



# CBSE

## ADDITIONAL PRACTICE QUESTIONS Business Studies (054) Class XII | 2023–24

**Time allowed: 3 Hours**

**Maximum marks: 80**

### General Instructions:

1. This question paper contains **34 questions**.
2. Marks are indicated against each question.
3. Answers should be brief and to the point.
4. Answers to the questions carrying **3 marks** may be from 50 to 75 words.
5. Answers to the questions carrying **4 marks** may be about 150 words.
6. Answers to the questions carrying **6 marks** may be about 200 words.
7. Attempt all parts of the questions together.

### Section A


Serial No.	Question	Marks
1	Vedant Ltd. is a company with a decreasing EBIT. The company has a significant amount of debt in the form of debentures, and further borrowing through debentures could exacerbate the situation. Which factor determining the Capital Structure is the CFO of Vedant Ltd. primarily concerned about?  (a) cost of debt  (b) return on investment  (c) interest coverage ratio  (d) debt service coverage ratio	1
2	What is the primary strategic focus of the company, considering its "The Complete Man" tagline, top position in the menswear industry, and longstanding collection that has enriched a modern gentleman's wardrobe for decades?	1





	<ul style="list-style-type: none"><li>(a) ensuring ethical sourcing</li><li>(b) reinforcing cultural heritage</li><li>(c) establishing a unique identity</li><li>(d) maximising production efficiency</li></ul>	
3	<p>Which scenario BEST illustrates the impact of rapidly changing technology on businesses?</p> <ul style="list-style-type: none"><li>(a) A software company is disrupted by a new entrant that offers a more user-friendly interface and a lower price point.</li><li>(b) A manufacturing company is forced to automate its production line in order to compete with lower-cost overseas competitors.</li><li>(c) A traditional brick-and-mortar retailer is forced to close its doors after online retailers offer lower prices and a wider selection of products.</li><li>(d) A financial services company is forced to invest in new technology in order to meet the demands of its customers for online and mobile banking services.</li></ul>	1
4	<p>Daniel and Andrew are two friends engaged in their respective businesses. Daniel concentrates on producing products that meet the needs of producers and sells whatever is produced by any means necessary. Andrew believes in achieving the firm's goals through understanding the needs of consumers and delivering the right products to them and constantly monitoring competitors.</p> <p>Which Marketing Management Philosophies do Daniel and Andrew adhere to in their businesses?</p> <ul style="list-style-type: none"><li>(a) Product and Selling</li><li>(b) Selling and Marketing</li><li>(c) Marketing and Product</li><li>(d) Production and Product</li></ul>	1
5	<p>Zebronic Technology Solutions, a leading tech company, recently announced its plan to raise additional funds to fuel its expansion and research initiatives. The company's board of directors approved an offer to the existing shareholders to purchase additional shares at a discounted price. This offer will be available for a specific period.</p> <p>How is Zebronic Technology Solutions planning to raise additional funds in the primary market, while offering its existing shareholders the opportunity to purchase more shares?</p> <ul style="list-style-type: none"><li>(a) conducting an e-IPO to reach a wider digital audience</li><li>(b) privately placing shares with select institutional investors</li><li>(c) launching an Initial Public Offering to enter the stock market</li><li>(d) issuing right shares for existing shareholders at a discounted price</li></ul>	1



6	 <p>Identify the feature of Coordination illustrated in the picture.</p> <p>(a) pervasive function (b) deliberate function (c) continuous process (d) integrates group efforts</p>	1
7	<p>Which of the following statements accurately represents one of the protective functions of SEBI in real-life scenarios?</p> <p>(a) It is responsible for managing government budgets and allocating funds for various developmental projects. (b) It ensures the safety and security of data transmitted during online trading transactions. (c) It promotes and regulates the insurance industry to safeguard policyholders' interests. (d) It monitors and regulates the securities market to protect investors and maintain market integrity.</p>	1
8	<p>A company's sales have been declining for the past three quarters. The manager has decided to implement a new control system to try to improve sales. Which of the following control systems would be the most effective in this situation?</p> <p>(a) A budget system that sets targets for sales and profits. (b) A performance appraisal system that evaluates the performance of sales staff. (c) A quality control system that ensures that products meet customer expectations. (d) A survey that measures customer satisfaction with the company's products and services.</p>	1
9	<p>Ms. Arundhati, the CEO of Sunlife Ltd., is delivering a speech to a group of investors. She is emphasising the significance of the company's success and achievement, which relies on the support of customers, shareholders,</p>	1



