

Time allowed: 2 hours

Maximum marks: 40

1. 'Estimating manpower requirements is not merely knowing how many persons we need.' What else is needed while estimating manpower requirements? State any two points.

Ans. Estimating Manpower requirements estimates the number and kind of personnel required in the organisation. This is done through workload analysis and workforce analysis. Workload analysis is estimating how many persons we need. On the other hand, Workforce Analysis refers to an estimation of the existing personnel in the organisation.

2. 'Due to various malpractices and multiplied investors grievances the Govt. of India decided to set-up a separate regulatory body to protect the interest of investors and to regulate the securities market.'

(a) Identify the regulatory body set-up by Govt. of India for the above stated purpose.

(b) State any one objective of the regulatory body identified in (a) above.

Ans. (a) Security Exchange Board of India (SEBI) was set up by the Government of India to minimise malpractices in the capital market and protect the interest of investors.

(b) One primary objective of SEBI is to regulate the Stock Exchange's functioning. The primary aim of SEBI is to regulate the functioning of the stock exchange. It aims to provide a place where the issuers can easily and confidently raise funds.

3. 'External sources of recruitment may lead to dissatisfaction and frustration among existing employees. They may feel that their chances of promotion are reduced.' Give two situations when external sources may be used without dissatisfying the existing employees.

Ans. External sources refer to the exogenous sources of the organisation, that is, outside the organisation. Two situations where external sources can be used without dissatisfying existing employees are:

- (i) **Specialised Personnel:** When existing employees do not meet the requirements of a new/vacant position, then external sources can be used to recruit.

(ii) **Insufficient Staff:** In case the existing staff is overloaded, new recruitments can be done so that workload can be shared, leading to employee productivity.

4. 'The final step in the controlling process is taking corrective action, but when deviations are within acceptable limits no corrective action is required.'

When and why corrective action is required? State.

Ans. When deviations go beyond the admissible limits, corrective actions are taken to ensure that the errors do not occur again. The controlling function ensures that each task is performed as per the set standards. While monitoring the actual performance, if any deviations are recognised, the cause for these deviations is identified.

Some Deviations and Related Corrective Actions	
Outdated machinery	Replace machinery (Upgradation)
Unrealistic standards	Downward revision of standards
Defective material	Change of specified quality of material
Improper working conditions	Improve physical working conditions
Inefficient employees	Training of employees
Defective process	Modify existing process
Easily attainable standards	Upward revision of standards

5. Agrima, Arunima and Avika are pursuing MBA from a reputed institution. Now it is the time of their placement.

Agrima wants to work in a company which would provide her more authority for fulfilling her duties and will give recognition, rewards, perquisites and prestige of job.

Arunima wants to work in an organisation in which behaviour of individuals is influenced by its characteristics like autonomy, reward orientation, consideration to employees, risk taking etc.

Avika wants to join the organisation which has appropriate skill development programmes and sound promotion policy that encourages employees to exhibit improved performance. Identify and state the incentives about which Agrima, Arunima and Avika are talking about.

Ans. Agrima: Status Ranking position of the Job: Agrima is looking for a rise in status in terms of power, authority, responsibility, etc. The Social, psychological and esteem needs of an individual are satisfied by the status given to their job.

Arunima: Organisational Climate: Refers to characteristics such as employee freedom, recognition of performance, incentives and rewards that influence the behaviour of the employees.

Avika: Career Advancement Opportunities: Offering career and growth opportunities to the employees by providing skill development programmes and promotions. Promotions play a vital role in encouraging employees to work effectively.

6. (a) State any three points of importance of 'Controlling' function of management.

OR

(b) State any three points importance of 'Directing' function of management.

Ans. (a) Controlling refers to the function of management that involves evaluating, assessing and monitoring the progress of the work done.

Importance of Controlling:

(i) **Accomplishing organisational goals:** Controlling indicates the deviations in performance and takes the required corrective measures. In this way, it helps in accomplishing organisational goals in a better manner.

(ii) **Evaluating the standards:** It helps in assessing and reviewing the accuracy and feasibility of the set standards according to the changing business environment.

(iii) **Optimum utilisation of resources:** Controlling ensures that each task is performed as per the set standards, thereby helping in minimising the wastage of resources.

OR

(b) Directing is the process of motivating, instructing, leading, and guiding people to work to the best of their capabilities to achieve predetermined goals and objectives.

Importance of Directing:

(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.

(ii) **Integration of efforts:** Every organisation comprises several employees who have different jobs assigned to them and work at different levels. Only through directing their efforts are integrated and channelised towards 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.

It means the proportion in which debt and equity funds are used for financing the operations of business.

