

# XII Business Studies

## Objective Type Question Manual



Submitted to  
Respected CBSE Chairperson

Submitted by resource persons

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## Ch 1

### NATURE AND SIGNIFICANCE OF MANAGEMENT

#### **Fill In the Blanks:- (Based on remembrance)**

1. The welfare and survival of an organization are the main functions performed by top level of management.
2. The overall organization goals and strategies of organization are formulated by top level of management.
3. Divisional heads, department heads belongs to middle level of management
4. The operational level managers are also termed as first line managers.
5. Lower level of management comprises of foremen and supervisors.
6. Interpretation of the policies are done by middle level of management.
7. Co-operation with various departments for smooth functioning of organization is done by middle level of management.
8. Quality of output and safety standards are being maintained by lower level of management
9. Co-ordination is a deliberate function of management
10. Co-ordination act as a binding force between various departments to ensure unity of action.
11. Efficiency means doing the task correctly and with minimum cost.
12. The Multidimensional characteristics of management links work, people and operations.

13. Management requires team work and coordination of individual effort in common direction.
14. Management is a (n) intangible force that cannot be seen but its presence can be felt.
15. Management is a dynamic function to have adapt itself to the changing environment.
16. In order to survive an organization must earn **enough** revenues to cover cost.
17. Science principles are based on cause and effect relationship.
18. Scientific principles are developed through observation and experimentation.
19. Scientific principles have universal validity and application.
20. All professions are based on well-defined body of knowledge
21. Management is multi dimensional as it includes management of work, people and operations.
22. Management is the process of getting things done with the aim of achieving goals effectively and efficiently.
23. Coordination is called the essence of management.
24. Supervisory level of management passes on the instructions of management to the workers.
25. The policies framed by the top management is interpreted by middle level of management.
26. Priya is using environmental friendly methods of production. She is trying to achieve social objective of management.

27. Organisational objectives of management are survival and profit. (Growth is also a right answer.)
28. Top level of management is responsible for survival and welfare of the organization.
29. Management increases efficiency by reducing costs and increasing productivity.
30. Management is a dynamic function as it adapts itself according to the changing environment.

**True or False:- (Based on understanding and remembrance)**

1. The basic objective of any profession is to earn money. (F)
2. The top level of management are responsible for welfare and survival of organization. (T)
3. Middle level of management implement the policies framed by top level of management. (T)
4. Co-ordination is a separate function of management. (F)
5. The main objective of any profession is to serve the society as a whole. (T)
6. The top level of management are not responsible for all the activity of business and its impact on society. (F)
7. Middle level of management motivate their team to achieve desired goals. (T)
8. Co-operation in absence of co-ordination leads to waste of efforts. (T)

9. Co-ordination without Co-operation may lead to dissatisfaction among employees. (T)
10. Specialization arises out of complexities of modern technology and diversity of task to be performed. (T)
11. Art does not involve the creative practice of existing theoretical knowledge. (F)
12. Management is not a multidimensional activity. (F)
13. Efficiency means doing the task correctly and with maximum cost. (F)
14. For management it is necessary to be efficient rather than effective. (F)
15. Management is a multidimensional activity. (T)
16. The existence of management can be seen it cannot be felt. (F)
17. The basic objective of any business is survival. (T)
18. Management does not require team work and co-ordination of individual efforts in a common direction. (F)
19. Through motivation and leadership management helps the individual to develop team spirit. (T)
20. Management resist the people to adapt the changes in competitive world. (F)
21. Scientific management principles are universally applicable. (F)
22. Management principles are derived after observations and experimentations under controlled condition. (T)
23. Coordination is not a separate function of management. (T)
24. Management does not help in achieving personal objectives. (F)
25. There are 3 levels of management in the hierarchy of an organization.

Ans- True

26.Middle level of management is the link between top and supervisory level of management.

Ans-True

27.Supervisory level managers are also known as divisional heads.

Ans-False

28.Coordination is the separate function of management.

Ans- False

29.Coordination involves synchronization of the different actions of the various units of the organization

Ans-True

30.Management is a full fledged profession like legal, accounting and medical profession.

Ans-False

31.Management is a science as well as an art.

Ans- True

32.Coordination is the force that binds all the other functions of management.

Ans- True

33.Cooperation in the absence of coordination may lead to wasted effort.

Ans-True

34.Coordination without cooperation may lead to dissatisfaction among employees.

Ans- True

## Multiple choice question

1. Profit is essential for covering cost and risk of the business.Which management objective is discussed here?(U)

- a) Social objective
- b) Organistical objective
- c) Personal objective
- d) Individual objective

Ans(b)

2. Ankita is engaged in manufacturing chocolates and biscuits by using environmental friendly methods of production. Which management objective is used here? (U & R)

- a) Individual objective
- b) Organisational objective
- c) Social objective
- d) Economic objective

Ans.(c)

3. Sachin the director of Apex Ltd.is engaged in manufacturing furniture. He decided to keep one-third seats reserved for specially disadvantaged section of society. Which objective of management is discussed here? (U & R)

- a) Individual objective
- b) Social objective
- c) Organisational objective
- d) Personal objective

Ans(b)

4. When an organization is concerned about personal growth and development of employees which management objective is highlighted? (R)

- a) Organisational objective
- b) Personal objective
- c) Social objective
- d) Growth objective

Ans.(b)

5. Identify the feature of management as a science when the principles are based on cause and effect relationship. (U & R)

- a) Based on practice and creativity
- b) Universal validity
- c) Systematised body of knowledge
- d) Based on existence of theoretical knowledge

Ans.(c)

6. In order to enter into profession one has to acquire an educational degree by clearing specified examination conducted by registered institutes. Which feature of profession is being revealed? (U)

- a) Restricted entry
- b) Ethical code of conduct
- c) Professional association
- d) Well defined body of knowledge

Ans. (a)

7. Which level of management is responsible for the welfare and survival of organization? (R)

- a) Middle level
- b) Supervisory level
- c) Operational level
- d) Top level

Ans(d)

8. Which level of management is concerned to develop cooperation with other departments for smooth functioning of organisation? (R)

- a) Top level
- b) Supervisory level
- c) Middle level
- d) Operational level

Ans.(c)

9."It involves leading, influencing and motivating the employees to perform the assigned task", highlighted one of the function of management. Identify (R)

- a) Staffing
- b) Planning
- c) Directing
- d) Controlling

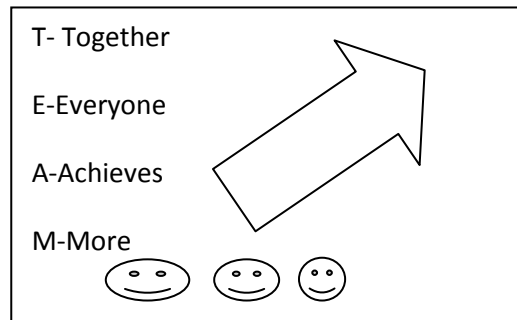


Ans.(C)

10. Highlight the feature of management depicted by the image given here

(creativity)

- a) Group activity
- b) Goal oriented
- c) Pervasive
- d) Dynamic



Ans.( a)

11. To exploit fully the growth potential of the organization management is talking about which objective? (U)

- a) Social objective
- b) Personal objective
- c) Organisational objective
- d) Economic objective

Ans. (c)

12. In order to survive an organization must earn enough revenue to cover cost. Which management objective is highlighted? (R)

- a) Organizational objective
- b) Growth objective
- c) Social objective
- d) Individual objective

Ans. (a)

13. Radhika is engaged in manufacturing earthen coolers by using environmental friendly methods of production. Which management objective is discussed? (U & R)

- a) Social objective
- b) Organisational objective

- c) Individual objective
- d) Economic objective

Ans. (a)

14. An organization is providing basic amenities like schools and crèches to employees. Which management objective is highlighted? (U)

- a) Organisational objective
- b) Personal objective
- c) Individual objective
- d) Social objective

Ans(d)

15. The style of singing of Arijit Singh and Honey Singh are to each other, however they acquired same knowledge of ragas. Identify the feature of art discussed above.

(U)

- a) Based on practice and creativity
- b) Universal validity
- c) Existence of theoretical knowledge
- d) Personalised application

Ans (d)

16. In order to become a lawyer one has to register himself as a member of Bar Council of India. Which feature of profession is being revealed? (R)

- a) Ethical code of conduct
- b) Restricted entry
- c) Service motive
- d) Professional association

Ans.(d)

17. Which level of management formulates overall organizational goals and strategies for their achievement? (R)

- a) Middle level

- b) Operational level
- c) Top level
- d) Supervisory level

Ans. (c)

18. Which level of management is responsible to ensure their department has the necessary personnel? (R)

- a) Supervisory level
- b) Middle level
- c) Operational level
- d) Top level

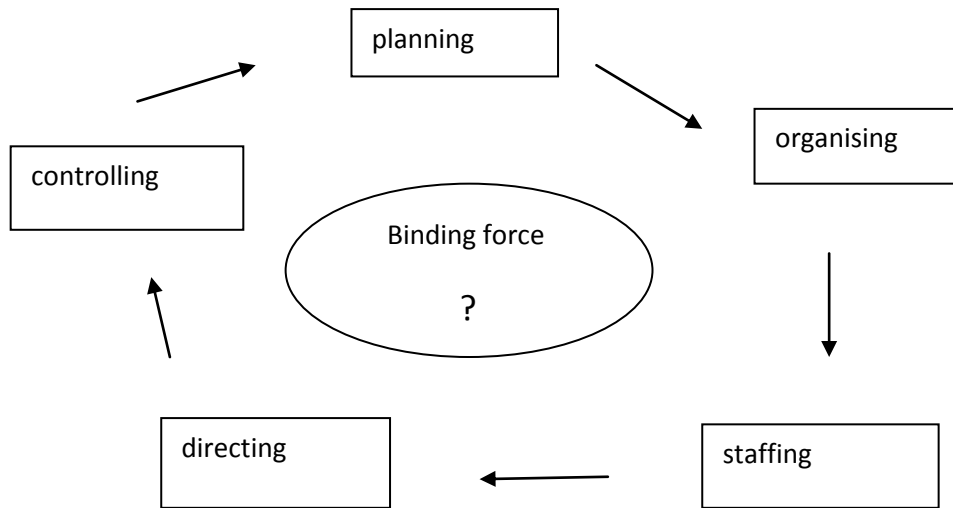
Ans (b)

19. "Deciding in advance what is to be done and who is to do it" highlighted one of the functions of management. Identify it. (U)

- a) Organising
- b) Planning
- c) Directing
- d) Controlling

Ans (b)

20. It is not a separate function of management but its very essence. Identify it.



- a) Cooperation
  - b) Efficiency
  - c) Coordination
  - d) Effectiveness
- Ans.(c)

21. The process of getting things done through others is called

- a) Effectively
- b) Management
- c) Efficiency
- d) Planning

22. The force that binds all the other functions of management is called

- a) Controlling
- b) Coordination
- c) Cooperation
- d) Planning

23. "Determining in advance what is to be done in future". Which function of management is highlighted in the above statement?

- a) Staffing
- b) Directing
- c) Planning
- d) Controlling

24. "Management cannot be seen but its presence can be felt". Which characteristic of management is highlighted in the above statement?

- a) Group activity
- b) Intangible force
- c) Dynamic function
- d) Continuous process

25. "Management has to adapt itself according to the changing environment". Which characteristic of management is highlighted in the above statement?

- a) Continuous process
- b) Dynamic function
- c) Group activity
- d) Goal oriented

26. Ram is working as a superintendent in a factory. State the level of management at which he is working?

- a) Top level
- b) Middle level
- c) Supervisory level
- d) Administrative level

27. Vipin is working as a marketing manager in Abc ITC. State the level of management at which he is working?

- a) Top level
- c) Supervisory level

b)Middle level

d)Operational level

28.Management consists of 3 dimensions-management of work,people and operations.Which characteristic of management is being highlighted here?

a)Goal oriented

c)Multi dimensional

b)Dynamic

d)Pervasive

29.An organization is a group of different individuals who work together with team spirit and coordination to achieve the goals of the organization.Which characteristic of management is being highlighted in the above statement?

a)Goal oriented

c)Pervasive function

b)Group activity

d)Continuous process

30.This concept provides the requisite amount,quality ,timing and sequence of efforts which ensures that planned objectives are achieved with a minimum of conflict.Identify the concept identified in the above stated line.

a)Cooperation

c)Coordination

b)Management

d)Planning

## Match the columns (u & applying)

1. Match the columns by identifying the levels of management :

2) They interact with the actual workforce	a) top level of management
3) Responsible for all the activities of business and its impact on society	b) Middle level of management
	c) Operational level of management

Ans. 1( c ), 2(a)

2. Match the columns for identifying the management functions: (U & A)

<p>1) It involves monitoring organization performance towards attainment of organizational goals</p> <p>2) Deciding in advance what to do and how to do</p>	<p>a) Planning</p> <p>b) Controlling</p> <p>c) Directing</p>
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Ans. 1( b ), 2(a)

3. Match the columns to identify the importance of coordination: (R)

<p>1) Functional differentiation</p> <p>2) Specialisation</p>	<p>a) When all departments have their own objectives, policies and their own style of working</p> <p>b) When organization is performing on large scale and more people are employed</p> <p>c) When more complexities of modern technology and diversity of tasks is to be performed</p>
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Ans. 1(a), 2(c)

4. Match the columns on the basis of importance of management: (R & A)

<p>1) Creates dynamic organisation</p> <p>2) Increases efficiency</p>	<p>a) The task of the mangers is to reduce the cost and to increase the productivity</p> <p>b) Job of the manager is to give common direction to individual efforts</p> <p>c) Organization have to work in an environment which is constantly changing</p>
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Ans. 1 (c), 2(a)

5. Match the columns On the basis of nature of management: (R)

1) Principles are based on observation and experimentation	a) Management as an art
2) Principles are based on practice and creativity	b) Management as a profession
	c) Management as a science

Ans. 1(c), 2(a)

6. Match the columns on the basis of objectives of management: (U & R)

1) Survival	a) Essential for covering cost and risks of the business
2) Profit	b) A business needs to add to its prospects in the long run
	c) An organization must have enough revenues to cover cost

Ans. 1 (c ), 2(a)

7. Match the columns to identify the importance of coordination: (R)

1) Growth in size	8. When all departments have their own objectives, policies and their own style of working
2) Functional differentiation	9. When organization is performing on large scale and more people are employed
	10. When more complexities of modern technology and diversity of tasks is to be performed



Ans. 1(b), 2(c)

8. Match the columns on the basis of nature of management: (U & R)

1) Management as science 2) Management as a profession	a) Professional association b) Personalized application c) Systematized body of knowledge d) Existence of theoretical knowledge
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Ans. 1(c), 2(a)

9. Match the columns on the basis of importance of management: (U & R)

1) Development of society 2) Creates dynamic organisation	a) The task of the managers is to reduce the cost and to increase the productivity b) Job of the manager is to give common direction to individual efforts c) Helps to provide quality production and creates employment opportunities
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Ans. 1 (c), 2(a)

10. Match the columns on the basis of objectives of management: (U & R)

1) Growth 2) Profit	a. Essential for covering cost and risks of the business b. An organization must have enough revenues to cover cost c. A business needs to add to its
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	prospects in the long run
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Ans. 1 (c) , 2(a)

11. Match the columns by identifying the levels of management : (U & R)

1) Managers are responsible for the welfare and survival of organization  2) They ensure that the departments have necessary personnel	a) Middle level of management  b) Operational level of management  c) Top level of management
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Ans. 1( c), 2(a)

12. Match the columns for identifying the management functions: (U&R)

1) It bridges the gap between where we are and where we want to be  2) Process of assigning the duties, grouping tasks, establishing authority and allocating resources	a) Directing  b) Planning  c) Organizing
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Ans. 1(b), 2(c)

13. Match the columns to identify the features of coordination: (R)

1) Deliberate function  2) Responsibility	a) Coordination is the function performed by every manager  b) It begins at planning stage and continues till planning
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	c) Manager has to coordinate the efforts of different people in cautious manner
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Ans. 1(b), 2(a)

14. Match the columns to identify the importance of coordination: (R)

<p>1) Growth in size</p> <p>2) Specialisation</p>	<p>a) When all departments have their own objectives, policies and their own style of working</p> <p>b) When organization is performing on large scale and more people are employed</p> <p>c) When more complexities of modern technology and diversity of tasks is to be performed</p>
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Ans. 1(b), 2(c)

15. Match the columns On the basis of nature of management: (U & R)

<p>1) Its principles have universal validity and applicability</p> <p>2) There is restrictions through an examination for acquiring educational degree</p>	<p>a) Management as a profession</p> <p>b) Management as a science</p> <p>c) Management as an art</p>
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Ans. 1(b), 2(a)

16. Match the columns on the basis of importance of management: (R)

1) Job of the manager is to give common direction to individual efforts	a) Helps to achieve group goals
2) The task of the managers is to reduce the cost and to increase the productivity	b) Increases efficiency
	c) Achieving personal objectives

Ans. 1 (c), 2(a)

17. Match the columns on the basis of objectives of management (R)

1) Growth	a) An organization must have enough revenues to cover cost
2) Survival	b) Essential for covering cost and risks of the business
	c) A business needs to add to its prospects in the long run

Ans. 1( c), 2(a)

18. Match the columns on the basis of features of management: (U & R)

1) The presence of management cannot be seen but it can be felt the way the organization functions	a) Dynamic function
2) For success an organization must change itself according to the need of an environment	b) Intangible force
	c) Group activity

Ans.1 (b), 2(a)

19. Match the columns On the basis of nature of management as an art and science: (U)

1) Management as an art	a) Systematized body of knowledge
2) Management as a science	b) Ethical code of conduct
	c) Personalized application
	d) Professional association

Ans, 1(c), 2(a)

20. Match the columns by identifying the functions of management: (U & R)

1) It is the process of finding the right person for the right job	a) Organizing
2) It involves leading, influencing and motivating the employees to perform the assigned task	b) Staffing
	c) Directing

21. Match the following characteristics of management.

- |                       |   |
|-----------------------|---|
| a) Intangible force   | 1) Management unites individual effort in a common direction. |
| b) Pervasive function | 2) Management is required in all types of org.                |
|                       | 3) Management cannot be seen but its presence can be felt.    |
|                       | 4) Management is a series of composite functions              |

ANS-a (3), b(2)

22. Match the following on the basis of their meaning.

- |                 |   |
|-----------------|---|
| a) Management   | 1) Process by which a manager synchronises the activities of different departments. |
| b) Coordination | 2) It is deciding in advance what is to be done in future.                          |
|                 | 3) Process of getting things done effectively and efficiently.                      |
|                 | 4) Deciding in advance what is to be done in future.                                |

Ans-a(3),b(1)

23. Match the levels of management with their personnel.

- |                               |                             |
|-------------------------------|-----------------------------|
| a) Top level of management    | i) Foreman                  |
| b) Middle level of management | ii) Chief financial officer |

- iii) Marketing Manager
- iv) Superintendent

Ans-a(ii),b(iii)

24. Match the following functions of management with the role it performs.

- a) Planning                      i) Establishing authority responsibility relationship.
- b) Controlling                ii) Finding the right people for the right job.
- iii) Determining in advance what is to be done in future.
- iv) Monitoring organizational performance.

Ans-a(iii),b(iv)

25. Match the following objectives of management.

- a) Organisational objectives      i) Satisfying financial, social and higher level needs of employees.
- b) Personal objectives            ii) Creating economic value for the society
- iii) Survival, profit and growth
- iv) Creating employment opportunities

Ans-a(iii), b(i)

26. Match the following on the basis of various functions performed by different levels of management.

- a) Top level management            i) Interpret the policies framed by top management.
- b) Middle level management        ii) Maintains quality of output and reduce wastage of resources.
- iii) Analyse the business environment and its implications for the survival of the firm.
- iv) Oversee the work of workers

Ans-a(iii),b(i)

27. Match the following on the basis of various functions performed by different levels of management.

- a) Top level of management        i) They interact with the actual workforce and pass on the instructions of middle level management to the workers.
- b) Supervisory level of management.    ii) They assign necessary duties and responsibilities to the

- personnel and motivate them to achieve the objectives.
- iii) They are responsible for all activities of the business and for its impact on society.
- iv) they see to it that their department has necessary personnel

Ans-a (iii), b(i)

28. Match the following features of coordination.

1. Coordination is a deliberate function
- A) Coordination is the responsibility of all the managers
  - B) A manager has to coordinate the efforts of different people in a conscious manner.
2. Coordination integrates group efforts
- C) Coordination unifies diverse Interests into purposeful work activity
  - d)

Ans-1(B), 2(C)

29. Match the following characteristics of management.

- a) Dynamic
  - i) Management is the process of continuous but separate functions of management.
- b) Multi dimensional
  - ii) Management has to adapt itself acc to the changing environment.
  - iii) Management has 3 dimensions-mgt of work, people and operations
  - iv) Management is series of ongoing functions

Ans-a (ii), b(iii)

30. Match the following features of coordination.

- a) Pervasive function
  - i) Coordination is not a one time function
- b) Ensures unity of action
  - ii) Coordination is the function of every manager in the organization.
  - iii) Coordination is required at all levels of

Management.

iv) Coordination act as a binding force and ensures that all the action is aimed at achieving the goals of the organization.

Ans-a ( iii), b(iv)



# CHAPTER 2

## PRINCIPLES OF MANAGEMENT

### Fill in the blanks

1. The objective of method study is to determine the one best way to perform the job. (R)
2. The principles of management are guidelines to action but do not provide readymade solutions. (R)
3. The concentration of decision making authority in the hands of management is known as Centralisation.(R)
4. The right to give orders and obtain obedience is known as authority.R
5. The principle of division of work given by Fayol states that work should be divided into small tasks. (U)
6. The formal lines of authority from highest to lowest ranks are known as Scalar chain. (R)
7. Functional foremanship is extension of division of work principle of Fayol. (U)
8. According to unity of command principle of Fayol ,every subordinate must have only 1 boss. (R)
9. Under differential piece rate plan, efficient and inefficient workers are paid at different rates. (U)
10. The study of movements like lifting, putting objects, sitting and changing positions etc is known as motion study. ( U )
11. Functional Foremanship fgollows the principle of \_\_\_\_\_
12. Fatigue study determines the amount and \_\_\_\_\_ of rest intervals to be given to the workers.
13. The principles of scientific management are given by \_\_\_\_\_

14. The principles of management have cause and \_\_\_\_\_ relationship.
15. The number of \_\_\_\_\_ involved in completion of a job is related to Motion Study.
16. F.W. Taylor focuses on the \_\_\_\_\_ levels of management.
17. Cooperation not individualism is an extension to the principle of \_\_\_\_\_
18. Hit and Trial method should be replaced with \_\_\_\_\_ thinking.
19. The principle of Equity is violated in the technique of \_\_\_\_\_.
20. Formal lines of authority from highest to lowest ranks are known as Scalar chain.
21. A manager should replace I with we in his conversation to boost team spirit
22. Remuneration will be fair when it gives reasonable standard of living to employees.
23. Unity of Commands resembles military organization.
24. Principles of Management are universally applicable.
25. The principles of management are dependent upon the prevailing situation i.e. they are contingent. /dynamic
26. Discipline requires superiors at all levels and clear & fair agreement.
27. In general, large/big organizations have more decentralisation.
28. Authority is of two types: official and personal authority.
29. There should be parity between authority and responsibility according to Fayol.

### **True and False**

1. Fayol is known as father of scientific management. Ans. False ( R)
2. Standardisation refers to setting standards for each and every business activity.  
True (R)
3. Gang Plank permits horizontal communication. True (U)

4. Fayol principles are developed on the basis of scientific experiments. Ans.False  
(R)
5. Scientific management means using rule of thumb to perform task in best and cheapest way. False  
(U)
6. The application of principles of management is contingent or dependent upon the prevailing situation at a particular point of time. True (U)
7. The principles of management are rigid statements .False (R)
8. Management principles are flexible to adapt to dynamic business environment. True  
(U)
9. Espirit de corps means all the employees should be treated in same manner .False  
(R)
10. According to Taylor, Competition should be replaced by cooperation. True  
(U)
11. Functional Foremanship violates unity of direction
12. Standardisation aims at eliminating unnecessary diversity of products.
13. Time Study aims at finding out the best way of doing the job.
14. Fatigue study is related to the rest intervals given to the workers.
15. DPWS is the strongest motivator for the worker to perform better.
16. Motion Study aims at eliminating unnecessary movements involved in doing a task.
17. The objective of Time Study is to determine the number of workers required in an organization.
18. Workers training is essential to learn the best method for scientific approach.
19. Sharing of gains with workers is related to the principle of Harmony not Discord.
20. The principles of management provide the managers with useful insight into real world situations.
21. Derivation of principles may be said to be a matter of science and their application can be regarded as an art. (T)
22. Principle of management may be used by managers as Straightjacket solution for the managerial problems faced by them. (F)

23. Managerial principles are behavioural, therefore they apply on human behaviour only. (F)
24. Principles of management provide an accurate cause and effect relationship. (F)
25. Fayol's book, 'General and Industrial Management' was published in English in the year 1949. (T)
26. If unity of direction is followed "authority is undermined, discipline is in jeopardy, order is disturbed and stability is threatened. (F)
27. Fayol had the view that one group should have one head and one plan. (T)
28. In case of emergency where a worker can even contact CEO directly. (T)
29. Remuneration principle states that overall pay and compensation to both males and females should be same. (F)
30. Fayol suggested that there is a need to balance subordinate involvement through decentralization with managers. (T)

## **MCQ's**

Q1. Who is considered as father of scientific Management?