	<p>suppliers, and intermediaries. She also discusses how establishing a positive association with these parties contributes to enhancing the company's public image in the market.</p> <p>What is the primary goal of Ms. Arundhati's speech?</p> <p>(a) to increase sales</p> <p>(b) to generate positive publicity</p> <p>(c) to improve the company's image</p> <p>(d) to build relationships with stakeholders</p>	
10	<p>Read the following statements: Assertion (A) and Reason(R). Choose the correct alternative from those given below:</p> <p>(A): The Supervisory Level performs the activities according to the plans of Top and Middle level management.</p> <p>(R): The Supervisory Level motivates the employees and boosts their morale.</p> <p>(a) Both (A) and (R) are true and (R) is the correct explanation of (A)</p> <p>(b) Both (A) and (R) are true but (R) is not the correct explanation of (A)</p> <p>(c) (A) is true but (R) is false</p> <p>(d) (A) is false but (R) is true</p>	1
11	<p>Which step of the Organising Process involves stating the job description, a document that clearly defines the contents and responsibilities related to a job?</p> <p>(a) Departmentalization</p> <p>(b) Assignment of duties</p> <p>(c) Establishing reporting relationships</p> <p>(d) Identification and division of work</p>	1
12	<p>Give below are two statements marked as Assertion (A) and Reason (R). Read the statements and choose the correct option.</p> <p>A: Planning and controlling are interdependent and interlinked.</p> <p>R: Planning provides the goals and objectives that the controlling function uses to measure performance.</p> <p>(a) Both A and R are true, but R is not the correct explanation of A.</p> <p>(b) Both A and R are true, and R is the correct explanation of A.</p>	1





	(c) A is true, but R is false. (d) A is false, but R is true.	
13	<p>Statement I: Channel of distribution is important as goods are produced at one place and customers are scattered all over in the nook and corner of the country, so the producer needs to distribute the goods through middlemen.</p> <p>Statement II: Physical movement of goods is transportation of goods from place of production to place of ultimate consumption.</p> <p>Choose the correct option from the following:</p> <p>(a) Statement I is true and II is false (b) Statement II is true and I is false (c) Both the statements are true (d) Both the statements are false</p>	1
14	<p>Startup 20 India Chair Chintan Vaishnav highlighted the G20 startup group's goal of pushing for \$1 trillion investment in the global startup ecosystem. Which of the following dimensions of the Business Environment will this goal most likely to influence?</p> <p>(a) fiscal policy of the government (b) foreign policy of the government (c) foreign trade policy of the government (d) foreign exchange policy of the government</p>	1
15	<p>What is the significance of delegation in the scenario where Sara, as a superior, entrusts her authority to Tiara, her subordinate, to enable her learning, skill development, and better chances of promotion?</p> <p>(a) facilitation of growth (b) effective management (c) employees' development (d) motivation of employees</p>	1
16	<p>Given below are two statements marked as I and II respectively. Read both statements and choose the correct option.</p> <p>I: Demutualisation refers to the legal structure of an exchange whereby the ownership, the management and the trading rights at the exchange are segregated from one another.</p> <p>II: Demutualisation refers to the process by which a public share company converts into a mutual company.</p> <p>Choose the correct option from the following:</p> <p>(a) I is true and II is false</p>	1





	(b) II is true and I is false (c) Both I and II are true (d) Both I and II are false													
17	<p>The GST Council, during its 50th meeting, resolved a prolonged debate on the tax treatment of online gaming, casinos, and horse racing, deciding to impose a 28% levy on bets and wagers for all three activities and amend GST laws to include online gaming.</p> <p>Which of the following is the most likely impact of the GST council's decision on businesses in the industry?</p> <p>(a) The cost of doing business will increase, leading to higher prices for consumers.</p> <p>(b) Businesses will move their operations to other countries with lower tax rates.</p> <p>(c) The government will receive more revenue from taxes.</p> <p>(d) The industry will become more competitive.</p>	1												
18	<p>Match the following P's of Marketing Mix with their explanation and choose the correct option:</p> <table><tr><td>A. Price: - it is the amount that a customer pays for to enjoy it.</td><td>1</td><td></td></tr><tr><td>B. Promotion: - it helps to grab the attention of the customers and influence them to buy the product.</td><td>2</td><td></td></tr><tr><td>C. Product: - it is a commodity, produced or built to satisfy the need of an individual or a group. It can be intangible or tangible.</td><td>3</td><td></td></tr><tr><td>D. Place: - which is easily accessible to potential buyers/customers.</td><td>4</td><td></td></tr></table> <p>(a) A (3), B (1), C (4), D (2) (b) A (1), B (3), C (4), D (2)</p>	A. Price: - it is the amount that a customer pays for to enjoy it.	1		B. Promotion: - it helps to grab the attention of the customers and influence them to buy the product.	2		C. Product: - it is a commodity, produced or built to satisfy the need of an individual or a group. It can be intangible or tangible.	3		D. Place: - which is easily accessible to potential buyers/customers.	4		1
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	(c) A (4), B (3), C (2), D(1) (d) A (2), B (4), C (1), D (3)	
19	<p>What aspect of the profession is exemplified in the scenario where Ayesha needs to register herself as a member of ICAI to become a Chartered Accountant?</p> <p>(a) Service motive (b) Restricted entry (c) Professional association (d) Ethical code of conduct</p>	1
20	<p>Which of the following is a result of globalisation that has contributed to the rationalisation of tariff structures?</p> <p>(a) the formation of trade blocs (b) increased competition among businesses (c) enhanced ease of international business transactions (d) governments facing pressure to reduce barriers to attract foreign investment</p>	1
21	<p>Elon Reeve Musk is a top-level executive with diverse leadership roles of:</p> <p>a) Founding and leading companies such as SpaceX, Tesla, and The Boring Company.</p> <p>b) Assuming the roles of CEO and Product Architect to guide Tesla's operations and innovations.</p> <p>c) Engaging in engineering and technical aspects to drive the development of SpaceX's projects.</p> <p>What are the three essential functions he is likely performing in his positions?</p>	3
22	<p>Paul, the Manager of a manufacturing unit in Noida, employed various strategies to address the production shortfall of 850 balls out of the 1,000-ball target. Furthermore, what crucial initial steps he might have overlooked during the process of analysing deviations and implementing corrective measures?</p> <p style="text-align: center;">OR</p> <p>How can a regional manager of a retail chain enhance operational efficiency and maximise profits by analysing deviations in sales performance among different stores? Some outlets consistently exceed sales targets, while others struggle to meet their goals. To address these disparities, the regional</p>	3