7. Explain 'Private Placement' and 'Rights Issue' as methods of floatation of new issue in the primary market.

Ans. Private placement - In this approach, the securities are sold only to some selected persons and big institutional investors rather than to the general public. In this, corporations either allot the securities themselves or sell them to intermediaries who, in turn, sell these securities to selected clients.

Right Issue - In this method, existing shareholders are offered a subscription of new equity shares of the company in proportion to the number of shares possessed by them. As per the Companies Act, 2013, existing shareholders are given the right/privilege to buy new equity shares of the same class.

8. Name and give the meaning of the concepts that are highlighted in the following statement:

(a) It improves the performance of employees on the current job or prepares them for any intended job.

(b) It not only improves the job performance of the employees but also brings about growth of the personality.

Ans. (a) Training: Training refers to the process of enhancing the skills and competence of an employee that are required to perform a specific job. Training focuses on developing just the right skills required for performing particular tasks and is, therefore, job-oriented.

(b) **Development:** Development refers to the process of developing the overall learning and maturity of the employee. It boosts the overall career prospects of the employee and is said to be career-oriented.

9. (a) Explain the following rights of a consumer as per the provisions of Consumer Protection Act, 2019 :

- (i) Right to Safety
- (ii) Right to be Informed

OR

(b) State any five responsibilities of a consumer under Consumer Protection Act, 2019.

Ans. The following are the rights of the consumer as per the provision of the Consumer Protection Act, 2019:

(i) **Right to Safety:**

- (a) Every consumer has the right to be safeguarded against those goods and services that can be hazardous to life, health or property.
- (b) For example, manufacturing defects in goods such as electrical appliances, cooking gas cylinders, etc., can be highly injurious. A consumer has the right to be protected against such products.
- (c) A consumer has the right to be assured about the quality of buying the product.
- (d) He can insist on the quality and guarantee of the goods. ISI or AGMARK certified products indicate the standard quality of the product in India.

(ii) **Right to be informed:**

- (a) A consumer has a right to be completely informed related to price, quality, weight, quantity, ingredients, etc., of goods and services in India. It is legally mandatory for manufacturers to provide all the relevant information on the packages and the labels of goods.
- (b) The detailed information about goods and services let the consumer make a better decision about buying the product.

OR

These consumer rights entail various responsibilities from the consumers' end. The following are some of the responsibilities that a consumer must fulfill:

- (i) **Awareness:** A consumer should be well aware of the availability of various goods and services in the market to choose carefully and wisely.
- (ii) **Look for Quality Marks:** Before buying a product, a consumer must always look for the quality certification marks, such as ISI in case of electrical goods, AGMARK in case of agricultural goods, etc.

(iii) **Ask for Cash Memo:** A consumer should always ask for cash memos or bills for the goods and services purchased by them. The bill acts as proof of purchase and can be used for future references.

(iv) **Check Information on Labels:** A consumer must read the label carefully. Labels on goods provide useful information about price, weight, product's expiry date, etc.

(v) **Honest Transactions:** A consumer must always choose legal dealings and discourage illegal trade practices such as black marketing and hoarding.

10. What is meant by financial market? State any four functions of financial market.

Ans. A financial market is a market for the creation of new securities and sale or exchange of existing financial assets.

Functions of Financial Market:

- (i) It performs the allocative function by mobilising savings and channelling them into the most beneficial avenues.
- (ii) It assists in determining the price for the financial asset in a certain financial market through the market forces of demand and supply.
- (iii) It gives liquidity to the financial assets by giving ready markets wherein the securities can be easily converted into cash or vice versa.
- (iv) It provides a market for the exchange of securities, thereby reducing the cost of transactions by saving money, time and effort spend on the buyers and sellers in locating a common platform for each other.

11. Asha is living in a small village of Rajasthan. Her mother has good culinary skills. Inspired from her mother she joined a course of 'Food and Beverages Production' in Jaipur. After completing her course she asked her mother to open a sweets shop in Jaipur, to which her mother agreed. The business was doing well and had started growing. To expand her business she felt the need of additional personnel. Instead of selecting personnel from any other source she thought of helping her relatives and appointed five of them. But after doing all efforts she found that none of her relatives were providing satisfactory service leading to lower productivity. Also, the quality of the products started deteriorating.

This made Asha to realise that the ability of an organisation to achieve its goals depends upon the quality of its human resources. This

was ignored by her at the time of selecting the personnel for her expansion programme.

- (a) Identify and state the function of management which could have helped Asha at the time of fulfilling her need of additional personnel in the organisation.
- (b) State any three benefits of the function identified in (a) above.