- A. F.W Taylor
- B. Henry Fayol
- C. Gilberth
- D. Koontz

Ans. A (R)

Q2. Principles of management cannot be

- A. Defined

B. Applied anywhere.

C. Tested in Laboratories

D. Part of Business

Ans.C

(U)

Q 3 “One head One plan” is concerned with the following principle of Fayol

A. Unity of command

B. Unity of Direction

C. Fair remuneration

D. Division of work

Ans .B

(R)

Q.4 Which study of Taylor aims at eliminating unnecessary movements to ensure timely completion of work.

A. Method study

B. Motion study

C. Time study

D. Fatigue study

Ans.B

( U)

Q.5 The principles of management can be changed according to the prevailing situation in organisation. This shows that management principles are

A.Flexible

B.Behavioral

C. Scientific

D. Universal

Ans A

( U)

Q.6 The principle which states that there should be good supervisors at all levels for smooth and systematic working of an organisation is:

- A . Equity
- B. Initiative
- C. Discipline
- D. Order

Ans.C (U)

Q.7 The technique in which task of supervision is divided into several specialised functions and each function is entrusted to a specialist foremen is:

- A. Standardisation
- B . Differential piece wage system
- C. Simplification
- D. Functional Foremanship

Ans.D (U)

Q.8 Taylor focussed his attention on

- A. Shop level
- B. Top level
- C. Middle level
- D. Administrative level

Ans.A ( U)

Q.9 This principle emphasise kindness and justice in the behaviour of managers towards workers:

- A.Equity
- B.Order
- C.Espirit de Corps
- D. Initiative

Ans.A (U)

Q.10 “ Panchayats in our country have been given more powers to decide and spend funds granted to them by the government for welfare of villages. Identify the principle of management highlighted in the statement

- A. Equity
- B. Centralisation and decentralisation
- C. Authority and Responsibility
- D.Espirit De corps

Ans.B

( A)

Q11.Any other reason will create in securities among the employees this statement is related to-

- (A)esprit de Corps
- (B)remuneration
- (C)stability of personnel
- (D)authority and responsibility

Ans. Stability of personnel

Q12. Administrative principles were given by-

- (A) FW Taylor
- (B) Henry Fayol
- (C) Abraham maslow
- (D) w w Taylor

ans. Henry Fayol

Q13. Which of the following is not the part of work study -

(a )method study

(B) motion study

(C)time study

( D) functional foremanship

ans. functional foremanship

Q14. Which foreman is keeping the machinery and tools ready for operation by workers:

( a )repair Boss

(b) gang Boss

(C)speed boss

(D)inspector

ans. gang Boss

Q15. Functional foremanship is an extension of which of the following principles:

A) division of work

B )discipline

C)subordination of individual interest to general interest

D)Esprit de Corps

Answer .division of work.

Q16. Which principle is an extension of harmony not discord:



A )cooperation not individualism

B)eSpirit de Corps

C) initiative

D)Discipline

Ans. Cooperation not individualism

Q17. Number of specialist in technique of functional foremanship is-

A) 4

B) 8

C)10

D)6

Ans . 8

Q18. He is known as the father of scientific management

A) FW Taylor

B) FW Fayol

C) FW Maslow

D)Henri Fayol

Ans. F W Taylor

Q 19 .violation of Principle of Esprit de Corps leads to -

A) minimising labour turnover

B) sales turnover

C) need for using penalties

D) disorder

Ans. Need for using penalties

Q20. Which principle prevents dual subordination

A) unity of command

B) unity of direction

C) order

D) equity

Ans. Unity of command

### **Match the following**

1. Match the technique of scientific management given under B with the suitable statements under A (R)

A

B

1.) One best way of doing job

a. Simplification

2. Eliminates unnecessary  
diversity of products

b. Standardisation

3. Setting standards for business activities

c. Motion study

4. Eliminates unnecessary movements

d. Method study

1.d 2.a 3.b 4.c

2. Match the principles of management given under B with suitable statements given under A (U)

A

B

1. Minimising employee turnover

a. Equity

2. Kindness and justice in behaviour of managers .

b. Fair Remuneration

3. Fair Pay and compensation

c. Subordination of individual to general interest

4. Priority of organisational interest over individual interest

d. Stability of tenure of personnel

Ans: 1.d 2.a 3.b 4.c

3. Match the work performed by specialist foreman under functional foremanship given under A with the job assigned to them under B (U)

A

B

1. Draft instructions to workers

a. Disciplinarian

2. Check quality of work

b. Repair boss

3. Ensures proper working condition of tools and machines

c. Instruction card clerk

4. Ensures discipline

d. Inspector

Ans: 1.c 2.d 3.b 4.a

4. Match the principles of management given under B with suitable statements given under A (A)

A

B

1. Prevents dual subordination

a. Division of work

2. Prevents overlapping of activities

b. Unity of command

- 3. Minimises employee turnover
- 4. Prevents lack of efficiency and specialisation
- c. Unity of direction
- d. Fair remuneration

Ans. 1.b2.c3.d4.a

5. Match the features of principles of management given under A with the correct statement given under B. (U)

- | A              | B   |
|----------------|---|
| 1. Flexibility | a. Principles depends upon prevailing situations. |
| 2. Contingent  | b. Principles can be modified by the managers.    |
|                | c. Principles aim at influencing human behaviour. |
|                | d. Principles are applied to all organisations.   |

Ans. 1.b2.a

6. Match the statements given under A with the correct options given under B

- | A                      | B                            | (U) |
|------------------------|------------------------------|-----|
| 1. Principle of Fayol  | a. Science not rule of thumb |     |
| 2. Technique of Taylor | b. Equity                    |     |
|                        | c. Motion study              |     |
|                        | d. Rigidity                  |     |

Ans. 1.b 2.c

7. Match the principles of management given under B with suitable statements given under A (U)

- | A | B |
|---|---|
|---|---|

- |                                   |                       |
|-----------------------------------|-----------------------|
| 1. One head for one plan          | a. Order              |
| 2. Use of We instead of I         | b. Equity             |
| 3. Similar wages for similar jobs | c. Unity of direction |
| 4. Right place for resources      | d. Espirit De Corps   |

Ans.1.c2.d3.b4.a

8. Match the statements given under A with the correct options given under B  
(U)

A

- |  |                        |
|--|------------------------|
| 1. Scientific principles of management | a. Fatigue study       |
| 2. General principles of management    | b. Technique of Taylor |
| 3. Functional Foremanship              | c. Fayol               |
| 4. Rest Intervals in job               | d. Taylor              |

Ans.1.d2.c3.b4.a

9. Match the statements given under A with the correct options given under B  
(R)

A

B

- |  |                     |
|--|---------------------|
| 1. Right to give orders to subordinates                | a. Responsibility   |
| 2. Retention of decision making authority at top level | b. Authority        |
| 3. Obligation to perform tasks                         | c. Decentralisation |
| 4. Distribution of authority at all levels             | d. Centralisation   |

Ans.1.b2.d3.a4.c

10. Match the statements given under A with the correct options given under B  
(A)

- | A  | B                         |
|--|---------------------------|
| 1. It ensures unity of action and facilitates coordination     | a. Scalar chain           |
| 2. It leads to quick decision at middle and operational level. | b. Stability of personnel |
| 3 .It reduces expenses on recruitment, selection and training. | c. Unity of direction     |
| 4.It ensures orderly and smooth flow of information            | d. Decentralisation       |

Ans.1.c2.d3.b4.a

11. On the basis of objectives of tech. of management

- |                |                                       |
|----------------|---------------------------------------|
| DPWS           | Elimination of unnecessary movements. |
| MOTION STUDY   | Elimination of diversity of products  |
| SIMPLIFICATION | Reward efficient workers.             |
| FATIGUE STUDY  | regain lost stamina.                  |

12. On the basis of concepts of principles of management

- |  |                    |
|--|--------------------|
| Cooperation not individualism                          | sharing of gains   |
| Harmony not discord                                    | mental revolution. |
| Science not Rule of thumb                              | Training           |
| Development of workers to his /her greatest efficiency | Logical thinking   |

13. On the basis of meaning of Principles of general management

Good superiors at all levels	order
A place for everything	Discipline

14. On the basis of Purpose of Principles of general management

Clarity in working relationships	Espirit De Corps
Fair treatment to all	Equity
Harmony amongst employees	Scalar Chain
Orderly communication	Stability of Personnel
Labour turnover is controlled	Unity of Command

15. Match the correct example with principle-

(i) Loading of iron into boxcars be scientifically planned (a) Harmony not discord

(ii) Equal division of work and responsibility (b) Science not rule of thumb

© Cooperation, not individualism

16. On the basis of features

(i)	Dependent on the prevailing situations	(a) Mainly behavioral
(ii)	Do not provide straitjacket solutions	(b) contingent
(iii)	Aim at influencing behavior	© General guidelines
		(d) Cause and effect relationship

17. Match on the basis of the roles performed by the foreman-

- |       |   |                 |
|-------|---|-----------------|
| (i)   | Keeping machines and tools ready for operations | (a) route clerk |
| (ii)  | Timely and accurate completion of work          | (b) Gang boss   |
| (iii) | Specify route of production                     | ©Repair Boss    |
| (iv)  | To check quality of work                        | (d)Inspector    |
|       |   | (e)time clerk   |

18. Match the following on the basis of meaning of tech. of scientific principles of mang.

- |   |                                    |
|---|------------------------------------|
| (i) Each specialist to be assigned work according to his/her qualities          | (a)Standardisation                 |
| (ii) Workers can be classified as efficient or inefficient on the bais of stds. | (b)Functional foremanship          |
| (iii)benchmarking of every business activity                                    | ©Differential piece wage rate sys. |
| (iv)work study  | (d) Science not rule of thumb      |

19. On the basis of meaning of principles of manag.

- |  |                                 |
|--|---------------------------------|
| (i)Parity between Authority and responsibility | (a) Centralisation              |
| (ii)Concentration of power with the top level  | (b)Authority and responsibility |
| (iii)One head one plan                         | © Unity of Direction            |

20. Match the following on the basis of positive impact of principles of mang.

- |      |   |   |
|------|---|---|
| (i)  | Workers to embrace change for the good of the company | (a)Development of each and every person to his/her greatest efficiency and prosperity |
| (ii) | Skilled and trained workers with higher productivity  | (b) Harmony not discord   |



21. On the basis of features of principles of management. -

- (a) Cause and effect relationship. (i) They do not provide readymade solution for managerial problem.
- (b) General guide lines (ii) Application of principles of management are not dynamic in nature
- (iii) They can be used in similar situation large number of cases.

Ans,. a (iii) b (i)

22 Match the following on the basis of the meaning of:

- (a) Formal lines of authority from highest to lowest (i) Decentralization
- (b) Systematic dispersal of decision making authority (ii) Centralization
- (iii) Division of Work
- (iv) Scalar Chain

Ans. a-(iv) b-(i)

23. Match the following on the basis of effect-

- (a) Division of work (i) ensures congenial atmosphere
- (b) Discipline (ii) Employees suggestion system

- (c) Remuneration of Employees (iii) Invites penalty if violated  
(iv) Specialization

Ans. a-(iv) b-(iii) c-(i)

24 Match the following on the basis of meaning

- (a) One and only boss for every employee (i) Order  
(b) A place for every thing and everything in its place (ii) Division of work  
(iii) Unity of command  
(iv) Initiative

Ans. a-(iii) b-(i)

25 Match the following on the basis of violating effect-

- (a) conflicts among superiors (i) Remuneration of employee  
(b) poor relation between workers and management (ii) Principle of order  
(c) Wastage of time & efforts (iii) Authority and responsibility  
(d) Abuse of managerial power (iv) Division of work

Ans. a-(iv) b-(i) c-(ii) d-(iii)

26 Match the following on the basis of principles being followed:

- |  |  |
|--|--|
| (a) Prevent confusion regarding task to be done                                  | (i) Espirit De Corps                               |
| (b) Emphasise on Kindliness and justice in behaviour of managers toward workers. | (ii) Unity of Command<br>(iii) Principle of Equity |

Ans. a (ii) b (iii)

27 Match the feature of Principles with the correct statement

- |  |  |
|--|--|
| (a) The principles are applicable in government offices as well as limited companies.            | (i) General guidelines<br>(ii) Flexible          |
| (b) The application of Principles has to be changed as per requirements, according to situation. | (iii) Contingent<br>(iv) Universal applicability |

Ans. a-(iv) b- (iii)

(28) Match the following on the basis of applicability :

- |                         |                                      |
|-------------------------|--------------------------------------|
| (a) Fayol's Principles  | (i) Applied to specialized situation |
| (b) Taylor's principles | (ii) Applicable Universally          |

(iii) Top Level Management

Ans. a(ii), b (i)

29 Match the following on the basis of concept of principles of management.

- |                             |  |
|-----------------------------|--|
| (a) Mgt Principles          | (i) Moral Connotation                    |
| (b) Pure Science Principles | (ii) Procedure involving series of steps |
| (c) Techniques              | (iii) Flexible                           |
| (d) Values                  | (iv) Rigid                               |

Ans. a-(iii)      b-(iv)      c-(ii)      d-(i)

30 Match the following :

- |                                  |                            |
|----------------------------------|----------------------------|
| (a) Father of general management | (i) Fedrick Winslow Taylor |
| (b) American Mechanical Engineer | (ii) Unity of Command      |
| (c) One man one boss             | (iii) Unit of Direction    |
|                                  | (iv) Henri Fayol           |

Ans. a- (iv)      b-(i)      c-(ii)



# Ch-3 BUSINESS ENVIRONMENT

## I. Fill in the blanks:

1. The totality of all individuals, institutions and other forces that are outside the business is considered as Business environment.  
( R )
2. Business environment includes specific and general forces. ( R )
3. Business environment is the sum total of all the factors and forces external to a business.  
( R )
4. Different elements of parts of a business environment are closely interrelated. ( R )
5. Frequent environmental changes in the field of technology and fashion industry is related with uncertainty of business environment.  
( U )
6. Understanding of business environment helps the firm to identify opportunities to get the first mover advantage.  
( U )
7. Environment is a complex phenomenon that is relatively easier to understand in parts but difficult to grasp in its totality.  
( R )
8. Celebration of Diwali is the example of Social Environment. ( U )
9. The trend of health and fitness has created a demand for products like gyms, bottled mineral water and food supplement etc. these are the examples of Social Environment.  
( Ap )
1. Main components of New Economic policy are Liberalization, globalization and Privatization. (R)
2. End of license quota, and reduction of government control is features of Liberalization. (R)
3. Foreign Investment promotion board was set up to promote and channelize foreign Investment in India. ( R )
4. Consumer get benefited by increase competition after introduction of N.E.P. ( AP)
5. After N.E.P there is a shift in market from Producers orientation to consumer orientation. (AP)

6. Privatization of ownership through sale of equity shares is called disinvestment. (R )
7. N.E.P was introduced in India in the Year 1991 (R )
8. Political boundaries no longer remain barriers for a business due to globalization. ( R)
9. All the factors of business environment are inter related (R )
10. Impact of N.E.P has been positive on Indian Economy and business. (R )

## II True or False :

1. Liberalization means reduced government controls and restrictions. ( T ) ( R )
2. By developing new ways of doing things the firm can cope up with changing technological environment. ( T ) ( U)
3. Technological improvement shifts in customer preferences or entry of new competition in the market is an example of uncertainty. ( F ) ( U)
4. Early identification of opportunities helps an enterprise to be the first to exploit them instead of losing them to competitors. ( T ) ( U)
5. Threats refer to the internal environment trends and changes that will hinder a firm's performance. ( F ) ( R )
6. Demonetization is not a tax administration measure. ( F ) ( U)
7. Understanding of business environment may assist an enterprise in planning and policy formulation. ( T ) ( U)
8. Changes in fashion and taste of consumers may not have impact on the demand in the market. ( F ) ( U)
9. Business environment is uncertain as it is very difficult to predict future. ( T ) ( R )
10. The future of an enterprise is closely bound up with what is happening in the environment. ( T ) ( U)
11. New Economic Policy was introduced in India in 1991. (True) (R )
12. Globalization means integration of Indian Economy with the Economy of America (False) (R )
13. Disinvestment means investment in different sector (False) (R )

14. Liberalization was introduced to free Indian Economy from unnecessary control and restrictions (True) (R )
15. Indian Government is giving freedom of Fixing Price to oil companies is an indication of Liberalized Economy. (True) (AP )
16. Railway is open for private sector participation (False) (U)
17. After Introduction of N.E.P companies become market oriented (True) (U )
18. When a company takeover another company and clearly become new owner the called is called Acquisition (True) (R )
19. When two or more companies join together to share their resources and carry out an economic activity it is known as merger ( True) (R )
20. Impact of N.E.P has been positive on Indian Economy (True) (R )

### III Match the followings:

1. Match the statement with suitable feature of business environment.

- |     |                              |                          |
|-----|------------------------------|--------------------------|
| i.  | Specific force               | a. Dynamic nature        |
| ii. | Shift in consumer preference | b. Uncertainty           |
|     | competitors                  | c. Investors, customers, |

Ans. i. c , ii. A ( R )

2. Match example with the importance of Business environment.

- |     |   |   |
|-----|---|---|
| i.  | Indian firm finds that a foreign Multinational is entering the Indian Market with new substitutes | a. tapping useful resources             |
| ii. | It decide to provide resources with firm's early Own expectations to get something in return      | b. Identify threats and warming signals |
|     | c. identify opportunities and getting first mover advantage                                       |   |

Ans. i. b , ii. A ( U )

3. Identify the statement with the importance of business environment.

- |     |   |                          |
|-----|---|--------------------------|
| i.  | Managers must understand and examine the environment and develop suitable courses of action | a. improving performance |
| ii. | Adapting suitable business practices formulation  | b. planning and policy   |



keeping in mind what is happening in environment changes

c. coping with rapid

Ans.i. b , ii. C ( U )

4. Match meaning with the term :

- |     |  |                   |
|-----|--|-------------------|
| i.  | Relaxing the restriction and control imposed On business and industry means Scanning | a. Privatization  |
| ii. | The complete awareness and understanding Of business environment is called           | b. Environmental  |
|     | Ans. i.C and ii. B ( R )   | c. Liberalization |

5. Match with the dimension of Business environment

- |     |   |                          |
|-----|---|--------------------------|
| i.  | Subsidy to cotton textile business is the | a. Political Environment |
| ii. | Gross Domestic Product is concerned with  | b. legal Environment     |
|     | Environment                               | c. Economic              |
|     | Ans: i. A and ii . C. ( U )               |                          |

1)Match the Following :- match with correct example

- |                |   |
|----------------|---|
| 1. Merger      | A. Mayntra taken over by Flipkart         |
| 2. Acquisition | B. Bank of Rajasthan join with ICICI Bank |
|                | C. Maruti Suzuki                          |

**Ans: 1- B, 2- A**

2)MATCH WITH CORRECT MEANING

- |                   |   |
|-------------------|---|
| 1. Liberalization | A. Integration of different economy of the world                      |
| 2. Privatization  | B. Freeing the economy from unnecessary restriction and reservations. |
|                   | C. Increasing the role of Private Sector                              |

**Ans :- 1 -B , 2-C**

3)MATCH THE IMPACT WITH

- |                            |  |
|----------------------------|--|
| 1. More demanding consumer | A. Free flow of goods and services between different countries |
|----------------------------|--|

- |                                   |                                       |
|-----------------------------------|---------------------------------------|
| 2. Entry of Foreign Bank in India | B. Impact of N.E.P                    |
| 3. Globalization                  | C. Impact of Liberalization           |
|                                   | D. Increase in Role of Private sector |

**Ans:- 1- B , 2-C, 3-A**

4) Match the factors of environment with eg

- |                            |                   |   |
|----------------------------|-------------------|---|
| 1. change in fashion       | a complex         |   |
| 2. change in interest rate | b economic factor | c |
|                            | social factor     |   |

Ans1-c, 2-b

5) Match the features with

- |  |              |
|--|--------------|
| a) Differs from country to country               | i) Complex   |
| b) Difficult to grasp the change in its totality | ii) Relative |
|  | iii) Dynamic |

Ans-a-ii, b-i

Q-6) Match on the basis of significance of environment

- |   |                                     |
|---|-------------------------------------|
| a) Grab the opportunities before the competitors                              | i) Help in tapping useful resources |
| b) IT act as a basis for deciding future course of action for decision making | ii) First mover advantage           |
|   | iii) Helps in policy making         |

Ans-a-ii, b-iii

Q-7) Match appropriate example with the dimension

- |   |                                |
|---|--------------------------------|
| a) Computerise information kiosks in bank | i) Social environment          |
| b) Government pass legislation            | ii) Legal environment          |
|   | iii) Technological environment |

Ans-a-iii, b-ii

Q8) Match with the impact

- a) Ban on 1k rupees currency
- b) More demanding customer

- i) impact of any NEP
- ii) Impact of demonetization
- iii) impact of change of government

Ansa-ii, b-i

Q9) Match the importance with

- |                        |                     |
|------------------------|---------------------|
| a) Market orientation  | i) Social Factor    |
| b) Digital Transaction | ii) NEP             |
|                        | iii) Demonitization |

Ansa-ii, b-iii

Q10) Match with factor

- |                       |                                |
|-----------------------|--------------------------------|
| a) High literacy rate | i) Political environment       |
| b) e-mitra centre     | ii) Social environment         |
|                       | iii) Technological environment |

Ansa-ii, b-iii

## IV. Multiple Choice Questions

1. Booking of railway tickets through internet from home or office is an example of \_\_\_\_\_.
 

A. Political Environment	C. <u>Technological Environment</u>
B. Economic Environment	D. Social Environment

 ( U )
  
2. Giving freedom to Indian business and industries from all unnecessary government controls and restrictions is an example of \_\_\_\_\_.:
 

A. Privatization	C. <u>Liberalization</u>
B. Globalization	D. Demonetization

 ( U )



Q2 The laws of mining rules and regulations licence required for running the business is an example of.

- 1 Economic environment
- 2 political environment
- 3 social environment
- 4 legal environment

Ans- 4

Q3 With the introduction of mineral water bottle in India Bisleri was able to capture the big market share in India

Which importance of business environment is highlighted in above case

- 1 Helps in tapping resources
- 2 Help in policy making
- 3 Improve performance
- 4 Help to identify opportunity and getting first mover advantage

Ans-4

Q-4 which one is specific force for a garment manufacturing industry?

- 1 Change in law
- 2 change in government

- 3 change in fashion
- 4 change in technology

Ans-3

Q-5 "Introduction of mobile phone have negatively affected the business of watches and cameras"

Which factor of business environment is related with the sentence.

- 1 social environment
- 2 Technological environment
- 3 Political environment
- 4 Legal environment

Ans-2

Q-6 "free flow of goods and services between different countries of the world is an example of.

- 1) Globalisation
- 2) privatisation
- 3) liberalisation
- 4) demonetisation

Ans-1

Q-7 "Nowadays Women are very health conscious which is giving rise to increase demand of Organic products"

This statement is related with the factor of business environment is

- 1 Political environment
- 2 legal environment
- 3 social environment
- 4 Technological environment

Ans- 3

Q-8 liberalisation is.

- 1-free flow of goods and services between different countries of the world
- 2-Increase participation of private sector
- 3-Reduction in formalities, taxes and tariff
- 4 -Unity among political parties.

Ans- 4

Q 9Correct example of political environment is

- 1Money supply
- 2Innovation and development
- 3Change in preference and taste
- 4profile of political leaders

Ans-(4)

Q 10"Sudden announcement of demonetisation by our Prime Minister" is an example of this feature of business environment

- 1Relativity
- 2 specific and general forces
- 3Inter related
- 4-uncertain

Ans- (4)

## CH-4 PLANNING

### A.Fill in the blanks

1. Planning seeks to bridge the gap between where we are and where we want to go.
2. Planning involves making a choice from alternative course of action.
3. Planning is a primary function of management.
4. Planning requires systematic and logical thinking rather than guess work.
5. Planning is basically an intellectual activity of thinking.
6. Planning are prepared for a specific period of time.
7. Planning requires taking decision since it involves making a choice from options.
8. One of the basic management function is planning.
9. *Planning is mental exercise.*
10. *Planning means setting objectives and targets and formulating an action plan to achieve*
11. Plans can be classified into several types dependent on the use and the length of planning period. (U)
12. One time event plan is a single use plan.(U)
13. Efficiency in routine decisions can be enhanced by standing plans.(U)
14. General forms of standing plans are called policies. (K)
15. The steps to be followed in the particular circumstances are called procedure.(K)
16. The desired future position that an organisation would like to reach is known as objective. (K)
17. A statement of expected results expressed in numerical terms is called budget.(K)
18. Specific statements to tell what is to be done is called as rule. (K)
19. 'No smoking' is an example of rule. (U)
20. The detailed description of the manner in which a task is to be performed is called method.(K)
21. Projects are similar to Programs but differ in scope and complexity.(U)
22. Standing plan is used for activities that occur regularly over a period of time. (K)
23. Policies and Procedures are interlinked with each other.(U)
24. The social, legal, economical and technological environment will effect an organisation's Strategy.(U)
25. The simplest of all plans is Rules. (K)
26. People don't Plan to fail but they fail to \_\_\_\_\_.
27. By stating in advance how work is to be done planning provides \_\_\_\_\_ for action.