	manager aims to implement two management techniques for analysing deviations. Explore these two techniques in detail.	
23	Examine the multifaceted advantages of external recruitment in the context of an organisation's workforce. Elaborate on how this recruitment strategy contributes to elevating overall performance and competitiveness.	3
24	Design a comprehensive investment plan for a person seeking advice on short-term investment options, outlining three specific instruments of the money market that can be recommended for short-term investments. Provide detailed explanations for each instrument, their benefits, and how they can effectively aid this person achieve their financial goals.  OR  Demonstrate your understanding of SEBI's regulatory functions by designing the steps SEBI should take to investigate and resolve a suspected case of fraudulent activities by a listed company.	3
25	The manager of a team in a fast-paced IT company, notices a decline in employee motivation and productivity. Outline how he can use Maslow's theory to identify and address the various needs of his employees.  OR  The HR manager of Starflight Ltd., has to develop an employee motivation and engagement strategy that focuses on non-financial incentives. Highlight and explain the various types of non-financial incentives she can introduce to foster a positive work environment.	4
26	The allocation of resources for employee training and development has long-term value for the organization's growth and sustainability.  OR  Provide a detailed explanation of each of the following steps in the selection process that can maximise the chances of potential candidates of being selected for the management position.  a) Preliminary Screening  b) Selection Tests  c) Employment Interview  d) Final Interviews and Decision-making	4
27	What are the key responsibilities that consumers must fulfill to ensure they are protected under Consumer Protection Act?	4







28	<p>Sameer has been given a task of evaluating the financial performance of two companies, Alfa Ltd. and Beltex Ltd., in the same industry. Both companies have been trading on equity as part of their financial strategy. Given is the information that Sameer received. Which company is using trading on equity more effectively?</p> <p>Alfa Ltd.:</p> <p>Total Assets: Rs. 500,000</p> <p>Equity Capital: Rs. 300,000</p> <p>Debt Capital: Rs. 200,000</p> <p>Net Income: Rs. 50,000</p> <p>Beltex Ltd.:</p> <p>Total Assets: Rs. 800,000</p> <p>Equity Capital: Rs. 400,000</p> <p>Debt Capital: Rs. 400,000</p> <p>Net Income: Rs. 60,000.</p>	4
29	<p>Analyse the following scenarios and identify the specific barriers to effective communication in each case:</p> <p>Scenario 1: During a team meeting, two team members from different status have different interpretations of a project's deadline. As a result, they end up working on different timelines, causing confusion and delays.</p> <p>Scenario 2: In an email exchange between team members, one team member uses technical jargon and industry-specific terms that others may not fully understand. As a result, some team members misinterpret the message, leading to misunderstandings and misaligned tasks.</p> <p>Scenario 3: A team member consistently interrupts others during team discussions, not allowing them to express their ideas fully. This behavior leads to frustration among team members and limits open and constructive communication.</p> <p>Scenario 4: During a virtual team meeting, poor internet connectivity causes frequent disruptions and audio glitches. As a result, some team members miss crucial information, and the overall meeting efficiency is reduced.</p>	4
30	<p>Analyse the following scenarios and identify the specific factors that may affect the financial decisions of the company.</p> <p>Scenario 1: The company is considering expanding its production capacity</p>	4