- Ans.** (a) Staffing is the function of management which could have helped Asha at the time of fulfilling her need of additional personnel in the organisation. Staffing is an operation of recruiting the employees by evaluating their skills, knowledge and then offering them specific job roles accordingly. It involves the determination of manpower requirements of the enterprise and providing it with adequate competent people at all of its levels. Thus, manpower planning, procurement (*i.e.*, selection and placement), training and development, appraisal and remuneration of workers are included in staffing.
- (b) Three benefits of the function of staffing are:
- (i) **Finding competent personnel:** Staffing helps to find and choose the right personnel required for various job positions in an organisation.
 - (ii) **Improves efficiency:** Staffing ensures that the right people are placed on right time and at right places. This improves the overall efficiency and performance of an organisation.
 - (iii) **Facilitates organisational growth:** By ensuring the appointment of an efficient and competent personnel for various jobs, staffing ensures the survival and growth of an organisation in the long run.

12. (a) Ananta Ltd. is a company dealing in ready-made garments from last many years. Recently the profit of the company have started increasing. The finance manager decided to retain the profit instead of distributing it among shareholders.

- (i) Identify and state the financial decision taken by finance manager in the above case.
- (ii) State any three factors effecting the decision identified in (i) above.

OR

- (b) Ravi has joined as a finance manager in MTA Ltd. He had to arrange funds of rupees one crore for the company. The Chief Executive Officer of the company

wants to arrange the funds by a public issue whereas the finance manager wants to have a mix of debt and equity as this will determine the overall cost of capital and the financial risk of the enterprise.

- (i) Identify and give the meaning of the financial decision suggested by the finance manager in the above case.
- (ii) State any three factors effecting the decision identified in (i) above.

- Ans.** (i) The Finance Manager of Anant Ltd. has taken a Dividend Decision.

It refers to the decisions regarding the distribution of profit or surplus of the company. The profits can either be distributed to the shareholders in the form of dividends or retained by the company itself.

- (ii) Three factors Affecting the Dividend Decisions are as follows.

1. **Amount of earnings:** As a company pays dividends out of its earnings, it can be said that companies with higher incomes are in a position to pay a higher amount of dividends to its shareholders and companies with lower incomes pay a lower amount of dividends to its shareholders.
2. **Stable earnings:** A company with smooth and stable earnings is in a position to distribute higher dividends as compared to those that have unstable earnings.
3. **Stable dividends:** In common, companies try to avoid frequent fluctuations in DPS (dividend per share) and go for increasing (or decreasing) their value only when there is a steady rise (or fall) in the company's earnings.

OR

- (i) The Financial decision suggested by the finance manager is the Financing Decision. It refers to the decisions regarding the identification of various sources of funds (as debt and equity) and deciding the best combination among them. These decisions are taken based on the risk and profitability of various alternatives.

- (ii) Three factors affecting financing decisions are:

1. **Cost of raising funds:** Those sources of funds are preferred that involve minimal cost.

2. **Risk involved:** Sources of funds that involve moderate risk are preferred over those that involve high risk. For instance, debt or debentures involve the risk of default payment which must be carefully analysed before taking the debt.

3. **Floatation cost:** These are the costs involved in the process of raising funds. They can be in the form of broker's commission, fees of underwriters, etc. Those sources of funds are preferred that involve minimum floatation cost.

Delhi [Set-II]

Note: Except for the following questions, all the remaining questions have been asked in previous sets.

4. 'Analysing deviations' is an important step in the process of controlling. It is therefore important to focus on key result areas which are critical to the success of an organisation. Identify and give the meaning of the concept discussed above.

Ans. The concept discussed in the above lines is 'Critical Point Control'. This technique is based on the belief that a manager cannot control each and every activity of the organisation. Thus, the focus should solely be on the key result areas (KRAS) that are critical to the success of the organisation.

9. (a) Explain the following rights of a consumer as per the provisions of Consumer Protection Act, 2019.

Right to be heard

OR

(b) State any five reliefs available to the consumer under Consumer Protection Act, 2019.

Ans. Right to be Heard:

- (i) In case of any grievance, a consumer has the right to file a complaint under appropriate forums established by the government.
- (ii) Thus, many enlightened business firms have set up their own consumer service and grievance cells. Many consumer organisations and NGOs are also working towards this direction and helping consumers in filing complaints of their grievances and seeking redressal.

OR

Reliefs available to the consumer: In case the concerned Commission passes an order in favour of the aggrieved party, it can pass one or more of the following directions to the opposite party (Any five)

- (i) Repair the defective goods or remove the deficiency in service.
- (ii) Replacement of the defective good with a new one.
- (iii) Refund the price that was paid by the customer for the goods or services.
- (iv) Payment of compensation in cash for the loss or injury suffered.
- (v) Payment of punitive damages.
- (vi) Removal of misleading advertisement and issue of a correct advertisement henceforth.
- (vii) Ceasing the manufacture of hazardous goods.

10. State any five points of difference between 'Primary Market' and 'Secondary Market'.

Ans.