28. If there was no planning, employees would be working in different \_\_\_\_\_ and the organization would not be able to achieve its desired goals.
29. Planning is an activity which enables a manager to look ahead and anticipate \_\_\_\_\_.
30. Useless and redundant activities are minimized or \_\_\_\_\_ by Planning.
31. Since Planning is the first function of management, new \_\_\_\_\_ can take shape of concrete plans.
32. In Planning, the manager has to evaluate each \_\_\_\_\_ and select the most viable proposition.
33. Planning involves setting \_\_\_\_\_ and predicting future conditions.
34. Planning is a/an \_\_\_\_\_ for controlling.
35. The nature of corrective action required depends upon the extent of \_\_\_\_\_ from the standard.

**ANS:** 26. Plan 27. Direction 28. Directions 29. changes 30. Eliminated 31. Ideas  
 32. Alternative 33. Targets  
 34. Prerequisite 35. Deviations

1. The first and foremost step of planning process is ----- objectives.(R)
2. Planning----- means systemic and logical estimate for the future factors affecting planning(U)
3. Planning does not success \_\_\_\_\_(R)
4. The business environment is----- nothing constant , So planning may not work in such a environment.(A&E)
5. When plans are drawn up huge ----- are involved in their formulation(U)
6. The positive and negative aspects of each proposal need to be ----- in the light of the objective to be achieved(U)
7. It is the process of ----- where in we decide in advance what and how to do.(U)
8. The Last step of planning process is follow up -----.(R)
9. Panning is an activity which is done by the ----- level of management.(U)
10. Planning is ----- consuming process and it delays action(R)

#### Answers

1. SETTING



2. PREMISES
3. GUARANTEE
4. DYNAMIC
5. COST
6. EVALUATED
7. PLANNING
8. ACTION
9. TOP
10. TIME

### **B. True or False**

1. *Planning is closely connected with creativity and innovation.* T
2. *. Objectives does not provide direction for all managerial decisions and actions.* F
3. *Time factor should not taken into consideration during planning.* F
4. *Planning is an exclusive function of top management.* F
5. *Planning provides the basis of all other function.* T
6. *Planning is regarded as forward looking function.* T
7. *Planning requires application of the mind involving foresight, intelligent, imagination and sound judgement.*T
8. *The need for planning doesn't arises when alternatives are available.* F
9. *The scope for planning are same at all levels.* F
10. *Planning has no meaning unless it contributes to achievement of predetermined organisational goals.*
11. *Strategy defines the direction and scope of an organisation in long run.* (T) (U)
12. *The details statements about a project which gives the outline of objectives are called procedures.* (F) Ans: Programmes. (K)
13. *Standing plan is used for activities that occur regularly over a period of time.*(T) (K)
14. *Routine steps to carry out activities are called programs.* (F) Ans: Procedure.(K)
15. *Statement of expense and income for a specified period is called budget.* (T) (K)
16. *Organising a workshop on preparation of boutique used in business studies is an example of single use plan.* (T) (A)
17. *Broad parameters within which a manager functions are defined as strategies.* (F)
  - a. *Ans: Policies.*(K)
18. *A comprehensive plan to achieve long-term objectives is called strategy.* (T) (K)
19. *Objectives provide a general guideline to the managerial action and decision in the implementation of strategy.* (F) Ans: Policies (U)

20. Make or Buy decision is an example of Rule in an organisation. (F) Ans: Policy(A)

- a. If there is planning, employees would be working in different direction and the organization would be able to achieve its desired goals.

(F)

21. Planning tells us where to go, it provides direction and reduces the risk of uncertainty by preparing forecasts.

(T)

22. If goals are well defined departments and individuals in the organization are able to work in coordination.

(T)

23. Changes or events can be eliminated and they can be anticipated, hence managerial responses to them not required.

(F)

24. Directing serves as the basis of coordinating the activities and efforts of different divisions, departments and individuals.

(F)

25. Organising helps the manager to look into the future.

(F)

26. Directing involves setting targets and predicting future conditions.

(F)

27. Planning provides the goals or standards against which actual performance is measured.(T)

28. Planning is a prerequisite for controlling.

(T)

29. Planning provides the basis of control.

(T)

30. The ideal plan, of course, would be the most feasible, profitable and with least negative consequences (T) (U)

31. Monitoring the plans is equally important to ensure that objectives are achieved (T) (A&E)

32. The manager is required to make certain assumptions about the future, known as Planning Premises (T) (U)

33. Planning does not involve huge amount of funds (F) (U)

34. After setting objectives, the next step of planning process is Evaluating alternative courses (F) (R)

35. Objectives may be set for the entire organization and each department or unit within the organization (T) (U)

36. If there is a plan to increase production then more labour, more machinery will not be required (F) (A)
37. Implementing the plan means putting the plan into action (T) (U)
38. Planning strangulates the initiative of the employees and compels them to work in an inflexible manner (T) (A)
39. Planning premises means systemic and logical estimate for the future factors affecting planning (T) (R)

### **C.Match the following**

1.Match the following on the basis of planning concept

- |                                     |   |
|-------------------------------------|---|
| (a) It involves setting objectives. | (a) planning provides a rational approach.                    |
| (b) It provides direction to all.   | (b) objectives provides direction for all managerial function |

(C) Planning is concerned with end results.

Ans a(b). b(c)

2. On the basis of description identify Features of planning

- |   |                      |
|---|----------------------|
| a. Planning processes other function.           | (a) Futuristic       |
| b. Planning is purposeful.                      | (b) continuous       |
| c. Planning essentially involves looking ahead. | (c) primary function |

Ans. A(c) c(a)

3.On the basis of following match the feature of planning.

- |  |                     |
|--|---------------------|
| a.Planning involves through examination and evaluation.    | (a) continuous      |
| b. It involves peeping into future.                        | (b) mental exercise |
| c. Continuity of planning related with the planning cycle. | (C) decision making |
|  | (d) Futuristic      |

Ans. A (c). b. (d). c(a)

4.Match the following feature with management function

- |   |                 |
|---|-----------------|
| a. It is forward looking and base for other function. | (a) controlling |
|   | (b)directing    |
|   | (C) planning    |

(d) organising

Ans a (c)

5. Match with the concept of management given below.

- a. All manager's dreams of it and strive to achieve it (a) Directing  
b. involves the grouping of required tasks into manageable department (b) planning  
(c) organising

Ans. a (b), b (c)

6. Match the following with an example:

(a) No smoking	(a) Policy
(b) Admission only for girls	(b) Strategy
(c) Rs.10,000 on new arrival of car	(c) Rules

Ans: a(c), b(a), c(b)

7. Match the following with the importance of planning

(a) Planning ensures that goals and objectives are clearly stated	(a) Planning promotes innovative idea
(b) Planning helps in avoiding confusion	(b) Establish standard for controlling
(c) Planning is prerequisite of controlling	(c) Overlapping and wasteful activities
	(d) Provides direction

Ans: a(d), b(c), c(b)

8. Match the following with an example:

(a) Rs5,00,000 is allotted to create a pool	(a) Objective
(b) Rs.5,000 concession is given to girl child	(b) Budget
(c) Profit should be increased by 10%	(c) Policy

Ans: a(b), b(c), c(a)

9. Match the following with limitation of planning:

(a) Once plans are made, manager may not be in position to change them	(a) It reduces creativity
(b) Manager becomes blind follower of the plan only	(b) It leads to rigidity

Ans: a(b),b(a)

10. Match the following with importance of planning:

(a) Planning requires high thinking	(a) Facilitates decision making
(b) Planning helps to managers to take decision	(c) Promotes innovative ideas

Ans: a(b),b(a)

K	1.	Identify the type of plans from the following:			
		i	Broad parameters	a.	Procedures
		ii	Specific Statements	b.	Rules
		iii	Routine Steps	c.	Budget
		iv	Statements of expected results	d.	Objectives
				e.	Policies
				f.	Programmes
Ans:					
i – e					
ii – b					
iii – a					
iv -c					

U	2.	Identify the type of plans from the following:			
		i	Single use plan	a.	Organising a conference
		ii	Standing Plan	b.	Production Process
				c.	Time table of a teacher
				d.	Annual Concert
				e.	Budget of a farewell
		<p>Ans:</p> <p>i – a,d,e</p> <p>ii - b,c</p>			
A	3.	Identify the type of plans from the following examples:			
		i	Make or Buy decision	a.	Rule
		ii	Out pass to be issued to a student who is availing early dispersal from school	b.	Policies
		iii	Production of Sugar in a factory.	c.	Method
		iv	Training imparted to freshers.	d.	Procedure
				e.	Programme
		<p>Ans:</p> <p>i –b</p> <p>ii –d</p> <p>iii –d</p> <p>iv -c</p>			
K	4.	Identify the type of plans from the following:			

i	Desired Position in future	a.	Policies
ii	Broad contours	b.	Objectives
		c.	Procedures
		d.	Strategy
		e.	Programmes

Ans:

i –b

ii -d

U	5.	Identify the examples for the following plan.	
		i	Budget
		a.	Cash Budget for a seminar
		2	Policy
		b.	recruitment
		3	Method
		c.	Pricing method
		d.	Cash Flow Statement for two years
		e	Production method

Ans:

i – a,d 2(b c) 3(e)

K	6.	Identify the type of plans from the following:	
		i	Single use plans
		a.	Budget
		ii	Standing plans
		b.	Policies
		c.	Programmes
		d.	Methods
		e.	Rules

		<p>Ans:</p> <p>i –a</p> <p>ii –b,c,d,e</p>																				
U	7.	<p>Identify the aspects included in the following:</p> <table border="1" data-bbox="345 495 1443 884"> <tr> <td>i</td> <td>Determine the long term objectives</td> <td>a.</td> <td>Strategy</td> </tr> <tr> <td>ii</td> <td>Expressed in specific and measurable terms</td> <td>b.</td> <td>Objectives</td> </tr> <tr> <td>iii</td> <td>Adopting a particular course of action</td> <td></td> <td></td> </tr> <tr> <td>iv</td> <td>Written statements of desired objectives</td> <td></td> <td></td> </tr> <tr> <td>v</td> <td>Allocating resources to achieve the objectives</td> <td></td> <td></td> </tr> </table> <p>Ans:</p> <p>i,iii,v – a</p> <p>ii, iv - b</p>	i	Determine the long term objectives	a.	Strategy	ii	Expressed in specific and measurable terms	b.	Objectives	iii	Adopting a particular course of action			iv	Written statements of desired objectives			v	Allocating resources to achieve the objectives		
i	Determine the long term objectives	a.	Strategy																			
ii	Expressed in specific and measurable terms	b.	Objectives																			
iii	Adopting a particular course of action																					
iv	Written statements of desired objectives																					
v	Allocating resources to achieve the objectives																					
U	8.	<p>Identify the examples of following plans:</p> <table border="1" data-bbox="345 1266 1510 1654"> <tr> <td>i</td> <td>Policies</td> <td>a.</td> <td>Recruitment guidelines</td> </tr> <tr> <td>2</td> <td>budget</td> <td>b.</td> <td>Expenses &amp; Income guidelines</td> </tr> <tr> <td></td> <td></td> <td>c.</td> <td>Pricing guidelines</td> </tr> <tr> <td></td> <td></td> <td>d.</td> <td>Deviation statements</td> </tr> <tr> <td></td> <td></td> <td>e.</td> <td>Establishment guidelines</td> </tr> </table> <p>Ans:</p> <p>i –a,c,e 2(b d)</p>	i	Policies	a.	Recruitment guidelines	2	budget	b.	Expenses & Income guidelines			c.	Pricing guidelines			d.	Deviation statements			e.	Establishment guidelines
i	Policies	a.	Recruitment guidelines																			
2	budget	b.	Expenses & Income guidelines																			
		c.	Pricing guidelines																			
		d.	Deviation statements																			
		e.	Establishment guidelines																			
K	9.	<p>Identify the plans from the following plans:</p>																				



i	Detailed Statements	a.	Budget
ii	Prescribed Manner	b.	Method
iii	Comprehensive plan	c.	Programme
iv	Measurable results	d.	Objective
		e.	Strategy

Ans:

i –c

ii –b

iii –e

iv -d

U 10. Identify the plans from the following:

i	Detailed statements about a project which outlines objectives, policies, procedures, rules etc.	a.	Procedure
ii	Steps to be carried out within a broad policy framework	b.	objectives
iii	These serve as a guide for overall business planning	c.	Rule
iv	No compromise no change	d.	Programme
		e.	Procedure

Ans:

i –d

ii –a

iii –b

		iv -c
--	--	-------

1.

1. It is the most challenging activity for the management as it guides all future actions.	a. Establishes standards for controlling
2. Planning serves as the basis of coordinating the activities of different divisions, departments and individuals.	b. Reduces overlapping and wasteful activities
	c. Promotes innovative ideas

**ANS: 1-c, 2-b**

2.

1. Planning serves as the basis of coordinating the activities of different divisions, departments and individuals.	a. Provides direction
2. Departments and Individuals in the organization are able to work in coordination.	b. Reduces overlapping and wasteful activities
	c. Facilitates decision making

**ANS:1-b, 2-a**

3.

1. Departments and Individuals in the organization are able to work in coordination.	a. Promotes innovative ideas
2. Planning is a prerequisite for controlling	b. Provides direction
	c. Establishes standards for controlling

**ANS:1-b, 2-c**

4.

1. Planning is a prerequisite for controlling	a. Reduces risk of uncertainty
2. By deciding in advance the task to be performed, planning shows the way to deal with changes and uncertain events.	b. Reduces overlapping and wasteful activities

	c. Establishes standards for controlling
--	--

ANS:1-c, 2-a

5.

1. By deciding in advance the task to be performed, planning shows the way to deal with changes and uncertain events.	a. Facilitates decision making
2. The manager makes a choice from amongst various alternative courses of action.	b. Reduces risk of uncertainty
	c. Establishes standards for controlling

ANS: 1-b, 2-a

6.

1. The manager makes a choice from amongst various alternative courses of action.	a. Reduces risk of uncertainty
2. Planning is a prerequisite for controlling.	b. Facilitates decision making
	c. Establishes standards for controlling

ANS: 1-b, 2-c

7.

1. Plans are redrawn at the end of the period and new plans are drawn on the basis of new requirements and future conditions	a. Planning focuses on achieving objectives
2. Planning has no meaning unless it contributes to the achievement of predetermined organizational goals.	b. Planning is futuristic
	c. Planning is continuous.

ANS: 1-c, 2-a

8.

1. Planning has no meaning unless it contributes to the achievement of predetermined organizational goals.	a. Planning is futuristic
2. It implies peeping into the future, analyzing it and predicting it.	b. Planning focuses on achieving objectives
	c. Planning is continuous

ANS: 1-b, 2-a

9.

1. It implies peeping into the future, analyzing it and predicting it.	a. Planning is pervasive.
2. Planning is required at all levels of management as well as in all departments of the organization.	b. Planning focuses on achieving objectives
	c. Planning is futuristic

ANS: 1-c, 2-a

10.

1. Planning is required at all levels of management as well as in all departments of the organization.	a. Planning focuses on achieving objectives
2. Plans are redrawn at the end of the period and new plans are drawn on the basis of new requirements and future conditions	b. Planning is pervasive.
	c. Planning is continuous.

ANS: 1-b, 2-c

1. Match the following on the basis of limitations:-

1. plans decided by top level may not be changed by managers	a) Flexibility
2. the plans are drawn up with heavy expenses	b) rigidity
	c) Huge cost
	d) Initiative

1-b, 2-c (A)

2. Match the following on the basis of Process of planning:-

1. managers make certain assumptions about the future	a) setting objectives
2. The first and foremost step of planning is	b) alternatives
	c) developing premises
	d) implementation

1-c, 2-a (R)

3. Match the following on the basis of Process of planning:-

1. Which step is concerned with putting the plan into action	a)planning premises
2. The systemic and logical estimate for the future factors affecting planning is known as.	b)Implementing the plan
	c)planning process
	d)planning

1-b, 2-a (U)

4. Match the following on the basis of limitations:-

1. Planning requires too much of time and the decision-making process may get delayed especially where immediate decisions are to be taken	a)reduces creativity
2. middle management and other decision makers are neither allowed to deviate from plans nor are they permitted to act on their own	b) rigidity
	c) time consuming process
	d) Initiative

1-c,2-a (A)

5. Match the following on the basis of limitations:-

1.The business environment is dynamic, nothing is constant	a)Planning does not guarantee success
2.It is not a solution to all problems or ladder of achievement	b)Huge cost
	c)Planning may not work in a dynamic environment
	d)Time consuming

1-c,2-a (A&E)

6. the following on the basis of limitations:-

1. When plans are drawn up huge costs are involved in terms of	a)Creativity
2. planning in a way reduces	b)time and money
	C)success
	d)Budget

1-b,2-a (R)

7. Match the following on the basis of Process of planning:-

1.Decision making of an alternative is concerned with	a) Follow-up action
2. Objectives should be stated clearly for all departments is concerned with	b)developing premises
	c)Selecting an alternative
	d)setting objectives

1-c,2-d (R)

8. Match the following on the basis of Process of planning:-

1. if there is a plan to increase production then more labour, more machinery will be required example of-	a)Evaluating alternative
2. Alternatives are evaluated in the light of their feasibility and consequences	b)setting objectives
	C)Implementing the plan
	d)follow up actions

1-c,2-a (A&E)

9. Match the following on the basis of Process of planning:-

1.All the alternative courses of action should be identified	a) Follow-up action
2.plans are being implemented and activities are performed according to schedule is checked	b)developing premises
	c)Identifying alternative
	d)setting objectives

1-c,2-a (U)

10. Match the following on the basis of limitations:-

1. Under planning all the activities connected with the attainment of objectives of the organisation are pre-determined	a)Does Not Guarantee Success
2. when so many people remain busy in the same activity, the organisation is bound to bear lots of money on it	b) Creativity
	c)Huge cost
	d)Iniative

1-b,2-c (A)

## D.MCQ

1.Planning means

a.arrange the resources

b.think in advance

c.appoint the right person

d.monitor the activity

Ans.b

2.Which of the following is not a feature of planning

a.primary function

b.pervasive

c.continuous

d.dynamic

Ans.

3.It requires application of mind involving foresight, intelligent, imagination and sound judgement.Whichfeature of planning is indicate here.

a.It is Futuristic

b.It involves decision making

c.It is mental exercise.

d.It is continuous

4.Name the type of plan which serve as guide for overall business and defines the end result.

a. b.policy. c.method. d.procedure

Ans.a

5.An employee will retire at the age of 60 years. Which type of plan it is?

a.Rule b method c policy. d.objective

Ans.c

6.Identify the type of plan which has least flexibility.

a.strategyb.Rulesc.policyd.objective

Ans.b

7."Swachha Bharat Abhiyan" started by government of India is an example of which type of plan.

a.strategy. b.rules. c.procedure. d.programme

Ans.d

8.A.co.is manufacturing garments.The manager wants to increase profits by purchasing new high speed machines or increasing the sale price or using waste materials in manufacturing stuffed toys.He decided that "using waste material" is the best solution for him.

Identify the concept of management involved



a.directingb.coordinationc.planning. d.organising

Ans.c

9.Koohinoor foods ltd.has banned smoking in factory premises.identify the plan

a.strategy. b.programme. c.method. d.rules

Ans.d

10.Star Ltd..is a garment manufacturing co.Theco.regularly scan business environment and constantly adapts itself to change in environment.with all these efforts also it became difficult for company to foresee future trends, competition in the market effects the financial plan of theco.identify limitation of planning.

a.leads to rigidity

b.may not work in dynamic environment

C.reduces creativity

d.huge cost

Ans.a

K	1.	<p>The simplest of all plans is</p> <ul style="list-style-type: none"><li>a) Policy</li><li>b) Rule</li><li>c) Method</li><li>d) Programme</li></ul> <p>Ans: b</p>
U	2.	<p>A Comprehensive plan includes:</p> <ul style="list-style-type: none"><li>a) Determining long term objectives</li><li>b) Adopting a particular course of action</li><li>c) allocating resources</li></ul>

		<p>d) all the above.</p> <p>Ans: d</p>
U	3.	<p>Method means:</p> <p>a) Prescribed way to perform a task</p> <p>b) Routine steps in a chronological order</p> <p>c) detailed statements about a course of action</p> <p>d) specific statements of a certain action</p> <p>Ans: a</p>
U	4.	<p>An example of policy can be</p> <p>a) Marketing Strategy</p> <p>b) Cash Management</p> <p>c) Production method</p> <p>d) RecruitmentMethology</p> <p>Ans: d</p>
K	5.	<p>One of the following is a feature of planning</p> <p>a) It is a lengthy process</p> <p>b) It is costly process</p> <p>c) It is time consuming process</p>

		<p>d) It is a mental exercise.</p> <p>Ans: d</p>
U	6.	<p>One of the following is not an importance of planning</p> <p>a) Provides direction</p> <p>b) Promotes innovation</p> <p>c) Primary function</p> <p>d) Establishes standards</p> <p>Ans: c</p>
A	7.	<p>Rahim wanted to start with a stationery app to help students of schools and college to provide stationery to them. He felt that students were not able to get the needed stationer at easy and hence wanted to provide the stationery directly to students in the school. He list out the various ways of setting up this business and finally selected the best way to set up this business is by developing an app. Suggest what should be the next step of him:</p> <p>a) Developing premises</p> <p>b) Identifying the alternative course of action.</p> <p>c) Implementation of plan</p> <p>d) Follow up action.</p> <p>Ans: c</p>
U	8.	<p>‘Objectives of an enterprise play a vital role’. These should be</p>

		<p>a) Expressed in measurable terms</p> <p>b) Written statements</p> <p>c) Issued by top management</p> <p>d) All the above.</p> <p>Ans: d</p>
U	9.	<p>A plan stating all expenses, revenue and income for a specified period is called:</p> <p>a) Cost Sheet</p> <p>b) Cash Statement</p> <p>c) Budget</p> <p>d) Profit &amp; Loss Account</p> <p>Ans: c</p>
K	10.	<p>One of the following is a limitation of planning:</p> <p>a) Pervasive</p> <p>b) Futuristic</p> <p>c) Continuous</p> <p>d) Rigidity</p> <p>Ans: d</p>

**1.** A manager is required to make certain assumptions about the future which may be

in the form of forecasts. This step in planning process is known as

Setting of objectives

Identifying alternative courses of action

Follow up action

Developing premises

2. In response to general increase in demand for 4G mobile phones, a company decides to modernize its plant to produce them. This is an example of which type of plan.

Policy

Strategy

Programme

Objective

3. Planning is required at all levels of management and in all departments of the organization. This fact illustrates which feature of planning?

Planning is continuous

Planning is futuristic

Planning is pervasive

Planning involves decision making

4. A company plans to help government to immunize children against polio. Which type of plan is it?

Objective

Strategy

Programme

Policy

5. Planning is a

Continuous process

Intellectual process

Managerial process

Tangible process

6. Any work without proper planning will create

Confusion

Creates doubts

Illusion

Creativity

7. Planning is the function of the

Manager

Accountant

Organization

Government

8. Planning is a  
 Mental process  
 Physical process  
 Guesswork process  
 Physical process
9. "Planning is deciding in advance what to do, when to do it, and who is to do it."  
 This is described by  
 Koontz and O'Donnell  
 Haimann  
 Allen  
 Terry
10. Which is a type of plan:  
 Organizing  
 Budget  
 Directing  
 Fiscal budget

ANS: 1-d, 2-d, 3-c, 4-c, 5-d, 6-d, 7-a, 8-a, 9-a, 10-b.

1. A Planning is an activity which is done by which level of management?  
 1. **(a)**Top level **(b)** lower level  
 2. **(c)**Middle level **(d)** Operational  
**(a)** (U)
2. Planning is a time-consuming process.  
 1. **(a)**Benefit **(b)** Merit  
 2. **(c)**Importance **(d)** limitation  
**(d)** (R)
3. Planning is an activity which usually lowers down middle level management?  
 1. **(a)**Creativity **(b)** significance  
 2. **(c)**salary **(d)** worth **(a)**  
 (U)
4. What should be stated clearly for all departments, units and employees  
 1. **(a)**Methods **(b)** objectives **(c)**Values  
**(d)** options **(b)** (U)
5. What the manager have to apply for selecting the best possible course of action  
 1. **(a)**Algebra **(b)** calculus  
 2. **(c)** Permutations and combinations **(d)** luck  
**(c)**

6. In which step of planning process the best and most feasible plan will be chosen to be implemented

- |  |                    |
|--|--------------------|
| 1. (a) Selecting an alternative<br>Premises:         | (b) Developing     |
| 2. (c) Evaluating alternative courses:<br>Objectives | (d) Setting<br>(A) |

7. What are certain assumptions about the future on the basis of which the plan will be ultimately formulated

- |                                    |                         |
|------------------------------------|-------------------------|
| 1. (a) Method premises<br>Premises | (b) Planning            |
| ii. (c) esteem needs<br>(b) (U)    | (d) management premises |

8. Why does planning as the basis of success is like a leap in the dark.

- |   |                                     |
|---|-------------------------------------|
| 1. (a) Does Not Work in a Dynamic Environment | (b) Reduces morality                |
| ii. (c) Creates Rigidity<br>exercise          | (d) Planning is a mental<br>(a) (A) |

9. Which limitations highlighted here, Once plans decided the future course of action and managers may not be in a position to change it.