	<p>by investing in new machinery and technology. This expansion will require a significant upfront investment, but it is expected to increase production efficiency and potentially open new market opportunities.</p> <p>Scenario 2: The company is contemplating taking on debt to fund its expansion plans. By leveraging debt financing, the company can accelerate its growth and take advantage of current market opportunities.</p> <p>Scenario 3: The company's management is evaluating a cost-cutting initiative to improve profitability and reduce operating expenses. They are considering workforce restructuring and optimising the supply chain to achieve higher cost efficiency.</p> <p>Scenario 4: The company is exploring the option of entering new international markets to diversify its revenue sources and reduce dependence on the domestic market.</p>	
31	<p>a) How can the principle of "Discipline" positively impact employee behaviour and performance in the manufacturing company?</p> <p>b) Explain how a performance-based remuneration system aligns with the principle of "Remuneration," and how it can motivate employees to improve their discipline and productivity.</p> <p>OR</p> <p>2. The manager of a retail store has a team of ten sales associates. To improve efficiency, she decides to implement the principle of "Division of Work" and delegate specific tasks to each team member. However, one sales associate is unhappy with their assigned responsibilities and believes they should have more authority in decision-making.</p> <p>a) How can the principle of "Division of Work" help improve the store's efficiency and productivity?</p> <p>b) How can the manager balance the delegation of tasks while ensuring appropriate authority is given to each team member? Explain in three points.</p>	6
32	<p>Explain any three of the the following Concepts by F.W.Taylor:</p> <p>a) Differential Piece Wage Rate System</p> <p>b) Mental Revolution</p> <p>c) Harmony not Discord</p> <p>d) Functional Foremanship</p> <p>OR</p> <p>A project manager working on a high-profile construction project which involves constructing a state-of-the-art sports stadium with multiple</p>	6





	facilities. As he starts the planning phase, he realises that there are several potential limitations associated with planning. Identify six limitations commonly associated with the planning phase.	
33	The CEO of a fast-growing tech company has asked the head of operations to lead a workshop for department heads on effective planning. The workshop will cover different types of plans, including strategies, policies, programme, objectives, rules and procedures. The goal is to enhance their understanding of these planning components and how they contribute to the company's success. Write six points to include in this workshop.	6
34	Define the three primary levels of packaging in the context of product distribution, and provide a real-life example for each level.	6





# CBSE

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3. Answers should be brief and to the point.
4. Answers to the questions carrying 3 marks may be from 50 to 75 words.
5. Answers to the questions carrying 4 marks may be about 150 words.
6. Answers to the questions carrying 6 marks may be about 200 words.
7. Attempt all parts of the questions together.

### Section A

Q No.	Question	Marks
1	(c) Interest Coverage Ratio	1
2	(c) establishing a unique identity	1
3	(c) A traditional brick-and-mortar retailer is forced to close its doors after online retailers offer lower prices and a wider selection of products.	1
4	(b) Selling and Marketing	1
5	(d) issuing right shares for existing shareholders at a discounted price	1
6	(d) Integrates group efforts	1
7	(d) It monitors and regulates the securities market to protect investors and maintain market integrity.	1
8	(a) A budget system that sets targets for sales and profits.	1
9	(d) to build relationships with stakeholders	1





10	(b) Both (A) and (R) are true but (R) is not the correct explanation of (A)	1
11	(b) Assignment of duties	1
12	(b) Both A and R are true, and R is the correct explanation of A.	1
13	(c) Both the statements are true	1
14	(b) Foreign policy of the government	1
15	(c) Employees' development	1
16	(a) Statement I is true and II is false	1
17	(a) The cost of doing business will increase, leading to higher prices for consumers.	1
18	(c) A (4), B (3), C (2), D(1)	1
19	(c) Professional association	1
20	(d) Rationalisation of tariff structure	1
21	<p>As a top-level executive with diverse leadership roles, Elon Reeve Musk is likely performing the following three essential functions in his position</p> <p>-Founding and leading companies such as SpaceX, Tesla, and The Boring Company: Musk is involved in creating and establishing these companies and takes charge of their overall direction, strategy, and vision.</p> <p>-Assuming the roles of CEO and Product Architect to guide Tesla's operations and innovations: In his role as CEO and Product Architect of Tesla, Musk is responsible for overseeing the company's day-to-day operations, making key decisions, and driving innovation in the development of Tesla's products.</p> <p>-Engaging in engineering and technical aspects to drive the development of SpaceX's projects: As Chief Engineer of SpaceX, Musk actively participates in the engineering and technical aspects of the company's projects, leading the way in developing cutting-edge space exploration technologies and initiatives.</p> <p>Award 1 mark each for 3 functions</p>	3
22	(i) Setting performance standards: The first step in the controlling process is to set the performance standards. Standards are those criteria, on which the actual performances are measured. These standards serve as a benchmark towards which an organisation strives to work.	3





