

**CLASS 12 BUSINESS STUDIES**  
**CHAPTER-7**  
**DIRECTING**

**IMPORTANT QUESTIONS**

**VERY SHORT ANSWER QUESTIONS ( 1 or 2 Marks)**

**QUESTION 1.**

**Differentiate between 'formal' and 'informal' organisation on the basis of 'origin.'**  
**(CBSE BOARD 2017)**

**Answer.**

The difference between formal and informal organisation on the basis of 'origin' is tabulated below.

Basis of difference	Formal organisation	Informal organisation
Origin	Arises from formal rules and policies of the organisation.	Arises from social interactions among the employees beyond the official boundaries of authority.

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**QUESTION 2.**

**Give the meaning of 'motivation' as an element of directing.**  
**(CBSE BOARD 2017)**

**Answer. Motivation** refers to a process of inducing and stimulating individuals to behave in a certain manner in order to achieve organizational objectives. That is, it refers to encouraging and urging the employees to perform to the best of their capabilities to achieve the desired organisational goals. Motivation varies as per the desires and expectations of the employees and can take various forms such as promotion, appraisal and recognition.

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**QUESTION 3.**

**It is concerned with instructing guiding and inspiring people in the organization to achieve its objectives. Name it.**

**Answer.** Directing

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**QUESTION 4.**

**Every manager from top executive to superior performs the function of directing. Which characteristic of directing is referred here?**

**Answer.** Directing takes place every level of management.

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**QUESTION 5.**

**It means overseeing the subordinates at work. Which element of directing is referred to?**

**Answer.** Supervision.

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**QUESTION 6.**

**Supervisor acts as a link between workers and management. How?**

**Answer.** Supervisor implements the plans formulated by the management by directing the workers on the one hand and informs the workers problems to the management on the other.

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**QUESTION 7.**

**Give the meaning of 'supervision' as an element of directing.**

**(CBSE BOARD 2017)**

**Answer.** Supervision implies the process of guiding and instruct

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**QUESTION 8.**

**Mention one barrier to effective communication.**

**Answer.** Poor listening skills of people.

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#### QUESTION 9.

**Give any one measure to improve communication.**

**Answer.** Communicate according to the needs of receiver so that the subordinates work towards achieving the desired goals. In other words, it implies overseeing the work of the subordinates.

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#### QUESTION 10.

**State any two non-Financial incentives.**

**Answer.**

**1. Status:** In the organizational context, status means ranking of positions in an organisation, in other words status given to a person holding a managerial position.

**2. Career Advancement Opportunity:** A company must provide employees appropriate skill development programmes, and a sound promotion policy to achieve promotions.

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#### QUESTION 11.

**Name the formal Communication network where each person can communicate with his adjoining two persons?**

**Answer:** Circular.

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#### QUESTION 12.

**Give example of any two organizational facilities to encourage free flow of communication by removing organizational barriers.**

**Answer.**

1) Complaint Box

2) Social and Cultural Gathering.

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### QUESTION 13.

What is the highest level need in the need Hierarchy of Abraham Maslow?

**Answer.** Self-Actualization.

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### QUESTION 14.

Which element in communication process relates to the process of converting encoded symbols of the sender?

**Ans.** Decoding

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## SHORT ANSWER QUESTIONS (3 or 4 Marks)

### QUESTION 15.

Neha was a regional sales manager in 'Good Look Garments Ltd' for ten years. On the retirement of the marketing manager Neha applied for the same post, as she was extremely ambitious and had dedicated all her energies to obtain the post of marketing manager. However, the top management of the company decided to fill this post by selecting a better person from outside the company. Because of this Neha was heart- broken and her performance declined.

When the new marketing manager joined, one of her major problems was how to motivate and inspire Neha to her former level of performance?

Suggest any three non-financial incentives that the new marketing manager may use to motivate Neha.

(CBSE BOARD 2015)

**Answer.** The non-financial incentives that the new marketing manager may use to motivate Neha are:

1. **Career Advancement Opportunity:** A company must provide employees appropriate skill development programmes, and a sound promotion policy to achieve promotions.
2. **Job Enrichment:** Job enrichment is concerned with designing jobs that include greater variety of work content and require higher knowledge and skill.