- |   |                      |
|---|----------------------|
| 1. (a) Does Not Work in a Dynamic Environment | (b) Reduces morality |
| 2. (c) Creates Rigidity<br>consuming process  | (d) time-            |
| (c) (R)                                       |                      |

10. In which step of planning process Pros and cons of each alternative is examined

- |  |                        |
|--|------------------------|
| 1. (a) Selecting an alternative<br>Premises:         | (b) Developing         |
| 2. (c) Evaluating alternative courses:<br>Objectives | (d) Setting<br>(c) (U) |





## CHAPTER 5

### ORGANISING

#### True/False(understanding)

1. Organisation structure is an important means, the wrong structure will seriously destroy the business. **True**
2. Product specialisation helps in the development of skills. **True**
3. Duplication of activities across the products do not increase the cost. **False**
4. Divisional structure is suitable for the firms producing single product. **False**
5. Functional structure does not promote efficiency as employees perform similar tasks. **False**
6. Divisional heads are responsible for profits and loss of their division. **True**
7. Functional structure is economical than divisional structure. **True**
8. Organisational structure is the framework within which managerial and operating tasks are performed. **True**
9. A pitfall of organizing is that repetitive performance of same job leads to monotony, stress and boredom. **True**
10. Smooth flow of communication is not the result of proper organization structure. **False**
11. Employees of a company and join a picnic in a park is a case of formal organisation. **A**
12. Advantage of scalar Chain is achieved in formal organisation. **U**
13. Information can travel in any form of direction in informal organisation. **U**
14. Under informal organisation standards of behaviour and performance are not prescribed and enforced by management. **U**
15. Authority arises out of Personal qualities in informal organization. **R**

16. Informal organisation originates as a result of social interaction among employees.R
17. An informal organisation originate from within the formal organisation. R
18. Informal organisation is a means to achieve the objective is specified in the plants as it Lays down rules and procedures essential for their achievement.R
19. Formal organisation leads to fastest spread of information as well as quick feedback.R/U
20. Role and duties of each member are clearly defined which helps in avoiding confusion and duplication of work and efforts in informal organisation. R/U
21. Organising as a function of management responsible for successful implementation of plan. (T) U
22. Organising clarifies authority and responsibility.(T)U
23. Organising never creates reporting relationship.(F)U
24. Organising never ensures the optimum utilization of resources.(f)U
25. Departmentalisation is not a part of process of organizing.(F)U
26. For effective administration organizing is the primary function.(F)U
27. Establishing reporting system is not the last step of organizing process.(F)U
28. Specialization is not a part of organizing process.(F)U
29. Organising is foremost function of management.(F)U
- 30.Organising eliminate ambiguity among subordinates.(T)U
- 31.Delegation allows managers to extend their area of operation.(T)
- 32.Delegation is compulsory, decentralization is optional.(T)
- 33.Delegation do not allows granting of authority to subordinate.(F)
- 34.Responsibility is one of the element of delegation.(F)

35. Decentralization facilitate growth of employee.(T)
36. Responsibility is the obligation of a subordinate to perform the assigned duty.(T)
37. Decentralization is the extension of delegation.(T)
38. Scalar chain is the perfect example of delegation.(T)
39. Delegation intend to ease the burden of manager.(T)
40. Decentralization is good in all the organization.(F)

### **Fill in the blanks: (remembering)**

1. A company producing multiple products has divisional structure for each major product.
2. All the jobs related to marketing are grouped in Marketing department.
3. Interdependental conflicts are one of the disadvantages of functional structure.
4. Grouping of activities on the basis of functions is a part of functional organization.
5. Functional heads cannot be managers because they are unable to gather experience in different areas.
6. Functional structure is suitable when the size of organization is large.
7. In divisional structure, the organizational structure comprises separate divisions.
8. Each division is multifunctional because within each division functions are performed altogether to get goals.
9. Functional structure is economical than divisional structure because duplication is avoided.
10. Organizational structure is classified into functional and divisional.
11. Organising is the process of defining and ----- the activities of the enterprise. (grouping)R
12. Organising translates ----- into actions. (plans)R
13. Organising clarify ----- and ----- for results and logical grouping of activities. (authority, responsibility)R

14. Organising involves ----- of work into small task.(dividing)R
15. Organising ensures the ----- utilization of resource.(optimum)R
16. Organising as a ----- of management establishes working relationship.(function)R
17. Organising tries to incorporate the changes in the ----- environment.(business)R
18. Organising helps in the growth and ----- of an enterprises.( diversification)R
19. Organising clarify ----- relationship(working)R
20. ----- is the first step in the organizing process.(identification and division of work).R
21. ----- gives managers the right to take decision.(Authority)
22. Delegation of ----- merely means the granting of authority to subordinate.(authority)
23. ----- is the process of decision making where all the authority is retained with top level management.(centralization)
24. Decentralization gives ----- to top management.(relief)
25. Delegation of authority means sharing ----- with subordinates.(responsibility)
26. ----- is the process of decision making where authority to decide is delegated or shared among all levels of management.(decentralization)
27. ----- pushes the decision making authority.(decentralization)
28. ----- is the answerability for the outcome of the assigned task.(accountability)
29. ----- cannot be delegated.(accountability)
30. The ----- of authority flows downward from the superior to subordinate.(DELEGATION)

## Match the following:

1. Match the following on the basis of meaning of the content **(remembering)**

(i) Divisional structure	(a) product specialization
(ii) Functional Structure	(b) formation is based on product lines
	(c) formation is based on functions

Ans: (i)-(c), (ii)-(a)

2. Match the following on the basis of demerits of the content: **(remembering)**

(i) Divisional structure	(a) Difficult for a multiproduct company
(ii) Functional Structure	(b) Difficult to fix responsibility
	(c) Non economical

Ans: (i)-(c), (ii)-(a)

3. Match the following on the basis of features: **(remembering)**

(i) Divisional structure	(a) occupational Specialization
(ii) Functional Structure	(b) Perfect control
	(c) Fixation of responsibility

Ans: (i)-(b), (ii)-(a)

4. Match the following on the basis of demerits of the content (understanding)

(i) Divisional structure	(a) Places less emphasis on overall objective
(ii) Functional Structure	(b) Increases cost
	(c) conflict of Interest

Ans: (i)-(b), (ii)-(a)

5. Match the following: (understanding)

(i) Organisational structure	(a) number of subordinates that can be managed by superiors
(ii) Span of management	(b) Give shape to organizational structure
	(c) framework within which tasks are performed

Ans: (i)-(b), (ii)-(a)

6. Match the advantages with type of organization : U

- |                               |                          |
|-------------------------------|--------------------------|
| a. Fulfils the social needs   | a. Formal organisation   |
| b. Fixation of responsibility | b. Informal organization |
|                               | c. Divisional structure  |

7. Match the disadvantages with the type of organization U

- a. Leads rumors
  - b. Lack of adequate recognition to creative talent
- a. Formal organisation
  - b. Informal organization
  - c. Functional Structure

8. Match the following Origin of organisation with the type of organization. R

- a. Deliberately created
  - b. Result of Social interaction among employees
- a. Informal organization
  - b. Formal organization
  - c. Functional Structure

9. Match the advantages of principles of management with the type of organization. U

- a. Benefits of Scalar chain
  - b. Benefits of Gang plank
- a. Informal organization
  - b. Informal communication
  - c. Formal communication
  - d. formal organization

10. Match the type of communication with the type of organization. R

- a. Written channels of communication
  - b. oral communication
  - c. Non-verbal communication
- a. formal organization
  - b. Informal organization

11. Match the type of organization with behavior of Members R

- a. Formal organisation
  - b. Informal organisation
- a. No set behavior
  - b. Standards of behavior directed by rules
  - c. Rigid Behavior
  - d. Flexible Behavior

12. Match the authority originated with the type of organization R

- a. Arises by virtue of position in Management
- a. Formal organization

b. Arises out of personal qualities

b. Functional Structure

c. Informal organization

13. Match the type of Nature with the type of organization

U

a. Rigid

a. Formal organisationj

b. Flexible

b. Informal organization

c. Non-profit organization

d. corporate organization

14. Match the type of organization with the type of needs U

a. Formal organization

a. Social needs

b. Informal organization

b. Personal needs

c. Organisational objectives

15. Match the speed of communication with the type of organization U

a. Faster communication

a. Non-corporate organization

b. Delay communication

b..Corporate organization

c..Informal organization

d. Formal organisation

#### -TYPOLOGY FOR ANALYSIS AND EVALUATING

16

a. Departmentalisation.	1. The activities which are of similar nature.
b. Assignment of duties.	2. Allocation of responsibility
	3. Separation of products.
Ans- a1,b-2	

17

a. Identification and division of work.	1. Work must be divided into smaller part.
b. Establishing relationship.	2. from whom they take order.
	3. Relation among the employees.
Ans-a-1 b-2	

18

a. Organising.	1. Designing specific roles to eliminate ambiguity.
b. Specialization.	2. Assigning each task to employees on the basis of skills.
	3. Special person in organization.
Ans- a-1 b-2	

19

a. Importance of organizing.	1. benefits of specialization.
	2. it create chaos.
	3.No assignment of duties.
Ans- a-1	

20

a. Formal organization	1. Result of social interaction.
b. Informal organization	2. creates formal structure.
	3. Answerability.
Ans-a-2 b-1	

21

a. Authority	1. Arises from formal position
--------------	--------------------------------



b.accountability	2.Arises from responsibility.
	3.Arises from the authority delegated.
Ans-a-1 b-3	

22

a.Functional structure	1.based on product.
b.Divisional structure.	2.based on fuctions
	3.based on number of persons.
Ans- a-2,b-1	

23

a.Delegation	1.lesser freedom to take own decison
b.Decentralization	2.greater freedom to take decision
	3.no freedom
Ans-a-1,b-2	

24

a.Importance of delegation.	1.Effective management
b.delegation.	2.distribution of authority
	3.Create hierarcy
Ans-a-1,b-2	

25

a.Centralization	1.Decision all taken at the apex of management hierarchy.
b.Decentralization	2.Decision making among all level of management.
	3.No decision power is given
Ans-b-2,A-1	

26

a.delegation is	1.function of management
b.decentralization is	2.Principle of management
	3.granting of authority to subordinate
Ans- a-3,b-4	4.Granting of authority to the lowest level.

27

a.delegation ensures	1.gossiping
	2.Informal relationship
	3.peace.
Ans 4	4.ease in burden of managers

28

a.Importance of delegation includes	1.employee development
b.decentralization is	2.Higher absenteeism
	3.conflicts
Ans-a-1,b-4	4.optional

29

a.Authority is related to	1.power distribution
b.accountability cannot be	2.abdication
	3.delegated

Ans-a-1,b-3	4.gang plank
-------------	--------------

30

a.centralization is	1.barrier to progress
b.Is a element of delegation	2. Retention of decision making authority
Ans-a-2, b-3	3.Accountability

31

a.functional structure determines	1. Product specialization
b.divisional structure determines	2.department coordination
	3.Relief to top management
Ans-a-2,b-1	

32

a.formal organization originates from	1. right of employees
b.Informal organization originates from	2. top management
	3.result of social interaction among employee
Ans-a-2,b-3	

33

a.responsibility means	1.abdiction
b.accountability means	2.obligation
	3.power
Ans-a-2,b-1	4.rights

34

a.informal organization originates due to	1.social interaction
	2.Obligation of employee
	3.pressure of labour union
Ans-a-1	

35

a.decentralization is	1. compulsory
b.delegation is	2.imposed
	3.optional
Ans a-3,b-1	4.regulatory

### Multiple choice questions:

1.	<p>Delegation of authority merely means the granting of authority to subordinates to operate:</p> <p style="text-align: right;">(understanding)</p> <ul style="list-style-type: none"><li>a) Within prescribed limits</li><li>b) Beyond prescribed limits</li><li>c) If commensurate with responsibility</li><li>d) Only when required.</li></ul> <p>Ans: a</p>
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2.	<p>Span of management refers to: (remembering)</p> <ul style="list-style-type: none"><li>a) Number of managers in an organisation</li><li>b) Length of term for which a manager is recruited</li><li>c) Number o subordinates under a superior</li><li>d) Number of managers in a top management.</li></ul> <p>Ans: c</p>
3.	<p>Grouping of activities on the basis of functions is a part of: ((remembering)</p> <ul style="list-style-type: none"><li>a) Decentralisation</li><li>b) Divisional Organisation</li><li>c) Functional Organisation</li><li>d) Centralisation</li></ul> <p>Ans: c</p>
4.	<p>Grouping of activities on the basis of product lines is a part of (remembering)</p> <ul style="list-style-type: none"><li>a) Delegated Organisation</li><li>b) CentralisedOrganisation</li><li>c) Divisional Organisation</li><li>d) Autonomous Organisation</li></ul>

	<p>Ans: c</p>
<p>5.</p>	<p>The advantage of formal organization is: ((remembering))</p> <ul style="list-style-type: none"> <li>a) Clarity of responsibility</li> <li>b) Fast communication</li> <li>c) Rigid policies</li> <li>d) Social relationship</li> </ul> <p>Ans: a</p>
<p>6.</p>	<p>The organisation structure can be defined as a framework within which (understanding)</p> <ul style="list-style-type: none"> <li>a) Sequence of job positions given</li> <li>b) Managerial and operational tasks are performed</li> <li>c) formal relationships are specified</li> <li>d) Coordination is obtained</li> </ul> <p>Ans: b</p>
<p>7.</p>	<p>Organising provides clear description of jobs and related duties which helps in:</p>

	<p style="text-align: right;">(understanding)</p> <p>a) Avoiding confusions and duplications  b) Better placement of employees  c) better supervision of employees  d) to encourage employees.</p> <p>Ans: a</p>
8.	<p style="text-align: right;">(remembering)</p> <p>One of the importance of organizing is:</p> <p>a) Improves creativity  b) Optimum utilization of resources  c) Leads to innovation  d) Guarantee success.</p> <p>Ans: b</p>
9.	<p>Ram was given a task by his superior to prepare a plan in 15 days. He asked two of his subordinates to work upon two aspects of his task. One of the subordinate met with an accident and could not complete his work. Who is answerable for this task?</p> <p style="text-align: right;">(applied)</p> <p>a) Ram is accountable.</p>

	<p>b) Ram's subordinate is responsible. .</p> <p>c) Ram's superior is responsible.</p> <p>d) None of them is responsible.</p> <p>Ans: a</p>
10.	<p>Decentralisation is (remembering)</p> <p>a) Selected dispersal of authority.</p> <p>b) Authority to be retained by top level.</p> <p>c) Transfer of responsibility to lower levels without authority.</p> <p>d) Dispersal of authority to the subordinates within prescribed limits.</p> <p>Ans: a</p>

11. Name the type of organisation which is deliberately design by top management to achieve a common organisational objective

R

- a. Informal organisation
- b. Corporate organisation
- c. Formal organisation
- d. Non corporate organisation

Ans: Formal organisation



12. Which of the following is not an element of delegation?

1. Accountability

2. Authority

3. Responsibility

4. Informal organisation

U

Ans: Informal organisation

13. A network of social relationships that arises spontaneously due to interaction at work is called

R/U

1. Formal organisation

2. Delegation

3. Decentralization

4. Informal organisation

Ans: Informal organisation

14. The form of organisation known for giving rise to rumours is called

R

1. Centralised organization

2. Decentralized organisation

3. Formal organisation

4. Informal organisation

Ans: Informal organisation

15. The type of organisation which maintains the unity of command through when established chain of command.

U

1. Formal organisation

2. Informal organisation

3. Centralised organisation

4. Decentralized organisation

Ans: Formal organisation

16. Which of the following does not follow the principle of scalar chain

R

1. Formal organization
2. Informal organisation
3. Functional structure
4. Divisional structure

Ans: Informal organisation

17. Delegation of authority merely means the granting of authority to subordinates to operate

R

1. Within the prescribed limits
2. Without any prescribed limits
3. To any extent
4. As per post approval of managers

Ans: within the prescribed limits.

18. Authority refers to the right of an individual to command his subordinates and take action

R

1. Within the scope of his position
2. Out of the scope of his position
3. Commensurate with his manager
4. To any extent

Ans. Within the scope of his position.

19. Grouping of activities on the basis of function is a part of R/U

1. Decentralized organisation
2. Divisional organisation
3. Functional organisation
4. Centralised organisation

Ans: Functional structure

20. Centralisation refers to

U

1. Retention of decision making authority
2. Opening new branches
3. Separation of divisions or levels
4. Dispersal of decision making authority

Ans: Retention of decision making authority

21. Establishing reporting system leads to (r)

- a. Specialization
- b. Improved productivity.
- c. Clarity in working relationship.
- d. Adaption to change.      Ans-c

22. Organising doesn't include (r)

- a. what will be done.
- b. By whom will be done.
- c. when will be done.
- d. how will be done.      Ans-d

23. Which of the following is not a part of organizing process(R)

- a. division of work
- b. assigning of responsibility.
- c. specialization.
- d. establishing reporting relationship      ans-c

24. Dividing work into smaller and manageable task as a part of(R)

- a. departmentalization.
- b. identification and division of work.
- c. Assigning duties.
- d. Not assigning duties.    Ans-b

25. Grouping of activities in accordance to their nature.(R)

- a. division of work
- b. departmentalization
- c. Specialization
- d. decentralization    ans-b

26. Span of management is defined as (R)

- a. number of employees a superior can manage
- b. number of employee in a division
- c. Level of management
- d. number of employee in a department. Ans-a

27. It is a limitation of functional structure (R)

- a. functional empire
- b. decentralization

c. functional specialization.

d. create chaos.     Ans-a

28. Which of the following is not an element of delegation (R)

a. accountability

b. Authority

c. Responsibility

d. Informal organization.

29. A tall structure is a (R)

a. narrow span of management

b. wide span of management

c. no span of management

d. less span of management.     Ans-a

30. Last step of organizing process (R)

a. identification and division of work

b. departmentalization

c. Assignment of duties.

d. establishing reporting system.     Ans-a

31. Which of the following is not an element of delegation (R)

a.accountability

b.authority

c.resposibility

d.informal organization. Ans-d

32.For delegation to be effentive it is essential that responsibility be accompanied with necessary(R)

a. authority

b.incentives

c.manpower

d.promotions ans-a

33. It is a limitation of functional structure (R)

a. functional empires

b.product specialization

c.funtional specialization

d. lack of coordination. Ans-a

34.Grouping of activities as the basis of functions is a part of (R)

a. decentralized organization

b.functional organization

c.centralized organization. Ans-c

35.organising doesn't include (R)

a. division of work

b.what will be done

c.by whom will be done.

d.where will be done ans-b

36. first step of organizing process (R)

a.division of work

b.comparing results

c.departmentalization

d.recruitment ans-a

37.decentralization is the extension of (R)

a.responsibility

b.authority

c.delegation

d.planning ans-c

38.Type of organization structure framed as per the product line(R)

a.divisional structure

b.functional structure

c.formal structure

d. informal structure

39.A tall structure has a (R)

a. narrow span of management

b.no span

c.informal organization

d.centralization ans-a

40. Establishing reporting system leads to (R)

a.specialization

b.improved productivity

c.clarity of relationship

d.rumours. ans-c



## Chapter 6

### STAFFING

#### FILL IN THE BLANKS

1	The most popular & cheaper source of recruitment is _____ [Internal]	R
2	Frequent transfer of employees will reduce the _____ of employees . [productivity]	R
3	Transfer of clerk from account department to purchase department is _____ recruitment. [Internal]	U
4	Management will get qualified & trained persons by using _____ recruitment. [External].	R
5	Appointment of Unskilled workers & Labourers is frequently done through _____ agencies.[Private].	U
6	Appointment of teachers are frequently done through _____ method of recruitment. [casual callers]	R
7	High rank & specific skilled job professional are recruited through _____ method of recruitment. [ Advertisement]	R
8	Compulsory notification of vacancies by Government institution is required to be done through _____. [Employment exchange]	U
9	In modern era the recruitment of employees like Naukri .com is done through _____ [Web publishing]	U
10	By recruiting employees through outside agency it develops _____ spirit among existing employees.[competitive]	U

11. Performance appraisal is \_\_\_\_\_ an employees current and past performance.(evaluating)
12. Proper \_\_\_\_\_ of employees workhelps to improve their future productivity.(feedback)
13. Promotion of employees place them with \_\_\_\_\_responsibility increased.(High)
14. Compensation paid to the employees must be \_\_\_\_\_ to satisfy their productivity ,sense of belongingness to the organization.(just)
15. Unemployment rate of the country affects \_\_\_\_\_staffing function of an organization (Negatively)
16. Performance based salary plans make payment according to \_\_\_\_\_ workers.(piecework)
- 17.If employees \_\_\_\_\_is high ,their competencies are strengthened.
18. Continuous \_\_\_\_\_ facilities the opportunities to rise to the top.(Learning)
19. Selection is a \_\_\_\_\_process, as unsuitable candidates are eliminated.(Negative)
20. Organization should \_\_\_\_\_ the staffing process with a view to get benefits of backward communities/ usually and hearing impaired candidate.

2 The test which is used to measure the intelligence quotient of an \_\_\_\_\_ R

1. individual is called **intelligencetest**.

2 The difference between **aptitude** test and trade test is that the former \_\_\_\_\_ R

2. measures the potential to acquire skills and the later the actual skills possessed.

- 2 Job offer is made through a letter of **appointment**. R
- 3.
- 2 The term **training** is used to indicate the process by which attitude, skills R
4. and abilities of employees to perform specific jobs are increased.
- 2 When the employees are required to handle sophisticated machinery R
5. and equipment, then **vestibule** training is used.
- 2 Under Apprenticeship training, a uniform period of training is offered to U
6. trainees in which both fast and **slow** learn here, are placed together.
- 2 The effectiveness of the **selection** process could ultimately be tested in U
7. terms of on the job of the person chosen.
- 2 The test used to measure existing skills of the individual are called R
8. **trade**test.
- 2 After the selection decision and before the job offer is made in, the step R
9. of selection process which comes in between is **medical examination**.
- 3 Internship training is a joint programme of training in which **education** R
0. **institutions** and business firms cooperate.

## TRUE AND FALSE

1	Internal recruitment is the most popular and economical method of recruitment. [T]	R
2	Promotion of Supervisor to H.O.D will lead decrease in the salary of the employee. [F]	U
3	The management will get qualified & trained teacher through Direct recruitment. [F]	U
4	Chartered Accountant of the firm should be recruited through private agencies. [F]	U
5	Promotion of an employee will boost up the motivation of an existing employee.[ T]	U
6	Highly skilled professionals are appointed through private professionals.]F]	U
7	Labour contractors do not charge commission for recruiting unskilled carpenter. [F]	A
8	Placement agencies charge fees from jobseekers such as casual workers. [T]	A
9	Recruiting an employee Peon by recommendation of CEO will damage the goodwill of the company. [F]	A
10	External recruitment brings down the morale of the employee as there will be no scope of growth for them.[T]	A

11)Staffing requirements arise only in case of starting a new business.  
False

12)Every candidate/applicant may be recruited in the organization.  
False

- 13) If suitable manpower is not available within the organization the need can be fulfilled from the outside the organization. True
- 14) Freshly appointed person need orientation. True
- 15) Even whilst on the job employee need training for upgradation of skill. True
- 16) Understanding manpower requirement is merely knowing how many person one organization needs. False
- 17) Workload analysis reveal the number and type of manpower available with the organization. False
- 18) An understaffed organization with proper achievement of goals is an indicator of high degree of efficiency. True
- 19) Selection of an employees helps enhancement of self-esteem. True
- 20) By offering the opportunity for career advancement an organization is able to attract new talented people. True
21. The key to success of any organization is right person at the right job position.(T)
22. Human resources management is the part of management process.(T)
23. "There is no need of human resource planning as so many people are available in the market these days."(F)
24. Human resources management concept is for large organization those are having separate department.(T)
25. No over staffing or under staffing is good.(T)
26. There will be no use of job position unless and until these are occupied by employees.(T)
27. Staffing consists of manpower, planning , recruitment, selection, training, compensation, promotion and maintenance of managerial personnel.(T)

28. Human resources planning means determining the number and type of personnel required to fill the vacant job.(T)

29. Training and development are not included in career growth of employees.(F)

30. Motivation is included in the concept of human resource management.(T)

## Match the following

Q.1 Match the type of test with their suitable meaning:

a.	Measures the level of knowledge and proficiency in the area.	a.	Interest test
b.	Measures the involvement of a person	b.	Personality test
c.	Provide clues to a person's emotions, reactions, maturity and value system etc.	c.	Trade test
d.	Measure of individual's potential for learning new skills.		

Ans. A-b b-c c-a

Q.2 Match the type of test with their suitable meaning:

a.	Measures the existing skills of the individual.	a.	Intelligence test
b.	Measures the involvement of a person	b.	Aptitude test
c.	Measures the level of intelligence	c.	Trade test

	quotient of an individual		
d.	Measure of individual's potential for learning new skills.		