	<p>(ii) Measurement of actual performance: After the establishment of standards, the next step is measuring the actual performance with the set standards. This can be done by opting several methods like personal observation, sample checking, performance reports, etc.</p> <p>(iii) Comparison of actual performance with standards: In this step, the actual performances are compared with the established standards. Such comparisons reveal the deviation between planned and actual results.</p> <p>Award 1 mark each to the corrective measures.</p> <p>OR</p> <p>1. Management by Exception:(MBE) is a managerial approach that focuses on identifying and addressing significant deviations or exceptions from standard performance. Instead of monitoring all stores equally, the regional manager prioritizes attention on exceptional cases that deviate significantly from established benchmarks.</p> <p>2. Critical Point Control: It involves closely monitoring specific key performance indicators (KPIs) or KRA's that have a significant impact on overall sales performance. Managers use this technique to identify critical points where immediate action is necessary to prevent potential crises or losses.</p> <p>Award 1.5 mark to each technique.</p>	
23	<p>1. When organisations hire externally, they bring in new talent with fresh perspectives and diverse skill sets. These individuals often possess different experiences, backgrounds, and knowledge, which can inject creativity and innovation into the company's operations.</p> <p>2. Hiring talent from outside the organisation can provide valuable industry insights and a competitive edge. External recruits may come from rival companies or different sectors, bringing with them knowledge of market trends, best practices, and emerging technologies.</p> <p>3. External recruitment can lead to faster growth and skill development within the organisation. When experienced professionals join a new workplace, they often possess a wide range of expertise that can be quickly shared and disseminated among the existing workforce.</p> <p>Award 1 mark each for External recruitment advantages.</p>	3
24	<p>1. Treasury Bills (T-Bills): Treasury Bills are short-term debt instruments issued by the government to raise funds for a short duration, usually</p>	





	<p>ranging from 91 days to 364 days. They are considered one of the safest investments as they are backed by the government's creditworthiness.</p> <p>2. Commercial Paper (CP): Commercial Paper is an unsecured, short-term debt instrument issued by corporations to meet their short-term funding needs, usually for up to 270 days. CPs are rated by credit rating agencies to assess their creditworthiness. Compared to T-Bills, CPs generally offer higher returns due to the credit risk associated with corporations.</p> <p>3. Certificate of Deposit (CD): Certificate of Deposit is a time deposit offered by banks with fixed maturity dates, ranging from a few weeks to several months. CDs have higher interest rates than regular savings accounts and are insured by the government up to a certain limit.</p> <p>Award 1 mark each for three instruments of the money market.</p> <p style="text-align: center;">OR</p> <p>Step 1: Preliminary Investigation: SEBI should initiate a preliminary investigation based on the information received about the suspected fraudulent activities by the listed company. This involves gathering initial evidence, identifying potential violations, and assessing the gravity of the situation.</p> <p>Step 2: Formal Investigation: Upon finding substantial evidence during the preliminary investigation, SEBI should launch a formal investigation. This involves a deeper examination of the company's activities, including financial records, transactions, and management practices. The investigation may involve summoning company officials, scrutinising books, and seeking expert opinions.</p> <p>Step 3: Inspection of Books and Records: As part of its regulatory function, SEBI has the authority to inspect the books and records of listed companies to ensure compliance with securities laws. This step involves a detailed examination of the company's financial records and transactions.</p> <p>Award 1 mark each for regulatory function of SEBI.</p>	
25	<p>Step 1: Ensure that the basic physiological needs of employees are met, such as providing a comfortable and safe working environment. Address concerns related to workload, work-life balance, and job security.</p> <p>Step 2: Encourage team-building activities and collaborative projects to fulfill social needs. Organise team lunches, outings, or virtual events to foster a sense of camaraderie among team members.</p>	3