3. **Job security:** Employees want job security and stability about future income and work so that they don't have to worry on these aspects and work with greater zeal.
  4. **Employee Recognition programmes:** Recognition means acknowledgment with a show of respect and appreciation. Most people have a need for evaluation of their work and due recognition.
  5. **Employee participation:** It means involving employees in decision making of the issues related to them. This gives them a sense of belonging in the company.
  6. **Employee Empowerment:** Empowerment means giving more autonomy and powers to Subordinates in the completion of their work.
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#### QUESTION 16.

Mr. Mohan Kumar, is the owner of Jason's Enterprises, carrying on the business of manufacturing sanitary items. There is a lot of discontentment in the organization and the targets are not being met. He asked his son Ritesh, who has recently completed his MBA, to find out the reason.

Ritesh found that his father did not have confidence in the competency of employees and was not seeking their advice or opinion. There was also lack of transparency in the operations of the business. Thus, the employees were not happy.

(a) Identify any two communication barriers because of which 'Jason's Enterprises' was not able to achieve its targets.

(b) State one more barrier each of the type identified in part (a) above.

(CBSE BOARD 2016)

**Answer.**

(a) The two communication barriers because of which 'Jason's Enterprises' was not able to achieve its target are:

(i) **Organisational Barriers:** if the organisation policy is not supportive of free flow of communication, it disrupts effectiveness of communication. A free and effective flow of communication requires the presence of certain organisational facilities such as social gatherings, complaint box, and transparency in operations, etc. The absence of such facilities hinders the flow of information.

(ii) **Personal Barriers:** The type of personal barrier, which is discussed above, is lack of confidence of superior on his subordinates. When the superior does not have the confidence on the



subordinates, he is unwilling to involve them in discussions and other matters. This leads to a communication gap between the superior and the subordinate.

(b)

#### **Types of Organisational Barrier**

**Policy of the organisation:** If the organisation's policy (such as following a centralised organisational structure) does not support free flow of communication, then it hampers the flow of communication. For instance, in a centralised organisational structure, free flow of communication is restricted.

#### **Types of Personal Barrier**

**Fear:** At times, due to difference in status and authority, the subordinates fear their superior and often hesitate to communicate freely with them. In such cases, the communication is suppressed.

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#### **QUESTION 17.**

**'K.S. Energy Ltd.'** was an energy efficient consultancy company. To get the business the team leader and his team used to travel to different states to give presentation to their clients. As per the policy of the company, the team leader used to travel by air, whereas his team travelled by road/train. It was not only time consuming but also at times forced female team members to travel alone.

As a result, the subordinates were not acting in a desired manner to achieve organizational goals. The CEO came to know about it. He called the team leader, discussed the matter with him and changed the travel policy of the company. It was decided that all the members including the leader would travel together in future and would usefully utilize the travelling time in discussion with the subordinates about the presentation to be given to the clients. This made a positive impact and every member of the team started acting in a manner as desired by the team leader.

**State the features of the element of the function of management used by the CEO.**

**(CBSE BOARD 2016)**

**Answer.** The element of function of management used by the CEO is '**Motivation**'. This is because as per the travel policy of the company subordinates were not acting in a desired manner to achieve organisational goals. The employees felt demotivated due to the different travel policy for employees holding different posts. However, a change in travel policy had a positive impact on employees and they start acting in a manner desired by the leader, which is possible only with the help of motivation. The features of motivation are as follows.

**1. Motivation is a Psychological Phenomenon:** Motivation is an internal feeling, such as urge, drives and desires which means it cannot be forced on employees.



**2. Motivation is a Goal Oriented Behaviour:** It induces people to behave in a particular manner so that they can achieve their goals. A motivated person works towards the achievement of desired goals.

**3. Motivation can be either positive or Negative:** Positive motivation means inspiring people to work better and appreciating a work that is done well e.g., pay increase promotion recognition. Negative motivation means forcing people to work by threatening or punishing them. e.g., issue of memo, demotion, stopping increments etc.

**4. Motivation is a Complex Process:** It is a complex and difficult process as human factor is involved. Individuals differ in their needs and wants and human needs change from time to time.

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#### QUESTION 18.