**Ans. A-c b-d c-a**

Q.3 Match the methods of training with their meaning:

a.	The superior guides and instructs the trainee as a coach	a.	Apprenticeship programme
b.	Training is conducted away from the actual floor.	b.	Internship training
c.	Joint programme of training in which educational institutions and business firms cooperate.	c.	Vestibule training
d.	Trainees work under the guidance of a master worker		

**Ans. A-d b-c c-b**

Q.4 Identify and match the benefits of training and development two each to the organization and to the employee:

a.	Enhances employee productivity	a.	To the employee
b.	Equips the future manager	b.	To the organization
c.	Improved skills and knowledge		
d.	Increases satisfaction and morale		

**Ans. A-c,d b-a,b**

Q.5 Match the following with their suitable headings:

a.	Last step in the selection process	a.	Preliminary screening
b.	Made through letter of appointment	b.	Employment interview

c.	Helps to eliminate unfit job seekers	c.	Job offer
d.	Mechanism that attempts to measure certain characteristics of individuals.	d.	Contract of employment

**Ans. A-c b-a c-b d-a**

Q.6 Match the following terms with their suitable meaning:

a.	Career oriented process	a.	Selection
b.	Process of identifying and choosing the best candidate	b.	Training
c.	Job oriented process	c.	Development

**Ans. A-b b-c c-a**

Q.7 Match the following methods of training with their suitable examples:

a.	Training given to air hostesses for dealing with emergencies.	a.	Internship training
b.	Training given to intermediate students	b.	Apprenticeship programme
c.	Training given to plumbers, electricians etc.	c.	Vestibule training

**Ans. A-b b-c c-a**

Q.8 Match the following with their suitable headings:

a.	Final selection	a.	Employment interview
b.	Dialogue between interviewer and the interviewee	b.	Reference and background checks
c.	For verifying information and gaining additional information	c.	Selection decision

**Ans. A-b b-c c-a**



Q.9 Match the following terms with their suitable meaning:

a.	Organisations maintain close liason with universities.	a.	Labour contractors
b.	Maintain close contacts with labourers	b.	Web publishing
c.	Websites for providing information about jobs.	c.	Campus recruitment

Ans. A-b b-c c-a

Q.10 Match the following with their suitable meaning:

a.	Familiarizing employees to the rules and policies of organization.	a.	Placement
b.	Inviting people to apply for jobs.	b.	Orientation
c.	Placing the right person at the right job.	c.	Recruitment

Ans. A-c b-a c-b

11	Match the source of Recruitment with the advantages.  1) Internal source 2) External source  spirit. 1-c                  2-d	a) No fresh ideas. b) Limited choice. c) Economical d) Develops competitive	U
12	Match the source of recruitment with its method.  1) Internal 2) External  1-b                  2-a	a) Direct recruitment b) Promotion c) Advertising	R
13	Match the following appointment with external source of recruitment.  1) Appointing a CA 2) Appointing security guard 3) Appointing a supervisor	a) Direct recruitment b) Campus recruitment c) Advertistment d) Placement agency .	A

	1-c	2-d	3-a	
14	Match the following advantages with various method of recruitment .			U
	1) Fresh graduates with Latest technology Advertising		a)	
	2) Wider choice & Qualified personnel. recruitment		b) Direct	
			c) Campus	
	1-c	2- a		
15	Match the following recruitment of personnel with types its cost.			E
	1) Recruitment of a teacher		a) Economic	
	2) " of the Principal		b) Cheaper	
	3) " of peon		c) Costlier	
			d) Expensive	
	1-a	2- c	3- b	
16	Match the recruitment of workers with the method of recruitment.			A
	1) Requirement of skilled workers -89		a) Transfer	
	2) Requirement of unskilled workers -265 agencies		b) Placement	
			c) Labour	
	contractor			
	1-b	2- c		
17	Match the following recruitments with inappropriate method of recruitment.			U
	1) Appointing a supervisor from flow of fresh External source		a) Limited choice and no ideas.	
	2) Appointing a General Manager existing employee By Promoting a H.O.D.		b) Demotivates the	
			c) Reduces the productivity.	
	1-b	2-a		
18	Match the following step of action with methods of recruitment .			A
	1) Transfer of clerk from account dept to Purchase department recruitment by promotion		a) Internal	
	2) Transfer of employee from the post of recruitment of new appointee Clerk to Head accountant recruitment of penalty.		b) External	
			c) Internal	

	1-c	2- a	
19	Match the following description with the method of recruitment		U
	1) Recruitment by placing a notice on the in the bank. Gate of their office to do household work	a) Recruiting a clerk b) Recruiting a maid c) Recruiting sweeper	
	2) Recruiting through Government peon. 1-c	2-a	
20	Match the recruitment with the method of recruitment.		U
	1) Recruiting an engineer 2) " a Baby sitter recruitment	a) Direct recruiting b) Campus c) Advertising	

21. Match the following activities:

(1) Human resource planning  
of

(a) training and development  
Employees.

(2) Providing social security

(b) of personnel policies and  
Procedures.

(c) welfare of people

(d) fill the vacant job position of

an

Organization.

Ans: (1) — (d), (2) — (c)

22. Match the advantage of staffing.

(1) Appointment is as per the requirement  
satisfaction and

(a) improves job

Of job.

(2) Motivates employees and

personnel

performance by

the right job

Ans: (1)—(c), (2)—(a)

Morale of employees.

(b) helps in discovering

Obtaining competent

For various job.

(c) makes for higher

Putting right person on

23. Match the definition with their authors:

(1) Personnel management of staffing is that Phase of the management which deals with the effective control and use of manpower.

(a) French Wendell

(2) Staffing is the recruitment selection development Utilization compensation and motivation of Human resources.

(b) Dale Yoder

(c) Koontz and

Odennel

Ans:- (1)---(b), (2)—(a)

24. Match the terms:

(1) Promotion and career planning

(a) pays, rewards, incentives

(2) Compensation

(b) performance appraisal

(c)higher job position,job  
Satisfaction.

Ans: (1)—(c),(2)—(a)

25. Match the term:

(1)Recruitment  
candidate to

(a)to choosing the most suitable  
fill the vacant job.

(2)Placement  
for which

(b)occupying of post by the candidate  
he is selected.

to apply

(c)the process of inducing the people  
for the job in the organization.

Ans:-(1)—(c), (2)—(b)

26. Match the method with their examples:

(1)Transfer

(a)clerk to accountant post

(2)Promotion

(b)competitive spirit in existing employees

purchase dep.

(c)clerk from accounts department to

Ans: (1)---(c),(2)—(a)

27. What terms can be used for the following :

(1)Job seekers leave their biodata of their qualification

With the employment exchange.  
callers

(a) Casual

(2)Whenever the job vacancy the suitable candidates

From the waiting list are called.  
recruitment

(b)Direct

(c)placements

(d)employment

Exchange

Ans: (1)—(d),(2)—(a)

28. Present day human resource management concept includes many activities.

Match their activities by the suitable term.

(1)Personnel policies and procedure

(a)employing people

(2)Recruitment selection and

Placement of personnel

(b)review and audit

(c)providing social security

Ans: (1)—(b), (2)—(a)

## Multiple choice questions

1	Which of these is the purpose of Recruitment	U
---	--	---

	<p>a) Make sure that there is match between cost and benefits</p> <p>b) Help increase the success rate of the selection process by reducing the number of visibly under qualified or over qualified job applicant.</p> <p>c) Help the firm create more culturally diverse work force.</p> <p>d) Help the firm to recognise the calibre of every employee.</p> <p>[b]</p>	
2	<p>The firm must go to external source of recruitment for</p> <p>a) Lower entry jobs.</p> <p>b) For expansion</p> <p>c) For positions whose specifications cannot be met by present personnel.</p> <p>d) All of the above.</p> <p>[c]</p>	U
3	<p>Recruitment is a widely viewed as a _____ process</p> <p>a) Positive</p> <p>b) Negative</p> <p>c) Both positive and negative</p> <p>d) None</p> <p>[a]</p>	E
4	<p>Which of the following is the most serious problem that might arise due to excessive reliance on Internal recruitment.</p> <p>a) High Labour turnover.</p> <p>b) Lack of motivation</p> <p>c) Reduce job performance</p> <p>d) Internal resistance.</p> <p>[c]</p>	E
5	<p>Internal recruitment has the potentiality to increase the _____ of the employee.</p> <p>a) Conclict</p> <p>b) Misunderstanding</p> <p>c) Income</p> <p>d) Morale</p> <p>[d]</p>	U
6	<p>Advertisement through Newspaper, T.V. , radio, professional journal &amp; magazines are _____ method of recruitment.</p> <p>a) Direct</p> <p>b) Indirect</p>	A

	c) Third party d) None. [b]	
7	Employment exchange are generally the main agencies of _____ a) Private employment b) Public employment c) Professional employment d) None. [b]	A
8	A prerequisite for a successful & efficient recruitment programme is to have a(n) a) Corporate policy b) HR policy c) Recruitment policy d) Health policy e) [c]	R
9	The advantages of recruiting an employee by Advertising method is _____ a) Fresh graduates with latest technology b) Wider choice of qualified personnel c) Limited choice d) Economical [b]	U
10	The cost of Recruiting General manager is very _____ through Advertisement . a) Economic b) Cheaper c) Costlier d) Expensive [c]	E

11. It is a search for qualified people for various job

- a) Selection b) Training c) Recruitment d) Interview

Ans c

12. An analysis that enable an assessment of the no and type of human



a) Development    b) promotion    c) Transfer    d) Work load analysis

13. An analysis that reveal the number and type of employees available with the organisation

a) internal source    b) workforce analysis    c) Interview    d) medical examination

14. It the process of eliminating most unsuitable candidate

a) selection    b) Recruitment    c) interview    d) Recruitment

15. An employee is taken a round the workplace of the job for which he has been selected

a) Recruitment    b) selection    c) Training    d) Orientation

16. A process to evaluate the employee performance against the job offered

a) promotion    b) Selection    c) Compensation    d) Performance Appraisal

17. payment of salary/wage to the employees according to the piece work

a) Time based plan    b) Performance based plan    c) Incentive based plan    d) Compensation

18. Temporary separation of employee/workers from the job with consent

a) Transfer    b) Training    c) Lay Off    d) Promotion

19. 'Badli' workers are recruited by an organisation through

- a) employment exchange
- b) Advertisement
- c) Direct recruitment
- d) Casual Callers

20. A test that examines candidate individual potential for learning new skill

- a) trade test
- b) interest test
- c) Aptitude test
- d) Personality test

21. It refers to the learning opportunities designed to help employees grow

- a) Training
- b) development
- c) Education
- d) Selection

**Ans. b**

22. Contract of employment does not include:

U

- a) Job title
- b) Job offer
- c) Rates of pay
- d) Work rules

**Ans. B**

23. Under which method of training employees are given training away from the actual  
workfloor?

- a) Apprenticeship programme
- b) Internship training
- c) Vestibule training
- d) Induction training

**Ans. C**

24. These are the tests which provide close to a person's emotions, reactions, etc.

R

- a) Interest test      b) Trade test      c) Personality test  
d) Aptitude test

**Ans. C**

25. It is a mechanism that attempts to measure certain characteristics of an individual:

R

- a) Selection test      b) Trade test      c) Intelligence test  
d) Interest test

**Ans. A**

26. The form which contains certain vital details about the candidate which is authenticated and attested by him or her is:

- a) Job offer      b) Contractor employment      c) Medical test report  
form

**Ans. D**

27. Which of the following is not the process of selection?

- a) Reference and background checks  
b) Training and development  
c) Medical examination  
d) Contract of employment

**Ans. b**

28. ----- function is concerned with bringing right and efficient people in

- (a) staffing      (b) planning  
(c) organizing      (d) controlling      (a)

29. Efficient staff can help organization to win over:

- (a) competitors      (b) managers  
(c) society      (d) superiors      (a)

30. Training and development of employees are related to:

- (a) motivation      (b) career path  
(c) compensation    (d) planning            (b)

31. Staffing is for:

- (a) Big organization      (b) small organization  
(c) A and B both            (d) none                    (b)

32. Human resource management is for :

- (a) large organization    (b) small organization  
(c) a and b both            (d) none                    (a)

33. Recruitment, selection, and training are the components of :

- (a) organizing      (b) planning  
(c) staffing            (d) controlling            (c)

34. A clerk is promoted to accountant post. Which method is used here?

- (a) transfer            (b) promotion  
(c) casual callers      (d) none                    (b)

35. The concept related to searching for prospective candidates:

- (a) selection            (b) training  
(c) recruitment        (d) short listing            (c)

36. The source of recruitment in which newspaper, employment exchange, T.V. are used:

(a) external      (b) internal

(c) both      (d) none      (a)

37. The concept which involves growth of individual in all respect:

(a) development      (b) transfer

(c) promotion      (d) none      (a)

# CH-7 DIRECTING

## A.Fill in the blanks

1. A leader handles conflicts effectively and does not allow-----resulting from the conflicts.  
(adverse effects)
2. Leader provides ----- to their subordinates. (training)
3. Leader persuades, clarifies and inspires people to accept-----whole heartedly.  
(changes)
4. There are many theories of leadership-----and----- (behavior, styles)
5. The most popular classification of leadership styles is based on the use of -----  
(authority)
6. A democratic leader will develop action plans and makes decisions in consultation with his-----  
----- (subordinates)
7. Leadership is a -----in making any organisation successful. (key factor)
8. Leadership influences the behavior of people and make them to positively contribute their  
energies for the benefit of ----- (organisation)
9. In autocratic leadership style only -----communication is done with subordinates.  
(one way)
10. There are three basic styles of leadership i.e. autocratic, democratic and-----  
(laissez faire)
11. Motivation is the process of **stimulating** people to action to accomplish desired goal. (R)
12. Motivator is the **technique** used to motivate people in an organization. (R)
13. Maslow's **need hierarchy** theory is considered fundamental to understanding of  
motivation. (R)
14. Financial incentive refers to incentive which is in direct **monetary** form. (R)
15. The emphasis of non-financial incentive is to provide **psychological** and **emotional**  
satisfaction rather than money driven satisfaction. (U)
16. Employee participation means involving employees in **decision making** of the issues  
related to them. (U)
17. **Retirement Benefits** acts as an incentive when employees are in service in the  
organization. (U)
18. A **satisfied** need can no longer motivate a person. (U)
19. Bonus is an incentive offered over and above the **wages/salary** to the employees. (U)
20. A joint Management committee is an example of **employees' participation**, one of the non  
financial incentives. (U)
21. Directing abilities of manager mainly depends upon his ----- skills.  
(communication) [R]

22. A one who conveys his thoughts or ideas in communication process is known as-----.[R]

**(sender)**

23. The communication that follows the chain of command is known as -----communication.

**(formal)[U]**

24. The form of communication that arises out of social interaction is -----.

**(informal communication)[R]**

25. Obstruction or hindrance to communication like poor telephone connection, inattentive receiver etc. are termed as-----.

**(Noise)[U]**

26. Path or channel through which encoded message is transmitted to receiver is called-----.

**(media)[R]**

27. Flow of information to superior to subordinate is ----- communication. **(Downward)[R]**

28. The network of informal communication is known as-----.

**(Grapevine) [R]**

29. Spread of rumors is possible in-----communication.

**(Informal)[R]**

30. Converting encoded symbols of the sender is-----.

**(Decoding)[R]**

S.No.	Questions	Answer
1.	Mr. Madan Kumar, a senior manager does not allow his subordinates to express their feelings freely to himself. This may result in _____ barrier.	Organisational
2.	Barriers to communication may create _____ between the sender and receiver of the message.	Misunderstanding
3.	The process of instructing, guiding, counseling, motivating and leading people in the organization is called _____ function of management	Directing
4.	Delayed communication due to many levels in organizational structure may lead to _____ barrier.	Organisational
5.	Effective directing through motivation, communication and _____ helps to reduce resistance to introduce changes in the organisation	Leadership
6.	Other functions of management prepare a setting for action, while _____ function initiates action	Directing
7.	Directing integrates individual efforts for the fulfillment of _____ goals	Organisational
8.	A subordinate manager does not trusts his superior, it will result in _____ barrier	Psychological
9.	A superior does not have the confidence in the ability of his subordinate may create _____ barrier in effective communication	Personal
10.	A manager did not listen to the communication of going late from office as he had already planned movie watching with his family, this resulted in _____ barrier in effective communication	Personal

## B.True/False

1. Leadership is a complex phenomenon involving the leader, the followers and the situation.

True

2. The main reason for using the phrase “desirable opportunities” is a definition of leadership is to distinguish between leadership and management. False
3. Some managers may be effective leaders without ever having taken a course or training program in leadership. True
4. Leadership is most associated with vision. True
5. Laissez faire is one of the style of leadership. True
6. Participative type of leadership is also known as democratic style of leadership. True
7. In autocratic style of leadership, the leader is dogmatic. True
8. Leadership is not a continuous process. False
9. Leadership never determine the ability of an individual to influence others. False
10. Leadership tries to bring change in the behavior of others. True
11. Motivation is a simple process as the individuals are homogenous in their expectations, perceptions and reactions. (F) (U)
12. In promotion monetary aspects over-ride the non-monetary aspects. (F)

(  
A& E)

13. Installing award or certificate for best performance is an example of Employee Recognition Programme.(T) (U)
14. Stability of income is an example of Basic Physiological Needs. (F) (Application)
15. People’s needs are in hierarchical order, starting from basic needs to other higher level needs. (T) (U)
16. Productivity linked wage incentives include regular increments in the pay every year and enhancement of allowances from time-to-time.(F) (U)
17. Rewarding an employee in such a way that it creates a feeling of ownership in them is one of the financial incentives.(T) (U)
18. Motivation can be Positive and it can never be negative. (F) (U)
19. If jobs are enriched and made interesting, the job itself becomes a source of motivation to the individual. (T) (U)
20. Esteem needs include growth, self-fulfillment and achievement of goals. (F) (R)
21. If there is two way information flow between the superior and subordinate then there will be positive reaction of employees. True[U]
22. Formal communication may be written or oral. True[R]
23. Informal communication arises out of formal interaction. False[R]
24. Vertical communication exists between departments. False[U]
25. Informal communication has a definite path but formal communication does not have a definite path. False[U]
26. Converting encoding symbols of the sender is known as decoding. True[R]
27. Ambiguous symbols that lead to faulty encoding is an example of noise. True[U]
28. The channel which is used to transmit the message to the receiver is media. True[U]
29. Issue of notice is an informal way of communication. False[U]
30. Minimum two parties are involved in the process of communication. True [R]



S.No.	Questions	Answer
1.	Follow up measures help in removing obstacles in effective communication.	True
2.	Effective communication should not be stimulating in evolving listener's response.	False
3.	Effective message should relate to the interests and needs of the listener.	True
4.	Unwillingness of the subordinate to communicate with the superior is an organizational barrier	False
5.	Over exhaustion and tiredness of the listener resulting in ineffective communication is an example of personal barrier.	False
6.	Effective communication in the organization reduces resistance to change among the staff members.	True
7.	Directing function is initiated at top level and flows to the bottom level through the organizational structure.	True
8.	Involving others in developing a communication plan does not improve the communication effectiveness	False
9.	Misunderstanding created in communication due to use of technical words is an example of personal barrier	False
10.	Lack of effective communication due to faulty process of encoding and decoding will result in psychological barrier	False

## C.Match the following.

1. Match the following:

1. One way communication	a. Autocratic
2. Leader will encourage the subordinates.	b. Democratic
3. Resolving issues themselves.	c. Free rein

Ans. 1-a, 2-b, 3-c

2. Match the following:

1. Dogmatic	a. Participative
2. High degree of independence	b. Autocratic
3. Democratic	c. Free rein

Ans. 1-b, 2-c, 3-a

3.Match the following:

1. Leadership indicates ability of an individual.	a. In the behavior of other
2. Leadership tries to bring change	b. To influence others
3. Leadership indicates interpersonal relationship	c. Between leaders and followers

Ans. 1-b, 2-a, 3-c

4. Match the following:

1. Full faith in subordinates	a. Autocratic
2. Cooperative relations	b. Democratic
3. Single man decisions	c. Free rein

Ans. 1-c, 2-b, 3-a

5. Match the following:

1. when subordinates are uneducated	a. democratic
2. when roles are clear	b. autocratic
3. when employee are highly educated	c. laissez faire

Ans. 1-b, 2-c, 3-a

6. Match the following:

1. Quick and clear decisions	a. Democratic
2. high morale	b. laissez faire
3. high level motivation	c. autocratic

Ans. 1-c, 2-b, 3-a

7. Match the following:

1. lack of motivation	a. autocratic
2. delay in decisions	b. free rein
3. difficulty in cooperation	c. democratic

Ans. 1-a, 2-c, 3-b

8. Match the following:

1. downward communication	A. democratic
2. lack of responsibility in managers	b. autocratic
3. self directed	c. free rein

Ans. 1-b, 2-a, 3-c

9. Match the following:

1. Centralised authority	a. democratic
2. cooperative relations	b. autocratic
3. self directed	c. free rein

Ans. 1-b, 2-a, 3-c

10. Match the following:

1. Satisfactory work	a. democratic
2. creation of more efficiency and productivity	b. free rein
3. helpful in development and extension of the enterprise	c. autocratic

Ans. 1-c, 2-a, 3-b

**1. Match the following needs to the category they belong to**

1. It the highest level of need in the hierarchy.	a. Esteem Needs
---	-----------------

2. These needs refer to affection, sense of belongingness, acceptance and friendship.	b. Self Actualisation Needs
	c. Affiliation/ Belonging Needs

**Ans – 1 (b)                      2 (c)**  
**(U)**

**2. Match the needs to the statement they belong to**

1. These needs provide protection from physical and emotional harm.	a. Esteem Needs
2. These needs include factors such as self-respect, autonomy, status, recognition.	b. Safety Needs
3. These needs are most basic in the hierarchy.	

**Ans – 1 (b)                      2 (a)**  
**(U)**

**3. Match the category to which non-financial incentive belongs to**

1. It is concerned with designing jobs that include greater variety of work content.	a. Employees Recognition programmes
2. It is concerned with giving more autonomy and powers to subordinates.	b. Job Enrichment
	c. Career Advancement Opportunity
	d. Employee Empowerment

**Ans – 1 (b)                      2 (d)**  
**(U)**

**4. Match the following concepts of motivation**

1. Any type of motivation may not have uniform effect on all the members.	a. Motivation produce goal directed behaviour
2. The urge, drives, desires, aspirations, striving or needs of human being influence human behavior.	b. Motivation is complex process
	c. Motivation is an internal feeling

**Ans – 1 (b)                      2 (c)**  
**(U)**

**5. Match the category to which non-financial incentives belong to**

1. It is concerned with acknowledging the work with a show of appreciation.	a. Career advancement opportunity
2. It is concerned with to provide opportunity to employees to improve their skills and to promote them at higher level jobs.	b. Job Enrichment
	c. Employees Recognition programmes
	d. Employee Empowerment

**Ans – 1 (c)                      2 (a)**  
**(U)**

**6. Match financial incentive to the statement they are related to**

1. It is an incentive offered over and above the wages/salary.	a. Pay and allowances
2. It is an incentive create a feeling of ownership to the employees	b. Bonus
	c. Perquisites
	d. Co-Partnership/stock option

**Ans – 1 (b)                      2 (d)**  
**(U)**

**7. Match the category to which elements of directing belong to**

1. It means the process of making subordinate to act in a desired manner to achieve organizational goal.	a. Motivation
2. It is the process of influencing the behavior of people by making them strive voluntarily towards achievement of organisational goal.	b. Leadership
	c. Communication

**Ans – 1 (a)                      2 (b)**  
**(R)**

**8. Match the needs to the category they belong to**

1. Esteem need	a. Achievement of goal
2. Self Actualisation need	b. Recognition
3. Basic physiological need	

**Ans – 1 (b)                      2 (a)**  
**(U)**

**9. Match the non-financial incentive to the category they belong to**

1. It is concerned with Reward orientation, consideration to employees and Risk taking.	a. Career advancement opportunity
2. It is concerned with congratulating the employees for good performance.	b. Job Enrichment
	c. Employees Recognition programmes
	d. Organizational Climate

**Ans – 1 (d)                      2 (c)**  
**(U)**

**10. Match the category to which financial incentives belong to**

1. It is a fringe benefit such as car allowance, education to children.	a. Profit sharing
2. It is an incentive that motivate employees to improve their performance and contribute to increase in profits.	b. Bonus
	c. Perquisites
	d. Co-Partnership/stock option

**Ans – 1 (c)                      2 (a)**  
**(U)**

**Match the Following Questions:**

1. Match the following barriers to communication with their appropriate group category:	
1) Badly expressed message	a) Semantic Barrier
2) Faulty Translation	b) Psychological Barrier
3) Lack of Attention	
4) Distrust	

*(Ans: 1) (a) ; 2) (a) ; 3) (b) ; 4) (b))*

2. Match the following barriers to communication with their appropriate group category:	
1) Use of technical jargon	a) Semantic Barrier

2) Status	b) Psychological Barrier
3) Use of symbols with different meanings	c) Organisational Barrier
4) Rules and regulations	d) Personal Barrier

(Ans: 1) a) ; 2) c) ; 3) a) ; 4) c) )

3. Match the following barriers to communication with their appropriate group category:	
1) Premature evaluation	a) Semantic Barrier
2) Lack of confidence of superior on subordinates	b) Psychological Barrier
3) Organisational facilities	c) Organisational Barrier
4) Fear of challenge to authority	d) Personal Barrier

(Ans: 1) b) ; 2) d) ; 3) c) ; 4) d) )

4. Match the following barriers to communication with their appropriate group category:	
1) Unclarified assumption	a) Semantic Barrier
2) Loss of transmission and poor retention	b) Psychological Barrier
3) Status	c) Organisational Barrier
4) Lack of proper incentive	d) Personal Barrier

(Ans: 1)a) ; 2) b) ; 3) c) ; 4) d) )

5. Match the following barriers to communication with their appropriate group category:	
1) Body language and gesture decoding	a) Semantic Barrier
2) Organisational policy	b) Psychological Barrier
3) Unwillingness to communicate	c) Organisational Barrier
4) Lack of attention	d) Personal Barrier

(Ans: 1) a) ; 2)c) ; 3)d) ; 4)b) )