	<p>Step 3: Address esteem needs by recognising employees' achievements and contributions. Implement an employee recognition program that acknowledges outstanding performance and milestones.</p> <p>Step 4: Promote self-actualisation by encouraging employees to pursue their passions and interests within their roles.</p> <p>Award 1 mark each of the points given or any other relevant point.</p> <p>OR</p> <p>1. Employee Recognition Program: Introduce an employee recognition program to acknowledge and appreciate outstanding performance and achievements. Employees can be recognized through a "Employee of the Month" program or regular shout-outs in team meetings. Recognition helps boost self-esteem and encourages a sense of belonging within the organization.</p> <p>2. Opportunities for Employee Involvement: Involve employees in decision-making processes, such as project planning or policy development. Providing opportunities for employee involvement fosters a sense of ownership and commitment to the organization's success.</p> <p>3. Autonomy: Empowering employees with a sense of autonomy and involvement in decision-making increases their job satisfaction and commitment to the organization.</p> <p>4. Employee Development and Growth Opportunities: Providing opportunities for skill enhancement and career growth demonstrates the organization's commitment to employee development, encouraging a sense of loyalty and dedication among employees.</p> <p>Award 1 mark each for non-financial incentives</p>	
26	<p>1. When we invest in training and development, we empower our employees with the skills and knowledge they need to excel in their roles. Well-trained employees are more confident, efficient, and productive.</p> <p>2. Investing in training and development allows us to stay ahead of the competition by adapting to emerging trends, technological advancements, and changing customer needs.</p> <p>3. Employees value organisations that prioritise their growth and development. By investing in training, we show our commitment to their professional advancement, fostering higher levels of employee engagement and job satisfaction.</p>	4





	<p>4. A learning culture encourages employees to think creatively, leading to innovation and process improvements. By investing in employee development, we nurture a culture that values continuous learning, enabling us to adapt swiftly to changing market conditions and customer demands.</p> <p>Award 1 mark each for points given or any other relevant point.</p> <p style="text-align: center;">OR</p> <p>1. Preliminary Screening: This is the initial stage of the selection process. Its purpose is to filter out candidates who do not meet the minimum qualifications and requirements for the management position. The screening helps save time and resources by focusing only on eligible candidates.</p> <p>2. Selection Tests: These tests are assessments that evaluate candidates' aptitude, skills, and abilities related to the managerial role. These tests help assess a candidate's cognitive abilities, problem-solving skills, critical thinking, and domain knowledge.</p> <p>3. Employment Interview: It is a crucial step in the selection process. It allows the organization to assess your communication skills, interpersonal qualities, cultural fit, and enthusiasm for the position. It also provides an opportunity to learn more about the company and the role.</p> <p>4. Final Interviews and Decision-making: In the final interviews, the organization aims to narrow down the candidate pool further and make a well-informed decision about the best fit for the management position. This stage often involves interactions with senior management and decision-makers.</p> <p>Award 1 mark each for the selection process steps.</p>	
27	<p>1. As consumers, it is crucial to make informed decisions before purchasing goods or services. Take the time to research and gather relevant information about the product or service, its features, pricing, and the reputation of the seller or service provider. Being well-informed empowers you to make the right choices and avoid any potential pitfalls.</p> <p>2. Before entering into any consumer transaction, carefully read and understand the terms and conditions. This includes contracts, warranties, and refund policies. By being aware of the terms, you can avoid surprises and potential disputes later on.</p> <p>3. Ensure that the information you provide during a transaction, such as your name, contact details, and payment information, is accurate and truthful. This helps facilitate smooth transactions and prevents any complications that may arise from incorrect information.</p>	4





	<p>4. If you come across a product that is defective, unsafe, or does not meet the promised standards, it is essential to report the issue to the seller or manufacturer promptly.</p> <p>5. As a responsible consumer, exercise caution while sharing personal information online, and only transact on secure and reputable websites. Be wary of potential scams and phishing attempts.</p> <p>6. If you encounter any issues or dissatisfaction with a product or service, address the concern with the seller or service provider promptly. Delaying the reporting of grievances may limit your options for redressal.</p> <p>7. Keep a record of receipts, invoices, warranties, or any other documents related to your purchases. These documents serve as evidence in case of disputes or when seeking a refund or replacement.</p> <p>8. Should a dispute arise, cooperate with consumer redressal forums or agencies when seeking resolution. Provide necessary information and attend hearings or proceedings as required.</p> <p>Award 1/2 mark for each responsibility</p>	
28	<p>To determine which company is using trading on equity more effectively, compare their Return on Equity (ROE) ratios. ROE is a key financial ratio that measures how efficiently a company is using its shareholders' equity to generate profits.</p> <p>ROE is calculated as follows:</p> $\text{ROE} = (\text{Net Income} / \text{Average Shareholders' Equity}) * 100$ <p>Calculate the ROE for both companies:</p> <p>For Alfa Ltd :</p> $\text{ROE} = (50,000 / (300,000 + 0) / 2) * 100$ $\text{ROE} = (50,000 / 300,000) * 100$ $\text{ROE} = 0.1667 * 100$ $\text{ROE} = 16.67\%$ <p>For Beltex Ltd :</p> $\text{ROE} = (60,000 / (400,000 + 0) / 2) * 100$ $\text{ROE} = (60,000 / 400,000) * 100$ $\text{ROE} = 0.15 * 100$	4





