule training. Vestibule training is given when work is to b done on highly sophisticated machinery. It happens away from the actual work floor. Actual work environment is created inside classrooms and training is given.

b) ADVANTAGES

1. It helps drivers to handle sophisticated machinery with ease &

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avoid potential risks of accidents.

(2) It also adds to the skills and abilities of the managers and adds to their growth prospects.

Answer to Question 22. is :-

Staffing is a key managerial function which is concerned with manning the organisation structure through proper and effective recruitment, appraisal and development of candidates to fill in the vacant job positions.

IMPORTANCE OF STAFFING

(1) It helps to estimate the manpower requirements and recruit more workers if there are less people than required. It can also terminate extra / surplus labour force.

(2) It helps in optimum utilisation of resources and reduces wastage and overlapping of activities.

(3) It also helps management to recruit suitable workforce and provides a wider choice.

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Answer to Question 21 is :-

a) The concept of management highlighted above is "coordination." It is the process of synchronising the activities of different departments, units and levels. It is a common thread that runs throughout the organisation. It is regarded as the essence of management and is a deliberate function.

b) Importance of coordination

- Growth in size :- When an organisation grows in size, it employs more people. With more number of people employed coordination is required. This is because eve individual joins an organisation with a personal objective. Thus, there is a need to harmonise the individual objectives and organisational objectives to ensure attainment of organisational goals smoothly.

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Answer to Question 20 is :- D) It deals in medium and long term securities.

Answer to Question 19 is :- B) Management is all pervasive.

Answer to Question 18 is :- D) They analyse the business environment and its implications for the survival of the firm.

Answer to Question 17 is :- A) Efficiency

Answer to Question 16 is :- A) Depository

Answer to Question 15 is :- D) Diversification

Answer to Question 14 is :- D) Label

Answer to Question 13 is :- B) Casual callers

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Answer to Question 12 is :- D) growth prospects

Answer to Question 11. is :-

	a	b	c	d
c)	(ii)	(iv)	(i)	(iii)

Answer to Question 1. is :-

A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of assertion (A).

Answer to Question 9. is :-

c) Rates of savings and investment

Answer to Question 8 is :-

A) Long term interest of the business

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Answer to Question 7 is :- c) Both statements are true.

Answer to Question 6 is :- B) Legal environment

Answer to Question 5 is :- c) Both statements are true.

Answer to Question 4 is :- A) Formal communication

Answer to Question 3 is :- B) complexity

Answer to Question 2 is :- D) Employee empowerment

Answer to Question 1 is :- c) Initiative

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