'My Car Ltd.' decided to set-up its new car-manufacturing factory in the backward area of West Bengal where very less job opportunities were available. People of that area welcomed this effort of 'My Car Ltd.' The company also decided to provide facilities like school, hospital, market etc. in the factory premises so that the people are attracted to join the factory as workers. 'My Car Ltd.' started earning huge profit. Another competing company asked its production manager 'Arvind' to investigate the reasons of earning huge profits by 'My Car Ltd.' Arvind found that in both the companies there was systematic co-ordination among the various activities to achieve organisational goals. Every employee knew who was responsible and accountable to whom. The only difference was that in his organisation communication took place only through the scalar chain, whereas 'My Car Ltd.' was allowing flow of communication in all the directions as per the requirement, which lead to faster spread of information as well as quick feedback.

(a) Identify the type of organisation which permits the flow of communication in all the directions in 'My Car Ltd.'.

(b) Also state an advantage of the type of organisation identified in part (a) above. (c) State any two values which 'My Car Ltd.' wants to communicate to the society.

**Answer.** (a) In My Car Ltd. Ltd., informal organisation permits the **flow of communication in all the directions**.

(b) The another advantage of informal organisation is **fulfilment of social needs**. An informal organisation allows for personal communication beyond the officially defined roles. This enables the employees to interact with like-minded colleagues. This unofficial interaction provides a sense of belongingness among the employees towards one another and towards the organisation.

(c) The two values that 'My Car Ltd.' wanted to communicate to the society are given below.



- (i) Fulfilling social responsibility
  - (ii) Working for benefits of employees
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#### QUESTION 19.

**Explain any three points that highlight the importance of directing function of management.**

**Answer.** It is through directing that the operation of an organisation actually begins. As a function of management, directing is useful in many ways as discussed below:

**(i) Achieving objectives:** The function of directing initiates the actual action in an organisation. An individual cannot start working without proper instructions and directions. Directing helps individuals to complete the assigned task properly and on time as per the instruction of their superiors. In addition, directing in the form of supervision and motivation helps the employees to achieve their targets more efficiently.

**(ii) Integration of efforts:** Every organisation comprises of a number of employees who have different jobs assigned to them and work at different levels. It is only through directing that their individual efforts are integrated and channelised towards achieving the common organisational goals.

**(iii) Employee development:** Proper directing guides employees in the right direction. Elements of directing such as motivation and leadership encourage the employees to work to the best of their capabilities.

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#### QUESTION 20.

Umang Gupta is the Managing Director of Denver Ltd. The company had established a good name for itself and had been doing well. It was known for timely completion of orders. The Production Manager, Ms. Kanta was efficiently handling the processing of orders and had a team of fourteen motivated employees working under her. Everything was going on well. Unfortunately she met with an accident. Umang knew that in the absence of Ms. Kanta, the company may not be able to meet the deadlines. He also knew that not meeting the deadlines may lead to customer dissatisfaction with the risk of loss of business and goodwill. So, he had a meeting with his employees in which accurate and speedy processing of orders was planned. Everybody agreed to work as team because the behaviour of Umang Gupta was positive towards the employees of the organisation. Hence everyone put in extra time and efforts and





the targets were met on time. Not only this, Umang visited Ms. Kanta and advised her to take sufficient rest.

(a) Identify the leadership style of Umang Gupta and draw a diagram depicting the style.

(b) State any two values highlighted by the behaviour of Umang Gupta.

(CBSE BOARD 2017)

**Answer.** (a) Democratic or Participative Leadership style: A democratic leader gives order after consulting the group and works out the policies with the acceptance of the group. It works best in situations where group members are skilled and competent to share their knowledge.

(b) Values involved are as follows

(i) Positive attitude towards employees

(ii) Considerate towards employees' health and their well-being

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#### QUESTION 21.

Explain briefly any three semantic barriers to communication.

(CBSE BOARD 2017)

**Answer.** Semantic barriers:

Concerned with communication problems and obstructions in the process of encoding or decoding of message into words or impressions. Semantic barriers are as follows:

**1. Badly expressed message:** Sometimes intended meaning may not be conveyed by the usage of inadequate vocabulary, wrong meaning words etc.

**2. Symbols with different meaning:** Words with different meanings confuses the receiver.

**3. Faulty translations:** The meaning of a message in one language if translated will be different in other language.

**4. Unclassified assumption:** Different assumptions may have different interpretations, which result in confusion.

**5. Technical Jargon:** Usage of technical words by specialists will result in misunderstanding among workers.

**6. Body language and gesture decoding:** Every movement of body communicates a meaning.

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#### QUESTION 22.