	<p>ROE = 15.00%</p> <p>Now, let's compare the ROE ratios for both companies:</p> <p>Alfa Ltd has an ROE of 16.67%, and Beltex Ltd has an ROE of 15.00%.</p> <p>Answer: Based on the provided financial data, Alfa is using trading on equity more effectively than Beltex. Alfa's higher ROE of 16.67% indicates that it is generating a better return on its shareholders' equity compared to Beltex, which has an ROE of 15.00%.</p> <p>This suggests that Alfa is utilising its equity more efficiently to generate profits, making its trading on equity strategy more effective.</p> <p>Award 2 marks each for both the companies ROE.</p>	
29	<p>Here are the identified barriers to effective communication in each scenario:</p> <p>Scenario 1</p> <p>Barrier: Status Differences: In this scenario, the different interpretations of the project's deadline stem from team members' diverse status backgrounds. Each team member might have different attitudes towards time, varying work norms, and approaches to meeting deadlines, leading to confusion and delays in project execution.</p> <p>Scenario 2</p> <p>Language and Jargon: The use of technical jargon and industry-specific terms in the email exchange creates a barrier to effective communication. Some team members may not fully understand the specialised language, leading to misinterpretation of the message and causing misunderstandings and misaligned tasks.</p> <p>Scenario 3</p> <p>Lack of Active Listening: The team member's consistent habit of interrupting others during discussions inhibits open and constructive communication. This behavior reflects a lack of active listening, as the individual fails to allow others to express their ideas fully, leading to frustration among team members and hindering effective collaboration.</p> <p>Scenario 4</p> <p>Technological Issues: In this virtual team meeting scenario, poor internet connectivity causing frequent disruptions and audio glitches is a technological issue that acts as a barrier to effective communication. Some</p>	1





	<p>team members may miss crucial information due to the technical problems, and the overall efficiency of the meeting is reduced.</p> <p>Award 1 mark each for barrier to communication.</p>	
30	<p>As an evaluator of the financial decisions of a manufacturing company, the following scenarios have been presented for analysis:</p> <p>Scenario 1</p> <p>Market Demand: Assessing current and projected market demand is essential to ensure that the expanded production capacity aligns with potential sales and revenue growth.</p> <p>Scenario 2</p> <p>Risk Assessment: The management should conduct a risk assessment to understand the potential consequences of increased debt, such as interest rate fluctuations and refinancing risks.</p> <p>Scenario 3</p> <p>Cost Analysis: A comprehensive cost analysis is necessary to identify areas where cost-cutting measures can be implemented without compromising product quality or customer satisfaction.</p> <p>Scenario 4</p> <p>Market Entry Costs: Assessing the expenses associated with market entry, such as marketing, distribution, and infrastructure setup, is essential for financial decision-making.</p> <p>Award 1 mark for each factor or any other relevant point.</p>	4
31	<p>1. The principle of "Discipline" as proposed by Henry Fayol emphasizes the importance of establishing clear rules, guidelines, and consequences for employee conduct within the organization. When applied effectively, this principle can have several positive impacts like accountability, reduced absenteeism and consistent performance on employee behavior and performance in the manufacturing company.</p> <p>2. The principle of "Remuneration" in Henry Fayol's management principles pertains to fairly compensating employees for their work and contributions to the organization. A performance-based remuneration system is one that ties employee compensation directly to their individual or team performance. This creates a direct link between efforts and rewards, motivating employees to be disciplined and put in their best effort to achieve higher rewards.</p>	



	<p style="text-align: center;">OR</p> <p>1. The principle of "Division of Work," as proposed by Henry Fayol, advocates dividing the overall work into specialized tasks and assigning them to individuals based on their skills and expertise. Implementing this principle in the retail store can lead to several benefits that improve efficiency and productivity.</p> <p>2. As a manager, follow these steps to achieve a balanced approach:</p> <p>Assess Individual Capabilities Encourage Input and Involvement Set Clear Expectations Foster a Collaborative Culture Provide Feedback and Recognition Monitor Progress</p> <p>Award 1 mark for a detailed explanation of each point.</p>	
32	<p>a) Differential Piece Wage Rate System: F.W. Taylor it as a method to incentivize workers and increase productivity. Under this system, workers are paid different rates for each unit of output they produce. The idea behind this approach is to reward higher productivity with higher wages. Taylor believed that by offering financial incentives, workers would be motivated to work more efficiently and increase their output, leading to greater overall productivity for the organization. This concept laid the foundation for modern performance-based pay systems and piece-rate systems that are still in use today in some industries.</p> <p>b) Mental Revolution: The term "Mental Revolution" coined by F.W. Taylor refers to a fundamental change in the mindset and attitudes of both workers and management towards work. Taylor observed that there was often a significant divide between workers and management, with both sides viewing each other with suspicion and distrust. He advocated for a mental revolution that involved workers acknowledging that their interests were aligned with those of management, and vice versa. Taylor believed that through cooperation and understanding, both parties could work together to achieve common goals, such as increased efficiency and productivity. This mental revolution was seen as a prerequisite for successfully implementing scientific management principles in an organisation.</p> <p>c) Harmony, not Discord: F.W. Taylor emphasized the importance of achieving harmony rather than discord in the workplace. He believed that conflicts and antagonism between workers and management were detrimental to productivity and hindered organizational success. To achieve harmony, Taylor proposed the application of scientific management</p>	1