6. Match the following descriptors with suitable characteristics of Directing :	
1) Exists wherever superior – subordinates relation exists	a) Continuous Process
2) Throughout the life of the organization	b) Flows from top to bottom
3) Superior manager performs this with the subordinate manager	c) Takes place at every level
4) Other functions create setting for this function	d) Initiates action

(Ans: 1)c) ; 2)a) ; 3)b) ; 4)a) )

7. Match the following descriptors with their appropriate importance of directing:	
1) Clarifies doubts in subordinates to perform task	a) Brings stability and balance
2) Extracting the work to full capability of employees	b) Integrating employees efforts
3) Individuals work for organizational goals	c) Initiates action by people
4) Fosters cooperation and commitment	d) Directing employees to realize full potential

(Ans: 1) c) ; 2) d) ; 3) b) ; 4) a) )

8. Match the following incentives with appropriate classification	
1) Perquisites	a) Financial Incentives
2) Status	b) Non-financial incentives

3) Stock Option	
4) Job enrichment	

(Ans: 1) a); 2) b); 3) a); 4) b)

9. Match the following needs with appropriate Maslow's Need Hierarchy.	
1) Stability of Income	a) Self-actualization
2) Acceptance and Friendship	b) Physiological need
3) Growth	c) Security Need
4) Shelter	d) Affiliation need

Ans: 1) c); 2) d); 3) a); 4) b)

10. Match the following descriptors with appropriate non-financial incentives:	
1) Social and esteem needs	a) Employee participation
2) Autonomy	b) Career Advancement opportunity
3) Forming Committees	c) Organisational Climate
4) Skill development	d) Status

Ans: 1) d); 2) c); 3) a); 4) b)

1. Match the following elements of communication with their meaning : [U]

a. Person who conveys his thoughts	1. Media
b. Some obstruction or hindrance	2. Receiver
c. Person who receives message	3. Noise
d. Channel through which message is transmitted	4. Sender

Ans. a-4, b-3, c-2, d-1

2. Match the following types of communications with their names: [R]

1. Official communication taking place in the organization.	a. Vertical communication
2. Flow of information from top level to lower level.	b. Informal communication
3. Communication between two or more persons working at the same level.	c. Formal communication
	d. Horizontal communication

Ans. 1-c, 2-a, 3-d

3. Match the advantages with the types of communication: [A]

1. Very systematic	
2. Develop friendly relationship	a. Formal communication
3. Get social satisfaction	b. Informal communication
4. Ensures orderly flow of information	

Ans. 1,4-a and 2,3-b

4. Match the following examples with the type of communication: [U]

1. Application for grant of leave	a. Downward communication
2. Production manager contact marketing manager	b. Upward communication
3. Sending notice to employees to attend a meeting	c. Horizontal communication

Ans: 1-b, 2-c, 3-a

5. Match the types of barriers under the category which they fall: [R]

1. Badly expressed message	a. Psychological barrier
2. Distrust	b. organizational barrier
3. Faulty translation	c. semantic barrier
4. Complexity in organizational structure	

Ans. 1,3-c, 2-a, 3-b

6. Match the following elements of directing with their meaning: [R]

1. Inducement to act or move	a. communication
2. process of influencing the behavior of people	b. motivation
3. process of exchange of ideas, views, facts etc.	c. leadership

Ans. 1-b, 2-c, 3-a

7. Match the following companies with their leaders: [A]

1. Microsoft	a. Narayan Murthy
2. Reliance industries	b. JRD Tata
3. Tata	c. Bill Gates
4. Infosys	d. Ambanis

Ans. 1-c, 2-d, 3-b, 4-a

8. Match the leadership style with their meanings: [U]

1. Leader gives order to his subordinate	a. Democratic
2. Participation of subordinate in decision making	b. Laissez Faire
3. followers have high degree of independence	c. Autocratic

Ans. 1-c, 2-a, 3-b

9. Match the following needs with their example: [U]

1. Job security	a. Basic physiological needs
2. friendship	b. Affiliation needs
3. hunger	c. Security needs

Ans. 1-c, 2-b, 3-a



10. Match the following incentives with their examples:

[U]

1. Bonus	a. non financial
2. profit sharing	b. financial
3. status	

Ans. 1,2 –b;3-a

## D. Multiple choice questions :

- Leadership:
  - Influencing the behavior of others
  - Maintain bad interpersonal relationship
  - Influence employees to involuntarily
  - Helps in planning (a)
- No interference of superior in taking decision by subordinates in
  - Autocratic leadership
  - Democratic leadership
  - Free rein leadership
  - Paternalistic leadership (c)
- Obedience of order and discipline is find in
  - Autocratic leadership
  - Democratic leadership
  - Free rein leadership
  - Paternalistic leadership (a)
- Full utilization of potential and capacity of employees can be seen in
  - Autocratic leadership
  - Democratic leadership
  - Free rein leadership
  - Paternalistic leadership (c)
- Which is not an element of leadership
  - It is the process of influence
  - The influence is always for common goal
  - It influence your own behavior
  - It influence employee willingly (c)
- Which of the following decisions procedure would be characterize by a manager who asks other people for their opinion and ideas, then makes the decision alone
  - Autocratic
  - Consultation (b)
  - Joint decision
  - Delegation
- Under which of the following decision procedure would other people have the greatest influence
  - Autocratic

- b. Consultation
- c. Joint decision
- d. Delegation (a)

8. Which of the following is most accurate regarding the research conducted on participative leadership

- a. Autocratic
- b. Consultation
- c. Joint decision
- d. Delegation (b)

9. Which is not the features of leadership

- a. It indicates the ability of individual
- b. It tries to bring change in behavior
- c. It shows interpersonal relationship
- d. It is based on personal goal (d)

10. Name the only function of management which is performed by a leader

- a. Planning
- b. Organizing
- c. Directing
- d. Staffing

1. Which of the following is not an element of directing?

- a) Supervision
- b) Staffing**
- c) Motivation
- d) Leadership

2. Directing takes place wherever superior- subordinate relations exist.

Identify the characteristic highlighted in the above statement-

- a) Directing is a continuous process
- b) Directing flows from top to bottom
- c) Directing takes place at every level**
- d) Directing initiates action

3. 'Superior guides his subordinates and clarifies their doubts in performing a task'.

Which importance of directing is highlighted in the statement?

- a) Directing helps to initiate action**
- b) Effective directing helps to bring stability and balance
- c) Directing integrates employees efforts
- d) Directing guides employees to fully realize their potential

4. Which of the following is the appropriate order of hierarchy of needs according to Abraham Maslow?

- a) Safety Needs → Psychological needs → Affiliation needs → Esteem Needs → Self Actualisation needs
- b) Psychological needs → Safety Needs → Affiliation needs → Esteem Needs → Self Actualisation needs**

- c) Affiliation needs → Safety Needs → Psychological needs → Esteem Needs → Self Actualisation needs
- d) Psychological needs → Safety Needs → Esteem Needs → Affiliation needs → Self Actualisation needs

5. Jagan, who was working in a big company resigned on the ground of 'lack of recognition and attention' in the organization towards his work and performance.

Identify the hierarchy need according to Maslow which was not satisfied for Jagan.

- a) Psychological needs
- b) Safety needs
- c) Affiliation needs**
- d) Esteem needs

6. Which of the following describes 'Autocratic Leadership Style'?

- a) Leader develops action plan in consultation with subordinates
- b) Communication is only one way with subordinates**
- c) Manager is only to support and provide information
- d) Followers have high degree of independence

7. Use of 'Technical Jargon' is which type of communication barrier?

- a) Organisational barrier
- b) Psychological barrier
- c) Semantic barrier**
- d) Personal barrier

8. 'Lack of proper incentive' is a barrier to communication.

Identify the type of barrier to which it belongs-

- a) Personal barrier**
- b) Organizational barrier
- c) Psychological barrier
- d) Semantic barrier

9. Which of the following is not a measure to overcome barrier to effective communication?

- a) Convey things of help and value to listeners
- b) Communicate according to the needs of receiver
- c) Consult others before communicating
- d) Fear of challenge to authority**

10. Choose the incentive which best describes 'Organisational climate' as a non-financial incentive.

- a) Individual autonomy**
- b) Holding a managerial position
- c) Appropriate skill development program
- d) Meaningful work experience

1. Which of the following is a financial incentive?

- a. Job security
- b. Stock option
- c. Job enrichment
- d. Employee participation

**Ans – (b) (U)**

2. Which of the following is a non-financial incentive?
- a. Job security
  - b. Retirement Benefit
  - c. Bonus
  - d. Co-partnership
- Ans – (a) (U)**
3. The need that is concerned with sense of belongingness
- a. Esteem need
  - b. Self Actualisation need
  - c. Security need
  - d. Affiliation need
- Ans – (d) (U)**
4. Job enrichment is concerned with
- a. Designing jobs with greater variety of work content
  - b. Involving employees in decision making
  - c. Promoting an employees
  - d. Empowering an employees by giving more autonomy
- Ans – (a) (U)**
5. Which financial incentive is concerned with regular increments in pay every year?
- a. Bonus
  - b. Productivity linked wage incentives
  - c. Pay and allowances
  - d. Co- Partnership
- Ans – (c) (U)**
6. Which non-financial incentive has negative aspect?
- a. Status
  - b. Career Advancement Opportunity
  - c. Job security
  - d. Job Enrichment
- Ans – (c) (U)**
7. The lowest level need in the need hierarchy theory of Abraham Maslow is
- a. Safety need
  - b. Belongingness need
  - c. Esteem need
  - d. Physiological need
- Ans – (d) (R)**
8. Risk taking is an example of the following type of non-financial incentive
- a. Employee empowerment

- b. Career advancement opportunity
- c. Organisational Climate
- d. Employee Recognition programmes

**Ans – (c) (U)**

9. Which element of directing is concerned with making subordinate to act in a desired manner to achieve certain organization goal?

- a. Leadership
- b. Motivation
- c. Communication
- d. Coordination

**Ans – (b) (R)**

10. It is a process which moves the person to action and continues him in the course of action already initiated

- a. Coordination
- b. Communication
- c. Motivation
- d. Decentralisation

**Ans – (c) (R)**

1. The process of converting the message into communication symbols is known as: [R]

- a. Media
- b. Encoding
- c. Feedback
- d. Decoding (d)

2. Grape vine is [R]

- a. Formal communication
- b. Barrier to communication
- c. Horizontal communication
- d. informal communication (d)

3. Which of the following is not an element of communication process? [U]

- a. Decoding
- b. Grapevine
- c. Channel
- d. Receiver (b)

4. Disturbance in telephone line is an example of: [U]

- a. Media
- b. Message
- c. Noise
- d. Feedback (c)

5. Sender  $\implies$  message  $\implies$  Encoding  $\implies$  ?  $\implies$  Decoding  $\implies$  Receiver  $\implies$  Feedback. [A]

- a. Media
- b. Grapevine
- c. Gossip
- d. Sound (a)

6. -----can be defined as exchange of ideas, views , message etc. between two or more persons. [R]

- a. Directing
- b. Communication
- c. Motivation
- d. Leadership (b)

7. 'Better human relationship' is an advantage of which type of communication? [U]

- a. Formal
- b. Horizontal
- c. Vertical
- d. Informal (d)

8. Which is not the advantage of formal communication? [U]

- a. Very systematic
- b. Friendly relationship
- c. Orderly flow of information
- d. Easy to exercise control (b)

9. Which two parties are involved in communication process? [A]

- a. Encoder & Decoder
- b. Superior & Subordinate
- c. Sender & Receiver
- d. Buyer & Seller (c)

10. Which type of communication is rigid and cannot be modified? [A]

- a. Formal
- b. informal
- c. Horizontal
- d. vertical (a)



# CH 8 CONTROLLING

## A.Fill in the blanks

1. 1)No corrective action is needed when \_\_\_\_\_ are within acceptable limits.(deviation)  
(Knowledge)
2. 2)Planning without \_\_\_\_\_-is meaningless.(controlling) (understanding)
3. 3)Controlling takes place on the basis of \_\_\_\_\_ developed by planning.(standards)  
( understanding)
4. 4)A manager who try to \_\_\_\_\_ everything may end up controlling nothing.(control)  
(application)
5. 5)Deviations refers to difference between \_\_\_\_\_ performance and plan  
performance.(actual) understanding)
6. 6)Feedback refers to \_\_\_\_\_ regarding the reasons for mis match between actual  
and plan performance and corrective action.(communication)  
understanding)
7. 7)Controlling evaluates whether the \_\_\_\_\_ cause of action is followed or  
not.(desired) ) (application)
8. 8)There is close and reciprocal relationship between \_\_\_\_\_ and  
controlling.(planning) (understanding)
9. 9)Controlling provides \_\_\_\_\_ of direction.(unity) (Knowledge)
10. 10)Planning is perspective whereas controlling is\_\_\_\_\_.(evaluative) )  
(Knowledge)
11. Controlling creates an atmosphere of order and discipline in the organization.
12. Controlling provides direction to all the activities and efforts for achieving organizational  
goals.
13. Controlling can be used to appraise the performance of employees.



14. Controlling measures the progress and bring out the deviations.
15. By controlling, manager seeks to reduce the wastage of resources.
16. A good control enables the management to verify whether the standards set are accurate and objective.
17. Each and every activity of the organization is governed by pre-determined standards and norms.
18. After analysing deviations, corrective actions are taken in controlling function.
19. Controlling helps in minimizing the dishonest behaviour of the employees
20. A good control system helps to judge accuracy of standard.
21. Controlling ensures that an organization's resources are being used effectively and efficiently for the achievement of pre-determined goals.
22. Controlling function is to be performed at all level of management, to keep a control over activities in their areas.
23. Controlling function brings the management cycle back to planning function.
24. To seek planned results from the subordinates, a manager needs to exercise effectivecontrol over the activities of the subordinates.
25. Planning is prescriptive whereas controlling is evaluative.
26. Controlling is like a post mortem of past activities to find out deviations from the standards.
27. Controlling checks whether decisions have been translated into desired action.
28. Controlling ensures that activities in an organization are performed as per the plans.
29. Controlling function of management helps in formulation of future plans in the light of the problems that were identified in the past.
30. Planning and controlling are interrelated and, in fact, reinforce each other.

## **B)TRUE/FALSE**

1. 1)STANDARDS are set inqualitative terms only. false) (understanding)
2. 2)The effectiveness of budgeting depends on how accurately estimates have been made about future. true) (understanding)
3. 3)Planning and controlling are inter dependent & interlinked true) (Knowledge)

4. 4)Standards means target against which the actual performance is measured. true)  
(Knowledge)
5. 5)Management by exception saves time & efforts of managers. true (analyzing)
6. 6)Critical point control focuses on all the areas. false)
7. (understanding)
8. 7)An ideal control system is the one that checks every bit of performance .false
9. (analyzing)
  
10. 8)Controlling is carried on till the organization is surviving .true
11. (analyzing)
  
12. 9)An accurate control system revises standards from time to time to match them with  
environmental changes .true
13. (application)
14. 10)Management by exception doesnt differentiates between critical &simple problems  
.false
15. (application)
16. Controlling is keeping check that everything goes according to plans. **True**
17. Controlling does not highlight the deviations in the process. **False**
18. Controlling cannot be usedto improve the performance of the employees. **False**
19. Controlling guides the organization to keep everything on right track. **True**
20. Controlling directs the activities and efforts of all towards the accomplishment of organizational  
goals. **True**
21. Corrective actions are necessary after analysing the deviations. **True**
22. Controlling does not facilitate coordination of action. **False**
23. Judging accuracy is one of the important aspects of controlling. **True**
24. Resources are used in the most effective and efficient manner while exercising controlling. **True**
25. Controlling is not able to create an atmosphere of order and discipline. **False**
26. Controlling is a goal oriented function. True
27. Controlling function of a manager is a pervasive function. True
28. Controlling is not required in an educational institution. False
29. Controlling is a management function that brings the management cycle back to planning  
function. True
30. The standards of performance which serve as the basis of controlling are provided by  
planning.True

31. Planning and controlling are both backward looking as well as a forward looking function. True
32. Planning based on facts does not make controlling easier and effective. False
33. Controlling improves future planning by providing information derived from past experience. True
34. Controlling is a primary function of every manager. True
35. A system of control presupposes the existence of certain standards. True

### C.MATCH THE FOLLOWING

1) ON THE BASIS OF measure taken by manager for analysing deviation; ) **Knowledge)**

a)critical point control	a)analysing deviations
b)management by exception	b)KRAs
c)	c)controlling significant deviations

a-b,b-c

2) ) **Knowledge)**

a)corrective action may	a)requires when deviations go beyond limit
b)keeping the organization in right track	b)identifies critical problems
	c)require restraining of employees

a-a b-c

3) ) **Knowledge)**

a)for comparison, actual performance requires	a)requires training of employees
b)comparison reveals	b)deviation
	c)efficiency

a-c,b-a

understanding

a)Controlling implies	a)comparison of actual performance with standards
b)it is a function that	b)analyzing deviation

	c)bringing discipline
--	-----------------------

a-a, b-b

**5) )(understanding)**

a)A good control system enables	a)a careful check on the changes
b)ensuring order & discipline	b)check accuracy of objectives
	c)efficient use of resources

a-c,b-a

**6) match causes of deviation with corrective action )(understanding)**

a)defective machinery	a)modify the existing process
b)defective process	b)improve the physical condition of work
	c)repair the existing machine or replace the machine if it can,t be repaired

a-c,b-a

**7) Knowledge)**

a)sales budget	a)anticipated cash inflows& outflows
b)cash budget	b)estimated quantity & cost of materials
	c)expected sale of quantity as well as value

a-c,b-a

**8)knowledge**

a)break even point	a)no profit ,no loss
b)ROI	b)total revenue is more
	c)capital employed

a-a,b-c

1. Match the standards used in the below functional areas. **(U)**

- |                            |                    |
|----------------------------|--------------------|
| i) Production              | a) sales volume    |
| ii) Finance and accounting | b)labour turnover  |
|                            | c) Flow of capital |

d) quality

Ans i) d      ii) c

2. Match the points which describe the importance of judging accuracy of standard in the controlling function. **(App)**

- |                             |                                 |
|-----------------------------|---------------------------------|
| i) Carefully check          | a) Laid down carefully          |
| ii) Review                  | b) Assessing what is being done |
| iii) Accurate and Objective | c) Appraising the performance.  |

Ans i) b      ii) c      iii) a

3. Match the following standards used in the below given functional areas. **(App)**

- |                     |                     |
|---------------------|---------------------|
| i) Marketing        | a) Cost             |
| ii) Human Resources | b) Sales Volume     |
|                     | c) Liquidity        |
|                     | d) Labour relations |

Ans. i) b      ii) d

4. Match the process of controlling from the following **(R)**

- |                                       |  |
|---------------------------------------|--|
| i) Setting performance standards      | a) Performance should measure in objective and reliable manner.                |
| ii) Measurement of Actual performance | b) Standards are criteria against which actual performance would be measured . |
| iii) Analysing deviations             | c) When deviations goes beyond permissible limit.                              |
| iv) Taking corrective actions         | d) Critical point control and management by exception are used.                |

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

5. Match the causes of deviations with correct corrective action. **(Anal)**

Causes of deviations

Corrective action

- |                          |  |
|--------------------------|--|
| i) Obsolete Machinery    | a) Change the quality specifications for the materials used. |
| ii) Defective Process    | b) Repair or replace the existing machinery.                 |
| iii) Defective machinery | c) Modify the existing process.                              |
| iv) Defective Material   | d) Undertake technological upgradation of machinery.         |

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

6. Match the correct performance technique with the performance measurement of the following. **(App)**

- |  |                         |
|--|-------------------------|
| i) Measurement of employee's performance | a) return on investment |
|--|-------------------------|

ii) Measurement of company's performance

- b) Sample checking
- c) Increase in quality
- d) performance Report

Ans i) d

ii)a

7. Match the following points with the proper definition of planning and controlling. **(R)**

- i) Planning standard.
  - a) It finds out how far actual performance deviates from the standard.
- ii) Controlling
  - b) It is for future work of action.
  - c) It is not the best way to check the quality of work.
  - d) It deals only with the final result of the company.

Ans i) b

ii) a

8. Match the following process with the correct steps. **(U)**

- i) The actual and standards are compared to find the deviations.
  - a) Corrective Action
- ii) If something goes wrong, then there should be a proper way to make it correct.
  - b) Analysing deviations
- iii) Pre-determined norms should be set before doing
  - c) Comparison between actual and standard
- iv) Difference between actual and standard
  - d) Setting performance standard.

Ans i) c    ii)a    iii)d    iv)b

9. Match the correct description for the following. **(U)**

i) Controlling	a) Intellectual process based on thinking and analysing.
ii) Planning	b) It is the process to check whether the decisions are translated into desired action.
	c) It is only focussed on improving the morale of the employees.

Ans i) b

ii)

10. Match the correct importance of controlling with its description. **(U)**

i) Making efficient use of resources	a) They will get good appreciated, if they do what is expected from them.
ii) Ensuring order and discipline	b) There should be reduction in wastage and spoilage of resources.
iii) Accomplishing organizational goals	c) It helps in minimizing the dishonest

	behaviour of employees.
iv) Improving employees motivation	d) All the efforts should be directed towards one goal.

Ans. i) b      ii)c      iii)d      iv)a

- 1) (U) Under controlling function, organization's analyze deviations by the following-
- (i) Focusing on Key Result area
  - (ii) Focusing attention on significant deviations which cross the permissible limit

(a) Compare actual with standard

(b) Critical Point Control

(c) Management by exception

Ans: (i)-(b)

(ii)-(c)

- 2) (A) Match the given standards with their functional areas-

(i) Production

(ii) Marketing

(a) Labor turnover

(b) Capital expenditure

(c) Advertising expenditure

(d) Quantity

Ans: (i)-(d)

(ii)-(c)

- 3) (A) Match the given standards with their functional areas-

(i) Finance and accounting

(ii) Human Resource management

(a) Quality

(b) Sales Volume

(c) Labor relations

(d) Capital expenditure

Ans: (i)-(d)

(ii)-(c)

- 4) (A) Match the following corrective actions undertaken while controlling with the causes of deviations-

(i) Modifying the existing process

(ii) Change quality specification for The material used.

(a) Defective machinery

(b) Defective process

(c) Obsolete machinery

(d) Defective material

Ans: (i) – (b)

(ii)-(d)

- 5) ( R ) Match the following steps of controlling process with the correct explanation-

(i) Standards can be set in both quantitative And qualitative terms

(ii) Performance should be measured in an

(a) Analyzing deviations

Objective & reliable manner

- (b) Measurement of actual performance
- (c) Comparing actual performance with standard
- (d) Setting performance standards

Ans: (i)-(d)

(ii)-(b)

6) (U) Match the following techniques with the measurement criteria used in the following-

- (i) Measurement of company's performance (a) Personal observation
- (ii) Measurement of efficiency of production (b) Counting Number of

Defective pieces in a batch

(c) Gross Profit Ratio

Ans: (i) - (c)

(ii)- (b)

7) (U) Match the importance of controlling with their correct explanations-

(i) It helps to review and revise standards in (a) Accomplishing org. goals

the light of environmental changes.

(b) Judging accuracy of standards

(ii) Seeks to reduce wastage of resources (c) Making efficient use of resources.

Ans: (i)-(b)

(ii)-(c)

8) (A) Match the following functions of management with their features-

- (i) Planning (a) Development of personnel
- (ii) Controlling (b) An intellectual process involving thinking to Prescribe a course of action
- (c) Checks that decisions have been translated into desired actions

Ans: (i)-(b)

(ii)-(c)

9) (A) Match the following standards with their examples-

- (i) Qualitative (a) Cost to be incurred
- (ii) Quantitative (b) Key Result Areas

(c) Improving motivation level

Ans: (i)- (c)

(ii)-(a)



10) (U) Match the importance of controlling with their correct explanation-

- |      |   |     |                                     |
|------|---|-----|-------------------------------------|
| (i)  | Helps to minimize dishonest behavior on the part of the employees                   | (a) | Facilitates co-ordination in action |
| (ii) | Provides direction to all activities and efforts for achieving organizational goals | (b) | Accomplishing organizational goals  |
|      |   | (c) | Ensuring order and discipline       |

Ans: (i)-(c)

(ii)-(a)

## **MULTIPLE CHOICE QUESTIONS**

1) Standards are set in\_(c) )(Knowledge)

- a) qualitative      b) quantitative  
c) both a) & b)      d) none

2) Effectiveness of Budgeting depends on \_(b) Knowledge)

- a) liquidity      b) estimates  
c) planning      d) resources

3) Controlling is the function which brings back the management cycle to\_(b) )(understanding)

- a) organizing      b) planning  
c) directing      d) management

4) Standards means \_(a) Knowledge)

- a) target      b) estimates  
c) output      d) results

5) Management by exception \_(a) analyzing)

- a) significant deviation      b) all deviations  
c) controlling      d) none

6) Management by exception differentiates between (b) (understanding)

- a) standards & outputs    b) planned & actual
- c) critical & simple problems    d) input & output

7) Management audit is a technique to keep a check on the performance of \_\_\_\_\_ (a) Knowledge)

- a) company    b) management
- c) shareholders    d) customers

8) Budgetary control requires the preparation of (b) Knowledge)

- a) training schedule    b) budgets
- c) network diagram    d) responsibility centres

9) Controlling function of organization is (b) (understanding)

- a) forward looking    b) forward as well as backward looking
- c) backward looking    d) none

10) Critical point control focuses on (c) Knowledge)

- a) every task    b) financial areas
- c) key result area    d) planning areas

11. Which of the following is the function prerequisite for controlling? **(U)**

- a) Staffing
- b) Organizing
- c) Planning
- d) Directing

Ans: (c)

12. Planning and Controlling are \_\_\_\_\_ to each other. **(U)**

- a) Separate
- b) Unrelated
- c) Interrelated
- d) Opposite

Ans: (c)

13. Measurement of employees' performance can be done by \_\_\_\_\_. **(Anal)**

- a) Increasing the market share of the company
- b) Gross profit ratio
- c) Return on investment
- d) Performance report

Ans : (d)

14.Deviations may have multiple origins. In case of production, it may be\_\_\_\_\_ **(Anal)**

- a) Unrealistic target of sales
- b) More discounts were given.