Basis of Difference	Primary Market	Secondary Market
Securities Traded	Primary market deals solely in the sale and purchase of newly issued securities.	Secondary market deals in the sale and purchase of already existing securities.
Securities Issued	Securities are directly issued by the companies.	Securities are transferred between the investors only. There is no involvement of a company here.

Price of Security	The prices of securities are determined by the company and its management.	The prices of securities are determined by the forces of demand and supply.
Geographical Area	There is no fixed place for a primary market. That is, all institutions and companies constitute a primary market.	Under a secondary market, trading takes place at specified locations and areas.

Purchase and Sale	Securities can only be purchased.	Securities can be purchased as well as sold.
Promotion of Capital Formation	Capital formation is directly promoted funds from savers to investors are directly channelised to their most productive uses.	Capital formation is indirectly promoted as the liquidity of securities is augmented.



Delhi [Set-III]

Note: Except for the following questions, all the remaining questions have been asked in previous sets.

4. 'Analysing deviations' is an important step in the process of controlling. It is therefore important to bring significant deviations to the notice of the management which go beyond the permissible limit.

Identify and give the meaning of the concept discussed above.

Ans. Management by Exception- According to this technique, an effort to control everything may end up in controlling nothing. Thus, only significant deviations which are beyond the permissible limit should be acknowledged.

9. (a) Explain the following rights of a consumer as provided by Consumer Protection Act, 2019 :

- (i) Right to Seek Redressal
- (ii) Right to Consumer Education

OR

(b) Give the meaning of 'Consumer' as per Consumer Protection Act, 2019. Also state when can a consumer complain directly in the 'State Commission' and 'National Commission'? If the consumer is not satisfied with the decision of 'State Commission' and 'National Commission' where can he/she appeal?

Ans. The following rights of a consumer as provided by the Consumer Protection Act, 2019:

(i) Right to Seek Redressal:

1. A consumer has the right to seek redressal and compensation in case of any exploitation. The consumer protection act provided the mechanism for the speedy redressal of grievances related to quality, standard, etc., of goods and services.
2. It also provides a mechanism for redressal of complaints at the district, state and national levels.
3. The consumer has the right to seek redressal against unfair and inhumane trade practices or exploitation. The Consumer Protection Act provides for compensation in several forms such as replacement of the product, cash compensation and repair/removal of defects, among others.

(ii) Right to Consumer Education:

A consumer has the right to education and awareness of his rights and the available remedies in case of exploitation. Many government and non-government organisations (NGOs) work actively in this regard. The education can get provided with the aid of consumer associations, policymakers, educational institutions, etc. The education about various aspects like:-

1. Relevant laws preventing unfair trade practices and consumer interests

2. Ways and measures adopted to deceive the consumers
3. About getting a bill at the time of purchase
4. Procedure to file a complaint at the time of deception and contravention of legal provisions

OR

As per the Consumer Protection Act, a consumer is defined as follows:

- (i) Any individual who purchases any goods for which he has paid or promised to pay, partly paid and promised to pay the remaining part, *i.e.*, it includes all individuals who use the goods with the approval of the seller. However, individuals who purchase for the purpose of resale or for commercial purposes are not considered as consumers.
Any individual who avails or hires a service for which he has paid or promised to pay, partly paid and promised to pay the remaining part, *i.e.*, it includes all individuals who have availed the service with the approval of the seller.
- (ii) A complaint can be made to the State Commission when the value of the goods or services and the compensation claimed are from between 1 crore to 10 crores.
A complaint can be made to the National Commission when the value of the goods or services, along with the compensation claimed, exceeds 10 crores.
- (iii) In case the consumer is not satisfied with the judgement of the state commission, he can appeal in the National Commission within 30 days of passing the judgement. If still not satisfied with the order of the National commission, an appeal can be filled before the Supreme Court of India.

10. State the difference between 'Capital Market' and 'Money Market' on any five basis.

Ans.

Basis of Differences	Money Market	Capital Market
Time Span of Securities	It mainly deals in the trading of short-term securities and the maturity period is from one day to one year.	It deals in the trading of medium and long-term securities and the maturity period is more than one year.

Liquidity	The securities traded are highly liquid in nature because Discount and Finance House of India discounts money market securities and provides a ready market for them.	The securities traded are liquid in nature because they are tradable on stock exchanges. Though, they are less liquid in comparison to the money market securities.
Expected Returns	Expected returns are lower due to the short duration of time.	Expected returns are higher because of the possibility of capital gains, regular dividends and bonus in the long term.
Instruments	It includes certificate of deposits, commercial bills, treasury bills and other short-term securities.	It includes equity shares, bonds, debentures, preference shares and other long-term securities.
Risk Capital	Money market securities involves less risk due to the shorter duration and sound financial position of the issuers.	Capital market securities involve greater risk due to longer duration and also in terms of repayment of the principal amount.