	<p>principles, which involved careful planning, standardization of work processes, and clear communication between workers and management. By removing unnecessary frictions and creating an environment of mutual trust and cooperation, Taylor aimed to establish a harmonious relationship between employees and management, ultimately leading to increased productivity and efficiency.</p> <p>d) Functional Foremanship: Functional Foremanship is a concept developed by F.W. Taylor as part of his scientific management system. Under this approach, the traditional role of a single foreman overseeing a group of workers is divided into multiple specialized foremen, each responsible for a specific aspect of the production process. Taylor identified eight distinct functions that were crucial for efficient production, such as route clerk, instruction card clerk, time and cost clerk, etc.</p> <p>Award 1 mark for any three</p> <p style="text-align: center;">OR</p> <ol style="list-style-type: none"> <li>1. One of the primary limitations of planning is the uncertainty of the future. No one can predict with absolute certainty how the external environment or internal conditions will change over time. Changes in market trends, technological advancements, economic conditions, or political factors can disrupt even the most well-thought-out plans.</li> <li>2. Planning can be a time-consuming process, especially for complex organizations and projects. Gathering data, analyzing information, setting goals, and formulating strategies require considerable time and effort, which may delay the actual implementation of actions.</li> <li>3. Strict adherence to plans may lead to rigidity in decision-making. If managers are unwilling to adapt or deviate from the original plan when unforeseen circumstances arise, it can hinder the organization's ability to respond effectively to changing conditions.</li> <li>4. Planning can be costly, particularly when it involves extensive research, market surveys, or hiring specialized consultants. Smaller organizations or those with limited resources might find it challenging to afford comprehensive planning processes.</li> <li>5. Planning often relies on forecasts and assumptions about the future. Overreliance on predictions can lead to unrealistic expectations and misalignments between actual outcomes and planned goals.</li> <li>6. Some employees or stakeholders may resist the implementation of new plans, especially if they perceive the changes as threatening or disruptive to</li> </ol>	
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	<p>their current roles or ways of doing things. This resistance can undermine the successful execution of the plan.</p> <p>Award 1 mark each limitation of planning.</p>	
33	<p>1. A strategic plan defines our company's long-term vision, mission, and overarching objectives. It involves analyzing market trends, identifying opportunities, and understanding our strengths and weaknesses.</p> <p>2. Policies are broad guidelines and principles that guide decision-making and behavior within the organization. They define acceptable conduct, standards, and rules for various activities and processes.</p> <p>3. Programmes are comprehensive plans that encompass multiple projects or activities with a common goal.</p> <p>4. Objectives are specific, measurable targets that support the achievement of the overall strategic plan.</p> <p>5. Rules are specific and explicit guidelines that govern specific actions or conduct within the organization. They define the do's and don'ts, ensuring clarity and uniformity in employee behavior.</p> <p>6. Procedures are detailed step-by-step instructions on how to perform specific tasks or processes. They provide consistency and standardization, ensuring tasks are executed accurately and efficiently.</p> <p>Award 1 mark for each type of plan.</p>	6
34	<p>Primary Packaging: it is the layer of packaging that directly encloses the product. It is the first level of packaging that comes into direct contact with the product and is often the most visible to the consumer.</p> <p>Real-Life Example: For a consumer electronics company, the primary packaging for a smartphone would be the box that holds the phone itself, along with any accessories such as charging cables and earphones.</p> <p>Secondary Packaging: it refers to the packaging used to group and protect multiple units of the primary package during distribution. It is designed to facilitate handling and transportation of the product.</p> <p>Real-Life Example: Continuing with the smartphone example, the secondary packaging would be the larger carton that holds multiple individual phone boxes for shipment to retailers.</p> <p>Tertiary Packaging: it is the outermost layer of packaging used for bulk transportation and storage of products. It is designed to protect products during long-distance transportation and warehousing.</p>	6





	<p>Real-Life Example: In the context of the consumer electronics company, the tertiary packaging would be the large pallets or crates used to hold and transport numerous secondary packages filled with smartphones to distribution centers or retail stores</p> <p>Award 1 mark to each level of packaging and 1 mark for each example given.</p>	
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