Ans: (b)

15.Management by Exception refers to \_\_\_\_\_ **(R)**

- a) Significant deviation which goes beyond the permissible limit should be brought to the notice of the management.
- b) Focuses on the key result areas.
- c) Comparison of actual performance with the standard.
- d) Measurement of Company's and its employees' performance.

Ans: (a)

16.Standards can be set in the following terms:**(U)**

- a) Only Qualitative
- b) Only Quantitative
- c) Both Qualitative and Quantitative
- d) Neither Qualitative nor Quantitative

Ans: (c)

17.This is one of the features of standards. Identify it.**(U)**

- a) Rigid
- b) Flexible
- c) Static
- d) Unbending

Ans: (b)

18.Which one of the following is not the step in the process of controlling?**(U)**

- a) Measurement of actual performance.
- b) Establishing reporting relationship.
- c) Setting performance standards.
- d) Taking corrective action.

Ans : (b)

19. Among the following, which one standard can be maintained in Marketing? **(App)**

- a) Cost
- b) Flow of Capital
- c) Advertising Expenditure
- d) Liquidity.

Ans: (c)

20. Controlling function brings back the management cycle to which function? **(U)**

- a) Directing
- b) Planning
- c) Organizing
- d) Staffing

Ans: (b)

Q1)(U) "Controlling is required at all the levels of management". Which feature is highlighted in the above statement?

- a) Dynamic
- b) Contingent
- c) Pervasive
- d) Continuous

Ans: (c)

Q2)(R) Controlling function aims to-

- a) Find out how far actual performance deviates from standards.
- b) Find out how far standards deviate from actual performance.
- c) Initiate action by people in the organization
- d) Improve job satisfaction and morale of the employee

Ans: (a)

Q3) (U) Standards are the bench mark to-

- a) Measure future performance
- b) Measure actual performance

- c) Correct future performance
- d) Correct actual performance

Ans: (b)

Q4) (U) Which among the following is a feature of standard-

- a) Rigid
- b) General guidelines
- c) Flexible
- d) Static

Ans: (c)

Q5) (R)Critical point control focuses on-

- a) Significant deviations only
- b) Key result areas
- c) Each and every activity in an organization
- d) Attempts to control everything

Ans: (b)

Q6) (R )Management by exception refers to-

- a) Controlling significant deviations
- b) Focus on Key result areas
- c) Check on each and every activity
- d) Keep a control on everything

Ans: (a)

Q7) (U) Controlling is-

- a) Forward looking
- b) Backward looking
- c) Both forward and backward looking
- d) Neither forward nor backward looking

Ans: (c )

Q8) (U) Under controlling function, deviations can be analyzed by-

- a) Setting performance standards
- b) Measurement of actual performance
- c) Critical Point Control
- d) Taking corrective actions

Ans: ( c )

Q9) (R) Which one of the following is not an importance of controlling-

- a) Judging accuracy of standard
- b) Facilitates coordination in action
- c) Ensuring order and discipline
- d) Clarity in working relationship

Ans: (d)

Q10)( R) Which one of the following is not a step of controlling process-

- a) Measurement of actual performance
- b) Analysing deviations
- c) Evaluating alternative course of action
- d) Taking corrective action

Ans: ( c )

## CHAPTER-9

### FINANCIAL MANAGEMENT

#### True or False

1. Flotation cost is the cost involved in the issue of shares and debentures.  
**(True)R**
2. Flotation cost includes the cost of discount of issue of shares. **(False)--R**
3. If existing shareholders want to exercise complete control then they should prefer debt.**(True)-- U**
4. If existing share holders can share the control then they may go for debt.**(False)--U**
5. Investment in current assets for longer duration is called fixed capital.**(False)-R**
6. Nature of business is an important factor to decide requirement of fixed capital. **(True)--U**
7. Fixed capital finance depends on the short term sources of finance.**(False)--U**
8. If a company follows labourintensive technique in production, they will go for less requirement of fixed capital.**(True)--U**
9. Firm having higher degree of operating efficiency require higher amount of working capital.**(True)--A**
- 10.Higher Inventory to be maintained when more working capital is required.  
**(True)**  
**--A**

11. Working capital refers to excess of current assets over current liabilities. **(True)--R**
12. Gross working capital refers to the investment in all the current liabilities. **(False)--R**
13. Net working capital refers to excess of current liabilities over current assets. **(False)-R**
14. Capital structure means the portion of current assets and current liabilities. **(False)-R**
15. Financial leverage refers to the portion of debt in the overall capital. **(True)-U**
16. Debt and equity differ in cost and risk. **(True)-U**
17. A company employs more of debt securities in its capital structure if company is sure of generating enough cash inflows. **(True)-A**
18. High Interest Coverage Ratio means companies can have more of borrowed funds. **(True)-A**
19. Lower Interest Coverage Ratio means less borrowed securities. **(True)-A**
20. If Debt Service Coverage Ratio is high then company can have more debt in capital structure. **(True)-A**
21. Capital budgeting decision has a direct impact on liquidity as well as profitability of a business False
22. Financial planning provides a link between investment and financing decisions .True
23. Debt causes a dilution of control .False



24. Companies having good growth opportunities usually declare higher dividend. False
25. Use of borrowed capital increases the financial risk of a business. True
26. Provisions of Companies Act must be adhered while declaring dividend . True
27. Trading on equity does not lead to increase in EPS . False
28. Short term financial plan are called budget. True
29. Short term investment decisions are Irreversible. False
30. A public issue of shares and debentures have to be made under SEBI guidelines. True

### **Fill in the blanks:**

1. Working capital is calculated by reducing **current liabilities** out of current assets.-R
2. Equity is related to **shareholder's funds**.-U
3. Capital structure includes proportion of **debt** and equity.-R
4. Gross working capital relates to **current assets**.-R
5. Cost of raising funds is called **flotation cost**.-R
6. Another name for long term investment decision is **capital budgeting**.-U
7. Financial leverage is proportion of **debt** in overall capital.-U

8. Favourable financial leverage is when **Return on Investment** is greater than rate of interest on debt.--A
9. Fixed capital is related to **investment decision**.-R
10. Capital budgeting decisions include purchase of **fixed assets**.—U
11. Current assets get converted into **cash** within an accounting year.-R
12. Inflation is related to **rise** in price.--U
13. If there is shortage of cash then company employs more of **equity** in capital structure.--E
14. High Interest coverage ratio means companies can have more **borrowed** funds.-A
15. **Low** rate of Interest of Company with more of debt as compared to equity.-A
16. Distribution of surplus funds is related to **dividend** decision.-A
17. Selection of asset related to **investment** decision.-R
18. If earning is higher, then company declares **high** rate of dividend.--A
19. If there is shortage of cash, company must employ more of **equity** in its capital structure.--A
20. Company having higher tax rate prefer **debt** instead of Equity.—A
21. Essential ingredients of sound Working Capital Management are \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_ (cash, inventory and receivables)
22. Different techniques to evaluate investment proposal are known as \_\_\_\_\_ (capital budgeting techniques)

23. During the period when stock market is rising more people invest in \_\_\_\_\_(equity)
24. Company having high fixed operating cost would opt for \_\_\_\_\_(debt)
25. Company has to follow \_\_\_\_\_ and \_\_\_\_\_ constraints while paying dividends(contractual, legal)
26. If tax on dividend is higher, Company pay \_\_\_\_\_ by way of dividend.(less)
27. The preparation of a financial blueprint of an organisation is known as \_\_\_\_\_( financial planning)
28. Capital structure is a mix of \_\_\_\_\_ & \_\_\_\_\_(debt ,equity)
29. If return on investment is \_\_\_\_\_ than cost of debt it leads to use trading on equity to increase its EPS (higher)
30. With an increase in debt component in capital structure it leads to increase \_\_\_\_\_(financial risk)

## **Multiple Choice Questions**

- 1... A fixed asset should be financed through: U
- a. a long-term liability
  - b. a short-term liability
  - c. a mix of long and short-term liabilities
  - d. current liability
- **a. a long-term liability**
2. Current assets of a business firm should be financed through: U
- a. current liability only

- b. long-term liability only
- c. both types (i.e. long and short term liabilities)
- d. shareholders' funds

▶ **a. current liability only**

3. What is the other name of long term decision? U

- a. Capital Budgeting
- b. Gross working capital
- c. Financial management
- d. Working Capital

▶ **a. Capital Budgeting**

4. Return on investment is computed as? U

- a. Total Investment X EBIT
- b. EBIT X EBT
- c. EBIT / Total Investment
- d. EBT / Total Investment

▶ **c. EBIT / Total Investment**

5. What is the cost of raising funds called? R

- a. Flotation Cost
- b. Marginal Cost
- c. Fixed Cost
- d. Variable Cost

▶ **a. Flotation Cost**

6. Working capital refers: R

- a. Excess of Current Assets over Current Liabilities
- b. Excess of Current Liabilities over Current Assets
- c. Excess of Fixed Assets over Current Liabilities Fixed Cost
- d. Excess of Current Assets over Fixed Assets

▶ **Excess of Current Assets over Current Liabilities**

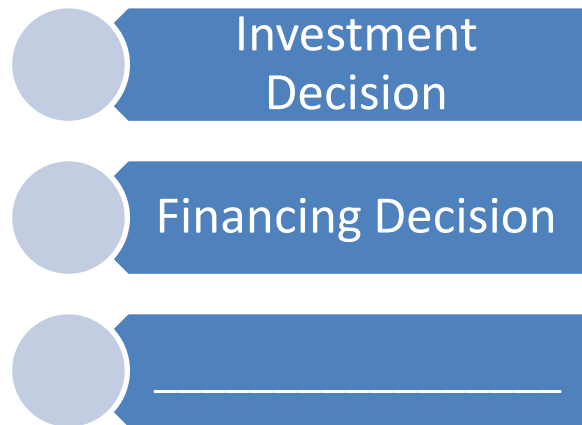
7. Gross working capital refers to: U

- a. Investment in Fixed Assets

- b. Investment in Current Assets
  - c. Investment in Bank.
  - d. All of the above
- b. Investment in Current Assets

8.

R



The third decision related to financial management is:

- a. Dividend Decision
  - b. Current Decision
  - c. Fixed Decision
  - d. Borrowing Decision
- a. Dividend Decision

9. EBIT refers to:

- a. Earning Before Interest and Tax
- b. Earning Before Income and Tax
- c. Earning Before Investment and Tax
- d. Earning Before Installment and Tax

► a. Earning Before Interest and Tax

10. Operating Cycle starts with:

- a. Procurement of Raw Material
- b. Manufacturing of Goods

c. Realize cash from debtors

d. Payment to creditors

**a. Procurement of Raw Material**

11. The cheapest source of finance is:

R

a. debenture

b. equity share capital

c. preference share

d. retained earnings

▶ d. retained earnings

12. A decision to acquire a new and modern plant to upgrade an old one is a:

R

a. financing decision

b. working capital decision

c. investment decision

d. None of the above

▶ investment decision

13. Other things remaining the same, an increase in the tax rate on corporate profits will:

a. make the debt relatively cheaper

b. make the debt relatively the dearer

c. have no impact on the cost of debt

d. we can't say

▶ a. make the debt relatively cheaper

A

14. Companies with a higher growth pattern are likely to:

U

a. pay lower dividends

b. pay higher dividends

c. dividends are not affected by growth considerations

d. none of the above

▶ a. pay lower dividends

15. Financial leverage is called favorable if:

A

a. Return on Investment is lower than the cost of debt

b. Return on Investment is higher than the cost of debt

- c. Debt is easily available
- d. If the degree of existing financial leverage is low
- ▶ b. Return on Investment is higher than the cost of debt

16. Higher debt-equity ratio results in:

A

- a. lower financial risk
- b. higher degree of operating risk
- c. higher degree of financial risk
- d. higher Earning Per Share
- ▶ c. higher degree of financial risk

17. Higher working capital usually results in:

A

- a. higher current ratio, higher risk and higher profits
- b. lower current ratio, higher risk and lower profits
- c. higher equity, lower risk and lower profits
- d. lower equity, lower risk and higher profits
- ▶ a. higher current ratio, higher risk and higher profits

18. Current assets are those assets which get converted into cash:

R

- a. within six months
- b. within one year
- c. between one and three years
- d. between three and five years
- ▶ b. within one year

19. Financial planning arrives at:

A

- a. minimising the external borrowing by resorting to equity issues
- b. entering that the firm always have significantly more funds than required so that there is no paucity of funds
- c. ensuring that the firm faces neither a shortage nor a glut of unusable funds
- d. doing only what is possible with the funds that the firms has at its disposal
- ▶ c. ensuring that the firm faces neither a shortage nor a glut of unusable funds

20. Higher dividend per share is associated with:

A

- a. high earnings, high cash flows, unstable earnings and higher growth opportunities
  - b. high earnings, high cash flows, stable earnings and high growth opportunities
  - c. high earnings, high cash flows, stable earnings and lower growth opportunities
  - d. high earnings, low cash flows, stable earnings and lower growth opportunities
- c. high earnings, high cash flows, stable earnings and lower growth opportunities

21. Factors affecting financing decisions are:

- a. Stability of earning
- b. Investment criteria
- c. Cash flow of the project
- d. Control consideration

Ans.(d)

22. Unfavourable financial leverage leads to

- a. Increase in EPS
- b. Decrease in EPS
- c. EPS is not affected
- d. Increase in tax

Ans.(b)

23. Acquiring a new fixed asset is an example of :

- A. Capital budgeting decisions
- B. Dividend decision
- C financing decision
- D working capital decision

Ans(A)

24. working capital decisions are concerned with the decision of

- A control
- B debt
- C inventory
- D Equity

Ans.(C)



25. Floatation cost is high in

A equity shares

B retained earnings

C debentures

D dividend

Ans(A)

26. The concept which provides a link between investment and financing decision

A. Trading on equity

B. Financial leverage

C. Capital structure

D. Financial planning

Ans.(d)

27. Other things remaining the same if fixed operating cost is high the firm would opt to raise finance from

A. Debentures

B. Bills receivable

C. Equity shares

D. Commercial paper

Ans (c)

28. The extent of retained earning is influenced by which decision:

A. Investment decision

B. Dividend decision

C working capital decision

D. Financing decision

Ans( b )

29. Companies with stable earnings are likely to :

A. Pay higher dividend

B. Not pay any dividend

C pay lesser dividend

D. Dividend are not affected by stable earning

Ans.(A)

30. Factors affecting dividend decisions are

A return on investment

B flotation cost

C legal constraints

D. Control consideration

Ans (c)

## **Match the following**

1. Companies with a higher growth pattern are likely to: pay lower dividends

pay higher  
dividends(ans b)

2. Completion the work on time in Investment Decision

Effectiveness

Efficiency

R (ans a)

3. A decision to acquire fixed assets      Investing Decision

A decision is related with dividend      Dividend decision      R

Financing Decision (ans1a 2b)

4. Higher dividend per share

Is associated with:-

A

- High earnings, high cash flows, stable earnings and lower growth opportunities
- high earnings, low cash flows, stable earnings and lower growth opportunities
- (ans a)

5. A decision to acquire a new and modern plant to upgrade an old one is a: U

- **Investment decision**  
working capital decision

6. External source of finance is: **Debenture** U

Internal source of finance is: **Retained earnings**

Fixed Assets

(ans 1a 2b)

7. Higher debt-equity ratio results in lower financial risk U

**Higher degree of operating risk**

(ans b)

8. Financial planning arrives at: A

- Minimizing the external borrowing by resorting to equity issues
- **Ensuring that the firm faces neither a shortage nor a glut of unusable funds**

(ans b)

9. A fixed asset should be financed through: U

- a short-term liability
- **a mix of long and short-term liabilities (ans b)**

10. Current assets of a business firm should be financed through: A

- a. current liability only
- b. long-term liability only

11. Higher dividend per share is associated with

A

high earnings, high cash flows, stable earnings and lower growth opportunities

high earnings, low cash flows, stable earnings and lower growth opportunities

12. A decision to acquire a new and modern plant to upgrade an old one is

a:U

investment decision

working capital decision

13. Completion of the work on time:

U

Effectiveness

Efficiency

14. External source of finance is:

Debenture

U

Internal source of finance is:

Retained earnings

Fixed Assets

15. A decision to acquire fixed assets

Investing Decision

U

A decision is related with dividend

Dividend decision

Financing Decision

A

16. Companies with a higher growth pattern are likely to pay lower dividends

pay higher dividends

17. Higher debt-equity ratio results in lower financial risk  
A

higher degree of operating risk

18. Financial planning arrives at:  
minimizing the external borrowing by resorting to equity issues  
ensuring that the firm faces neither a shortage nor a glut of unusable funds  
U

19. A fixed asset should be financed through: a short-term liability  
R

a mix of long and short-term liabilities

20. Current assets of a business firm should be financed through: R  
a. current liability only  
b. long-term liability only

21. Match the factor affecting following financial decisions:  
a. Dividend decision. I Investment criteria b. Investment decision  
II Control consideration c. Financing decision III. Stability of earning  
I, c-II Ans. a-III, b-

22. Match the concept with related formulas:

- a. ICR. I.  $EAT/\text{number of shares}$   
b Return on investment II.  $EBIT/\text{interest}$   
C. Capital structure III  $\text{Debt}/\text{Debt}+\text{Equity}$   
d.EPS. IV .  $EBIT/\text{Capital investment} * 100$   
And.a-II,b-IV,c-III,d-I

23. Match the impact created by taking following decisions:

- a. Capital budgeting decisions. I. Affects liquidity and profitability  
b. Working capital decision. II. Increase the financial risk of company  
c. Dividend decisions. III. Increase in size of assets  
d. Financing decision. IV affects retained earnings

ans (a-III,b-I,c-IV,d-II)

24. Match the following on the basis of financial concept:

- a flotation cost. I risk of default on payment  
b. Financial planning II proportion of debt in total capital structure  
c. Financial leverage III. Cost of raising funds  
d. Financial risk IV. Process of estimating the requirement of funds and specifying the source of funds

ans. (a-III,b-IV,c-II,d-I)

25. match the impact of leverage

- a. Favourable financial leverage.I. Decrease in EPS due to debt component  
b. Unfavourable financial leverage.II. Affects retained earning  
III. Increase in EPS due to debt component

Ans. (a-III,b-I)

26. Match the factors which affects decisions:

- A.Fixed capital 1.Technology upgradation  
2.amount of working capital

Ans(a-1)

27. Match the factors affecting following Financial decision:

- |                       |                             |
|-----------------------|-----------------------------|
| A.Dividend decisions  | 1.Stock market condition    |
| B.Financial decisions | 2. Share holder preference  |
|                       | 3. cash flow of the project |

Ans(a-2 b-2)

28. Match the factors affecting decisions:

- |                   |                                |
|-------------------|--------------------------------|
| a.working capital | 1.availability of raw material |
|                   | 2. Financing alternatives      |

Ans (a-1)

29. Match the source of finance with risk and cost:

- |                 |                               |
|-----------------|-------------------------------|
| a.Debt          | 1.Higher cost                 |
| b.Equity shares | 2.Higher cost and higher risk |
|                 | 3. lower cost                 |

Ans(a-3 b-1)





# **CHAPTER 10**

## **FINANCIAL MARKET**

### **FILL IN THE BLANKS**

1. Treasury bill is also known as Zero coupon bond.
2. Maturity period of commercial papers is 15 days to 1 year.
3. Two major alternative mechanism through which allocation of funds can be done are bank and financial markets.
4. Financial market is a market for creation and exchange of financial assets.
5. Rate paid on call money is known as call rate.
6. Discount finance house of India has been established for a specific objective of providing a ready market to money market instruments.
7. Securities are not issued directly to the public but are offered for the sale through intermediaries.
8. The prices in the primary market are determined by the management of the company.
9. The forces of demand and supply help to establish a price for the commodity as service in the financial market.
  
10. Households are also known as \_\_\_\_\_ in the market.
11. Money market is the source of short term finance.
12. Financial market act as link between savers and investors.
13. The maturity for money market instruments for a period of one year.
14. Commercial bill is also known as bill of exchange.
15. Treasury bills are issued by Reserve Bank of India on behalf of the Government of India.
16. Meeting flotation cost, commercial paper is used as one instrument of money market.

17. Private placement is the allotment of securities by a company to institutional investor and some selected individuals.
18. In secondary market the dealing of securities is between investors.
19. The capital market deals in medium and long term securities.
20. Capital market is a place through which long term funds both debt and equity are raised and invested.

21.	The <u>head office</u> of SEBI is situated in <u>MUMBAI</u> .	R
22.	SEBI has <u>3</u> regional office(s) .	R
23.	It has been made compulsory to settle all trades with in <u>2</u> days of the trade date.	R
24.	Asia's first Stock Exchange is <u>BSE (Bombay stock exchange)</u> .	R
25.	BSE was established in the year <u>1875</u> .	R
26.	Registration of broker and sub-brokers is the <u>Regulatory</u> function of SEBI.	R
27.	Training of intermediaries of the security market is the <u>DEVELOPMENT</u> function of SEBI.	R
28.	Prohibition of fraudulent and unfair practices is <u>protective</u> function of SEBI.	R
29.	NSE deals in <u>whole sale</u> market Segment and <u>capital</u> Market segment .	R
30.	NSE In India was recognized as a stock exchange in the year 1993.	R

31.	An institution which provides a platform for buying and selling of existing securities is known as ..... ( Stock exchange)	R
32.	The facilities of reinvestment and disinvestment in securities is provided by ..... Institution/organization . (stock exchange )	R
33.	The prices of securities are determined by the forces of <u>demand</u> and <u>supply</u> .	R
34.	Creating awareness and educating the public about investment	R

	in securities is the <u>Spreading of Equity Cult</u> function of SEBI.(	
35.	The function of SEBI which leads to <u>capital formation and economic growth</u> .	R
36.	The function of SEBI which ensures that the investors gets a safe and fair deal on the secondary Market is <u>safety of transaction</u> .	R
37.	The process of holding securities in any electronic form is called <u>dematerialization</u> .	R
38.	The two main depository participants in India are <u>NSDL</u> and CDSL.	R
39.	National stock Exchange in India was Incorporated in the year <u>1992</u> .	R
40.	NSE in India started operation in the year <u>1994</u> .	R

### **True or False:**

1. Is the statement true that the price in the primary market is determined by the forces of demand and supply? **False**
2. Call money is the short term money market instrument issued for a period of 15 days to 1 year. **False**
3. Treasury Bills are available in 25,000 and its multiples. **True**
4. The instruments sold in the capital market are treasury bill, certificate of deposits, call money etc. **False**
5. A prospectus is a direct appeal to investors to raise capital through an advertisement in newspapers, magazines etc. **True**
6. Primary market promotes indirect capital formation. **False**
7. The original purpose of commercial papers is to meet fixed capital needs. **False**
8. The participants in the capital market are foreign investors, RBI and Bank. **False**
9. The capital market is generally much safer with a minimum risk of default. **False**
10. The money market is classified into primary and secondary market. **False**

11. Certificate of deposits are unsecured instrument which are not issued in bearer form. (False)
12. Commercial bills are common instrument used in credit purchase and sale. (True)
13. Secondary market helps existing investors to invest and fresh investors to enter the market. (True)
14. Only buying of securities take place in the primary market, securities cannot be sold there. (True)
15. Secondary market directly promotes capital formation. (False)
16. Capital market deals only with common stock and other equity securities. (True)
17. The participants in the capital market RBI, finance companies. (False)
18. Financial market not help in reducing the cost of transactions. (False)
19. Capital market instruments are riskier both with respect to return and principal repayment. (True)
20. Commercial paper is a secured promissory note. (True)
21. Sensex is made up of 30 of the most actively traded stocks in the market. (T)
22. BSE does not have a nation – wide presence .
23. BSE has the target market capitalization in India . (T)
24. Debt market segment provides platform for fixed Income Securities .(T)
25. Capital market segment provides platform for fixed Income Securities .(F)
26. The process of holding securities in an electronic form is called Dematerialisation . (T)
27. To trade in securities Demate Account is not necessary. (F)
28. IPOs can be issued by companies in paper mode only. (F)
29. Demate account is opened with depository participants .(T)
30. Investor can trade directly with Stock Exchange .(F)
31. Stock Exchange helps in dealing of second hand securities. (T)
32. Debentures can not be traded in stock exchange. (F)

33. Stock exchange helps in determining the prices of securities. (T)
34. Stock Exchange helps in reinvestments of savings into productive purposes. (T)
35. Registration of collecting investing schemes and Mutual funds is a Regulatory function of SEBI. (T)
36. Controlling unfair trade practices is a Regulatory function of SEBI. (F)
37. A Bullish phase refers to a period of optimism (T)
38. A bearish phase refers to a period of optimism (F)
39. Sensex is the bench mark index of the NSE. (F)
40. At present only two depositories are registered with SEBI. (T)