What is meant by 'Esteem needs' and 'Self-actualization needs' in relation to motivation of the employees?

**Answer.**

i. **Esteem Needs:** These needs are needs for self esteem and need for other esteem .For Example: Self-respect, self-confidence etc.

ii. **Self-actualization Needs:** This is the needs to be what one is capable of becoming and includes needs for optimal development.

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#### LONG ANSWER TYPE QUESTIONS (5 OR 6 MARKS)

#### QUESTION 23.

Explain any five points of importance of directing function of management.

(CBSE BOARD 2015)

**Answer.** Importance of directing:

- (a) **Directing Initiates Action:** It helps in initiating action by the people in the organization towards attainment of desired objectives.
  - (b) **Directing Integrates Employee's Efforts:** Coordination of all the activities of an organization is very necessary. A manager is required to motivate employees and work as team.
  - (c) **Motivation and Leadership:** It motivates the subordinates by showing leadership qualities to work efficiently and to contribute their maximum efforts towards the achievement of organizational goals.
  - (d) **Directing Facilitates Change:** Employees often resist changes due to fear of adverse effects on their employment and promotion. Effective directing through motivation, communication and leadership help employees to cope with changes in the environment.
  - (e) **Directing helps in Stability and Balance in the organization:** Effective directing fosters cooperation and commitment among employees and helps in striking a balance between various activities and departments.
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#### QUESTION 24.

Yash is working in a multinational company in Noida. He was running temperature for the last many days. When his blood was tested, he found positive for chikungunya. He was admitted



in the hospital and a blood transfusion was advised by the doctors as his condition was very serious. One of his colleagues sent a text message to his immediate superior 'Vineet'. Vineet immediately sent a text message to the employees of the organization requesting them to donate blood for Yash. When the General Manager came to know about it, he ordered for fumigation in the company premises and cleanliness of the surroundings.

(a) From the above, para quote lines that indicate formal and informal communication. (b) State any two features of informal communication.

(c) Identify any two values that are being communicated by Vineet to the society.

(CBSE BOARD 2016)

**Ans. (a)**

**i) Informal Communication-** "One of his colleagues sent a text message to his immediate superior 'Vineet'

Vineet immediately sent a text message to the employees of the organization requesting them to donate blood for Yash."

**ii) Formal Communication-** "When the General Manager came to know about it, he ordered for fumigation in the company premises and cleanliness of the surroundings"

**(b) The features of informal communication are as follows:**

- i) Communication that flows without following the formal defined path
- ii) Arises out of social interactions among the employees

**(c) The two values that are being communicated to the society are as follows:**

- i) Cleanliness of the surroundings
- ii) Sympathy for employees

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#### QUESTION 25.

**"The post of supervisor should be abolished in the hierarchy of managers". Do you agree? Give any three reasons in support of your answer.**

**Answer:** No, I don't agree, because a supervisor performs the following functions to achieve organization goals.

**Functions of the supervisor:**

- a) Planning the work. The supervisor has to determine work schedule for every job.
  - b) Issuing orders: Supervisor issues orders to the workers for achieving coordination in work.
  - c) Providing guidance and leadership: The supervisor leads the workers of his department.
  - d) Explains the policies and programmes of the organization to his subordinates and provide guidance
  - e) Make necessary arrangement for supply of materials and ensure they are efficiently utilized.
  - f) Deviations from the target if any are to be rectified at the earliest.
  - g) Helps the personnel departments in recruitment and selection of workers.
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#### QUESTION 26.

**What are the various types of leadership styles? Explain.**

**Answer:**

**Autocratic or Authoritarian Leader:** an autocratic leader give orders and expect others to obey them. The decision making power is centralized. It is best applied in situations where there is little time for group decision making or where the leader is the most knowledgeable member of the group.

**Democratic or Participative Leader:** A democratic leader gives order after consulting the group and works out the policies with the acceptance of the group. It works best in situations where group members are skilled and competent to share their knowledge.

**Laissez Faire or Free Rein Leader:** The followers are given a high degree of independence to formulate their own objectives and ways to achieve them. The leader gives complete freedom to the subordinates.

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