**Match the following:**

1. Match the following on the basis of money market:

(i) Instruments issued by Reserve Bank of India on behalf of Central Government	(a) Call money
(ii) It is issued to meet cash reserve ratio with the reserve bank of India	(b) Commercial papers
(iii) It is issued at the time of tight liquidity when deposits are less and demand of loan is high	(c) Certificate of Deposits
(iv) Companies use this instrument for the purpose of bridge financing	(d) Treasury Bills

Ans: (i)-(d), (ii)-(a), (iii)-(c), (iv)-(b)

2. Match the following on the basis of Financial market:

(i) Market where short term securities are sold	(a) Financial Market
(ii) Market for creation and exchange of financial assets	(b) Primary Market
(iii) It sells equity shares, debentures, bonds and preference	(c) Money Market

shares	
(iv) In this market flow of funds is from savers to investors of the company	(d) Capital Market

Ans: (i)-(c),(ii)-(a),(iii)-(d),(iv)—(b)

3. Match the following on the basis of floatation in primary market:

(i) Securities are not sold directly to general public	(a) E-IPOs
(ii) Securities are sold directly to public through online	(b) Private placement
(iii) Securities in primary market are sold to selected individuals	(c) Offer right issue
(iv) Securities are sold to existing shareholders	(d) Offer for sale

Ans: (i)-(d),(ii)-(a),(iii)-(b),(iv)-(c)

4. . Match the following on the basis of duration of money market instruments:

(i) Commercial Papers	(a) 1 day to 15 days
(ii) Call money	(b) 15 days to 365 days
	(c) 1 year to 5 years

Ans: (i)-(b),(ii)-(a)

5. Match the following on basis of security:

(i) Capital market sells	(a) Treasury bill, Call money, Certificate of deposits
(ii) Money market sells	(b) Treasury Bill, Debentures, Shares
	(c) Equity shares, Debentures, Preference Shares

<b>6.</b>	Match the institution with the year of its establishment:		R
	1.NSE	A. 1875	
	2.BSE	B. 1903	
		C.1992	
<b>7.</b>	Match the tasks with the function of SEBI :		U
	1.Levying fee or other charges for carrying out the purpose of the Act .	a. Development	
	2.Conducting research and publishing useful information to all market participants	b. Protective	
		c. Regulatory	
<b>8.</b>	Match the instruments with the segment of NSE :		U
	1. Debentures	a. Whole Sale Debt Market	
	2. Treasury Bill	b. Whole Sale Market	
		c. Capital Market	

<b>9.</b>	Match the steps of trading of securities with the statement	
	1.Step 1	a. Open a demat account
	2. Step 2	b. Broker will go online and connect to sock exchange
		c. Approach a Registered broker
<b>10.</b>	Match the depository with its the Promoting bodies :	
	1.NSDL	a.BSE , BOI
	2.CDSL	b. RBI , ICICI
		C. IDBI , UTI
<b>11.</b>	Match the following :	
	1.Asia's First Stock Exchange	1.NSE
		2. BSE
		3. MSE

**12.** Match the following instruments of money market.

a. Instrument which used to meet the	i. Commercial bills.
--------------------------------------	----------------------

minimum requirement of CRR.	
b. Instrument which are issued by RBI on behalf of the government of India.	ii. Commercial paper.
c. It is an unsecured promissory note issued by public or private sector companies.	iii. Treasury Bills
d. These are common instrument used in credit purchase and sale.	iv. Call Money

Ans. A-iv, b-iii, c-ii, d-i

**13.** Match the following different financial market-

a. It is a market for short term fund.	i. Secondary Market.
b. It is a market for medium and long term fund.	ii. Primary Market
c. It is a market for new securities.	iii. Capital Market
d. It is a market for resale and purchase of securities.	iv. Money Market

Ans. A-iv, b-iii, c-ii, d-i

**14.** Match the following on the basis of methods of rotation-

a. Direct appeal to investors.	i. Private placeme
b. Companies sell to intermediary and then to investors.	ii. Right issue
c. Securities are allotted to selected individual.	iii. Offer through prospectus.
d. Issue of shares to existing shareholders.	iv. Offer for sale.

Ans. A-iii, b-iv, c-i, d-ii



**15.** Match the following on the basis of liquidity.

a. Market in which securities enjoy higher degree of liquidity.	i. SEBI
b. Market in which securities enjoy less degree of liquidity.	ii. Money market
	iii. Capital market

Ans. A-ii, b-iii

**16.** Match the following on the basis of functions of financial market-

a. Financial market price depend upon demand and supply of financial assets and securities.	i. Reduce the cost of transaction.
b. Investor and companies don't have to spend much on getting information.	ii. Provide liquidity to financial assets.
c. Financial securities can be bought and sold easily in financial market.	iii. Facilitate price Discovery.
	iv. Determinant of capital formation.

Ans. A-iii, b-i, c-ii

**17.** Match the following on the basis of objectives of SBI-

a. Promotion of fair practices and cools of conduct in securities market	i. Regulatory functions
b. Levying fees or other charges for carrying out the purposes of the Act.	ii. Development function
	iii. Protective function

Ans. a-iii, b-i

**18.** Match the following on the basis of settlement cycles-

a. On the spot settlement	i. T + 1
---------------------------	----------

b. Carry forward settlement	ii. T +3  iii. T + 2  iv. T + 5
-----------------------------	---

Ans. a-iii, b-iv

**19.** Match the following on the basis of securities form.

a. The process where securities are in electronic form  b. The process where securities are in physical form	i. Depository  ii. Depository participants  iii. Dematerialisation  iv. Rematerialisation
--	---

Ans. a-iii, b-iv

**20.** Match the following on the basis Capital market-

a. Securities does not necessary requires a huge financial outlay  b. The possibility of earnings is higher if the securities are held for a longer duration.	i. Safety  ii. Investment Outlay  iii. Expected return
---	--

	iv. Liquidity
--	---------------

Ans. a-ii, b-iii

## Multiple Choice Questions

1) Money market is a market for dealing in

- a) Long term fund   b) Medium term fund   **c) short term fund**   d) Both a and b  
**(R)**

2) Certificate of deposit is issued by

- a) mutual fund companies   b) Reserve Bank of India   c) Large Corporate House   d) Commercial bank and development financial Institution **(R)**

3) Instruments dealt in capital market are

- a) call money   b) Commercial Bill   c) Zero Coupon Bond   **d) Equity Shares**  
**(R)**

4) Secondary market is also known as

- a) Primary Market   b) New Issue Market   c) Financial Market   d) Stock Exchange **(U)**

5) Offer for sale in primary market is

a) sale of securities to intermediaries then to general public.

b) ) sale of securities to institutional investor

c) ) sale of securities electronically

d) ) sale of securities through prospectus. (R)

6) commercial paper is for period of **(R)**

(a) 91 days to 365 days

(b) 1 day to 15 days

(c) 15 days to 45 days

( d ) 15 days to 1 year (

7) Treasury bill is issued by

**(R)**

(a) development financial institution

(b) commercial bank

( c ) selected individuals

( d ) reserve bank of India ( d )

8 ) Call money is used to **(R)**

( a ) maintain a minimum cash balance known as a cash reserve ratio

( b ) To meet floatation cost

( c ) To meet working capital needs

( d ) To meet fixed capital needs ( a )

9) Controlling inside trading is a **(R)**

- ( a ) Development function
- ( b ) protective function
- ( c ) both, protective and development function
- ( d ) Regulatory function

10) Only buying of securities takes place in **(R)**

- ( a ) Secondary market
- ( b ) Primary market
- ( c ) money market
- ( d ) capital market

11. Identify the function of stock exchange

- a) Trading and settlement procedure
- b) Dematerialization
- c) Pricing of securities
- d) Depository participants

12. Money market deals with instruments having maturity period of

- a) Less than one year
- b) More than one year
- c) Less than three years
- d) More than Three years

13. Which instrument does not relate to money market

- a) Call Money
- b) Treasury bill
- c) Commercial Bill
- d) IPOs

14. Which instrument does not relate to capital market

- a) Commercial Paper
  - b) Shares
  - c) Debentures
  - d) Bonds
15. Two major classifications of financial markets are
- a) Money market and capital market
  - b) Primary market and secondary market
  - c) Debt market and Equity market
  - d) Whole sales market and retail market
16. Which money market instrument is also known as Zero Coupon Bonds ?
- a) Treasury Bill
  - b) Call money
  - c) Certificate of Deposit
  - d) Commercial Bill
17. Which instrument of money market is issued by RBI on behalf of the Central Government?
- a. Treasury Bill
  - b. Call money
  - c. Certificate of Deposit
  - d. Commercial Bill
18. Which money market instrument is used for interbank transaction?
- a. Treasury Bill
  - b. Call money
  - c. Certificate of Deposit
  - d. Commercial Bill
19. Which money market instrument is used to maintain CRR by the banks?
- e. Treasury Bill
  - f. Call money
  - g. Certificate of Deposit
  - h. Commercial Bill
20. Primary and secondary market
- a. Compete with each other
  - b. Complement with each other

- c. Function independently
- d. Control each other.

21. Instruments with a maturity period of less than one year are traded in-

- a. Money market    b. NSEI
- c. Stock exchange    d. Capital market

Ans. A

22. \_\_\_\_\_ is not a participant in many market.

- a. Mutual funds    b. RBI
- c. NBFCs    d. SEBI

[Ans. D]

23. Liquidity states of certificate of deposit which is more negotiable is considered as-

- a. Certified liquidity    b. team liquidity    c. More liquid    d. less liquid

Ans.c

24. The new issues market is also known as-

- a. Money market    b. Primary market    c. Stock exchange    d. Secondary market

[Ans.a]

25. Maturity period to call money is-

- a. 1 to 15 days    b. 15 to 90 days
- c. 15 to 1 years    d. 1 to 30 days    [Ans.a]

26. An money market instruments issued on behalf of Central Government.

- a. Call Money    b. Treasury Bill
- c. Commercial Paper    d. Commercial Bill    [Ans.b]

27. If a company is already in liquidity crunch and flotation costs of the issue would be high. What kind of instrument will be appointed for the money market.

a. Commercial Bills b. Commercial paper

c. Treasury Bill d. COD

And-B

28. Dinesh has 100 equity shares of a company. He wants to sell 500 of these shares. Which market should be approach?

a. Secondary market b. Primary market

c. Financial market d. Money market

[Ans.a]

29. Full form of e-IPOs-

a. Electronic internet Public Offer

b. Electronic Initial Private Offer

c. Electronic Initial Prospectus Offer

d. Electronic Initial Public Offer

[Ans. D]

30. An ideal Capital market is one-

a. Where finance is available at higher cost.

b. Must provide insufficient information to investors.

c. Where market operations are inconsistent.

d. Which facilitates e-conomic growth.

(And D)

31. Dematerialization is the process of holding securities in

a) Paper mode b) Electronic mode

b) Physical form d) Volet



32.How many Regional offices SEBI has

- a) 3
- b) 13
- c) 30
- d) 40

33.Which one is Regulatory function of SEBI?

- a) Training of intermediaries of Security market
- b) Registration of Broker and Sub- Broker
- c) Undertaking steps for investors protection
- d) Promotion of fair trade practices.

34.Which one is the Development function of SEBI?

- a) Training of intermediaries of Security market
- b) Registration of Broker and Sub- Broker
- c) Undertaking steps for investors protection
- d) Promotion of fair trade practices.

35.Which one is the Protective function of SEBI?

- a) Training of intermediaries of Security market
- b) Registration of Broker and Sub- Broker
- c) Promotion of fair trade practices.
- d) Conducting research and publishing information useful to all market participants.

36.Which type of securities is dealt in stock exchange?

- a) IPO
- b) eIPO
- c) second hand securities
- d) Call money

37.Debt market segment provides platform for dealing in

- a) Fixed income securities
- b) Fluctuating income securities
- c) Equity share
- d) Preference shares

38. Demat account is opened with

- a) Depository participant
- b) SEBI
- c) RBI
- d) NABARD

39. Training of intermediaries of securities market relates to which function of SEBI?

- a) Regulatory
- b) Development
- c) Protective
- d) Controlling

40. To trade in securities what is necessary?

- a) Fixed Assets
- b) Demat Account
- c) Current Account
- d) Knowledge of stock market.



# CH 11 MARKETING

## A.Fill in the blanks

1. The main focus of production concept is on.....of product. (Quantity)  
**Remembering**
2. The main focus of .....concept is customer needs.(Marketing) **Remembering**
3. Personal selling provides .....feedback to the company. (immediate) **Remembering**
4. Standardisation ensures the buyers that goods confirm to the .....standards.  
(predetermined) **Remembering**
5. Advertising is .....as the message can't be adjusted according to the needs of  
the buyers.(inflexible) **Understanding**
6. Public relations protects company's.....in the eye of the public.(image)  
**Understanding**
7. Sales promotion is helpful for the .....of a new product.(introduction)  
**Understanding**
8. There is a lot of flexibility in .....as the sales presentation can be adjusted as per  
individual customers. **Understanding**
9. Mail order selling is a good example of .....channel.(Zero Level)  
**Understanding**
10. the function of marketing which aims at dividing goods into different groups is  
.....(Grading) **Understanding**
11. . The element of marketing mix which is concerned with making the goods available at the right  
place is Placement/Distribution.  
(U)
12. . The most simple and the shortest mode of distribution is Direct Distribution.  
(U)
13. The act of storing and assorting products in order to create time utility is Warehousing .  
(R)
14. The means of carrying goods and raw-materials from the point of production to the point of  
sale is Transportation.  
(R)
15. The first step in a typical buyer –seller relationship is Order-Processing .  
(U)
16. The most commonly adopted distribution network for most consumer goods like soaps ,rice  
etc. is two-level channel.  
(U)

17. The most important decision in respect of inventory is deciding about the level of inventory.  
(U)
18. When a manufacturer sells his goods through his own retail outlets it is referred to as Direct Channel. (R)
19. If the firm wants to keep higher level of customer service ,then the level of inventories will be higher.  
(U)
20. If the sales forecasts will be having higher degree of accuracy then the level of inventories will be low.  
(U)
21. The part of a brand which can be recognised but which is not utterable is called \_\_\_\_\_.(Brand mark)**R**
22. The part of a brand which can be spoken is called a \_\_\_\_\_.(Brand Name)**R**
23. A brand or part of a brand which is given a legal protection is called \_\_\_\_\_.(Trade mark)**R**
24. The name,term,sign,symbol, design used to distinguish one product from the product of other competitors is called \_\_\_\_\_.(Brand)**R**
25. The product's immediate container is called \_\_\_\_\_packaging.(Primary)**R**
26. The element of product mix that describes the product and specifies its contents is called \_\_\_\_\_.(Labelling)**R**
27. . The marketer does \_\_\_\_\_ of product to indicate different features or quantity of products.(Grading)**R**
28. . The act of designing and producing the container or wrapper of a product is called \_\_\_\_\_.(Packaging)**R**
29. .The name of the whole class of a product is known as\_\_\_\_\_ name.(Generic)**R**
30. The most important function of \_\_\_\_\_ is to provide information required by law.(Labelling)**R**
31. Combination of promotional tools used by an organization to achieve its communication objective is known as -----mix.(U)
32. The impersonal form of communication which is paid for by the marketers to promote goods or services is -----.(R)
33. Social values are undermined and -----is promoted by advertisement.(R)
34. Personal selling create -----about the -----and develop product preferences.(K)
35. Personal rapport with the customers increases the -----strength of a business organization.(R)
36. ----- promotion is a promotional tool(U).
37. Sales promotion is a bundle of short term -----and promotional efforts other than advertisement and personal selling.(R)
38. Arrangement of sports and cultural events by a company as a tool of sales promotion is called-----.(R)
39. Advertisement is by an -----sponsor .(U)
40. Advertising is the -----form of communication..(R)

## B.True and False

1. The price set for the product must reflect only the interest of the seller. (False) **Understanding**
2. To maximise profits in short run, XYZ Ltd. should charge high price of each unit of note pad it sells. (True) **Remembering**
3. Government declared petrol as essential product. It has all the rights to fix its price. (True) **Remembering**
4. Production cost is the only important component while fixing up the price. (False) **Remembering**
5. After Sales Service is a part of product mix. (False) **Remembering**
6. The price of Iphone 10 do not consider its brand value. (False) **Understanding**
7. The societal marketing concept is focused on the community welfare. (True) **Understanding**
8. Everything can be marketed. (False) **Understanding**
9. Sales promotional techniques plays an important role in sale of industrial goods. (False) **Understanding**
10. Personal selling is best suited for promoting daily use products. (False) **Understanding**
11. The most commonly adopted distribution network for consumer goods like soaps clothes, rice is three level channels. (False)  
(U)
12. In case the time required to respond to the additional demand for the products is high there is need to maintain higher level of inventories. (True)  
(U)
13. With the higher degree of accuracy of sales forecasts higher inventory levels are to be maintained. (False)  
(U)
14. Higher the levels of customer service to be offered the greater will be the need to keep more inventories. (True)  
(U)
15. Internet selling is an example of zero-level distribution channel. (True)  
(Application)
16. When the manufacturer has limited product line and has to cover a wide market he can use his own selling agents. (True)  
(U)
17. Maruti udyog sells its cars and vans through company approved retailers are using a direct distribution channel. (False)  
(Application)
18. Three level distribution channel enables the manufacturer to cover wide area of network while retaining control over the channels (false)  
(U)
19. Bata sells shoes through its own retail outlets are using one-level distribution channel. (False) (Application)

20. Channels of distribution smoothen the flow of goods by creating possession, place and time utility (True)  
(U)
21. Promotion is use of communication with twin objective of informing potential customers and increase the sales volume. True \ False (U)
22. Advertising is impersonal non-paid form of communication. True \ False (R)
23. Sales promotion includes only those activities that are used to provide short term incentives to boost sales. True\False (U)
24. Personal selling is more rigid than other tools of promotion. True\False (U)
25. All the advertisements are made keeping preference of the people.. True\False
26. There is difference in maximizing profits in the short run and in the long run. True\False
27. The desired level of quality of product will depend on the economic status and preferences of the target market . True\False
28. The cost of production sets the maximum level or the ceiling price at which the product may be sold. True\False
29. Advertisement is less forceful than personal selling. True\False
30. Labels help grading and promoting the sale of the product. True\False
- ANSWERS (1. T, 2.T, 3.T 4.,F,5.F, 6.T ,7.T 8.,F, 9.T, 10 T )
- 31.A brand name should be capable of being registered and protected legally.(True)U
32. Transportation packaging refers to additional layers of protection that are kept till the product is ready for use.(False)R
33. Labelling helps in promotion of a product .(True)U
34. Branding helps in introduction of new products. (True)R
35. A brand or part of a brand that is given a legal protection is called a logo. (False)R
36. Grading of products is the important function performed by packaging. (False)R
37. The brand name should be appropriate to the product function.(True)U
38. In primary packaging the container is kept throughout the entire life of the product. (True)R
- 39.Brandmark is the verbal component of a brand.(False)R
40. Packaging aids a firm in its advertising and display programmes. (False)U

## C.Match the following

1. Match the following items on the basis on their focus	
i. Quality, performance and features of product	a) Marketing concept
ii. Existing product	b) Selling Concept

	c) Production concept
	d) Product concept

**Ans - i.(d), ii. (b)**

**Remembering**

2. Match the following on the basis of their meaning

- |  |                        |
|--|------------------------|
| I. Process of classification of products into different groups | a)Packaging & Labeling |
| II. Designing and developing the cover of a product            | b)Labeling             |
| i.(e), ii. (c)   | c)Packaging            |
|  | d)Gathering            |
|  | e)Grading              |

**Remembering**

3. Match the following on the basis of their suitability

- |                                  |             |
|----------------------------------|-------------|
| I. Works as silent salesman      | a)Labeling  |
| II. Enables differential pricing | b)packaging |
|                                  | c)Branding  |
| i.(b), ii.(c)                    |             |

**Remembering**

4. Match the following on the basis of relativity

- |                      |                    |
|----------------------|--------------------|
| I. Higher prices     | a)High competition |
| II. Lower prices     | b)Low competition  |
| <b>i.(b), ii.(a)</b> |                    |

**Application**

5. Match the following on the basis of suitability

- |               |                      |
|---------------|----------------------|
| I. Zero Level | a)Colgate toothpaste |
| II. Two Level | b)Maruti Udyog       |
|               | c) Mail order House  |
| i.(c), ii.(a) |                      |

**Application**

6. Match the following on the basis of their feature

- |                      |   |
|----------------------|---|
| I. Advertising       | a) Provides direct feedback             |
| II. Personal Selling | b)Promotes good image in front of press |
|                      | c)paid form                             |
| i.(c), ii.(a)        |   |



**Remembering**

7. Match the following on the basis of their meaning

- |                |                                    |
|----------------|------------------------------------|
| I. Trade Mark  | a) Name used to identify a product |
| II. Brand Mark | b) Legal protection to brand       |
| i.(b), ii.(c)  |                                    |

**Remembering**

c) Non spoken part of brand

8. Match the following on the basis of their suitability

- |                                |                     |
|--------------------------------|---------------------|
| I. To clear stock              | a) Personal Selling |
| II. To guide about the product | b) Press Release    |
| i.(c), ii.(a)                  | c) Sales Promotion  |

**Application**

9. Match the following on the basis of the statement **Understanding**

- |                                    |                     |
|------------------------------------|---------------------|
| I. Designing quality, size shape   | a) Brand            |
| II. Press conference, Counselling, | b) Brand Mark       |
| III. Paid form, impersonal         | c) Product          |
|                                    | d) Public Relations |
|                                    | e) Advertising      |

i.(c), ii.(d), iii.(e)

10. Match the basis on the basis of the function **Application**

- |   |                    |
|---|--------------------|
| I. Aquaguard provides after sales service through an outside agency       | a) Sales Promotion |
| II. To attract customers, Body Shop provides 20% discount on Mothers' Day | b) Promotion Mix   |
|   | c) Product Mix     |
|   | d) Public Relation |

i.(c)ii.(b)

1. Match the following companies along with the distribution channel used by them.

a. McDonald	1. Three level
b. Maruti	2. two level
c. Coke	3. one level
d. HUL	4. direct

Ans: a4, b3, c1, d2

(Application)

2. Match the following components of Physical distribution along with the objective met by them

a. order processing	1.Timeutility
b. transportation	2. Cost Control
c. warehousing	3.Availability
d.Inventory Control	4. Speedy orders

Ans: a4, b3, c1, d2

(U)

3. Match the following elements of marketing –mix along with the function performed by it .

a. Price Mix	1.Safety and attraction
b. Promotion Mix	2. Availability
c. Place Mix	3.Information
d.product mix	4.Affordability

Ans:a4 ,b3 ,c2 ,d1

(U)

4. Match the following examples along with the packaging function performed

a. Toothpaste Tube	1.Promotion
b.Roohafza bottles: glass bottles to plastic bottles	2. Identification
c. Starling Color schemes on the chips packets	3.Protection
d. Orange and white color in ICICI fonts	4.Facilitation in use

Ans:a4, b3 , c1 ,d2

(Application)

5. Match the following concepts of Product Mix along with the objective met by it

a. Packaging	1.Product Differentiation
b. labeling	2.Grading
c. Branding	

Ans:a2, c1

(U)

6. Match the following elements of Product Mix along with its meaning

a. Brand	1.Not utter able
b. Brand Name	2.Legally protected
c. Brand Mark	3.utterable
d. Trade mark	4.A combination of style, symbol design

Ans: a4 ,b3 ,c1 , d2

(R)

7. Match the following advantages of branding to the related groups

a. Differential Pricing	1.marketers
b.Ensures Quality	2.Customers
	3.Government

Ans: a1,b2

(U)

8. Match the following Marketing Mix Philosophies along with their main focus Point

a.Production Concept	1. Existing Product
b.Product Concept	2.Customer needs
c. marketing Concept	3.Quality performance
d.Selling Concept	4.Quantity

Ans:a4 ,b3 ,c2 ,d1

(U)

9.Match the following examples along with the type of items which can be marketed

a.Visit to Udaipur	1.Event
b.diwali Mela	2.Organisation
c.Hidustan Lever	3. Person
d. Lok Sabha Elections	4. Place

Ans: a4 ,b1 ,c2, d3

(Application)

10. Match the following functions of marketing along with the objective met by it

a.standardisation and grading	1.CompetitiveAdvantage
b.Promotion	2.ToConduct SWOT analysis
c. Gathering and Analyzing marketing information	3.To inform andpersuade customers
d.Product Designing and Development	4. Classification into different groups

Ans:a4 ,b3 ,c2 ,d1

Q1. Match the following sale promotion tools on the basis of ‘objectives’.(U)

A

B

1. Advertisement

a. adds to cost

b. highly flexible but only limited number of

2. Personal Selling

people can be contacted.

c. cost per unit is low

d. encourages brands

Ans: 1-c 2-d.

Q2.Match the following tools of promotion on the basis of ‘ Importance ‘ to Businessman(U)

A

B

1. Personal Selling

a. increases product standardization

2. Sales Promotion b. customers get expert advice and guidance

- c. effective promotional tool
- d. Induces customers to purchase new products

Ans: 1-b ,2-cs

Q3. Match the following promotional tools on the basis of 'Limitations'(U)

A

B

1. Sales Promotion

a. enhances product image

b. undermines social values

2. Advertisement

c. helps in new product launch

d. distracts attention of people .

ANS: 1-d ,2-b

Q 4. Match the following on the basis of 'Role'(U)

A

B

1. Public Relations

a. Product publicity

b. may hide facts and correct pictures

c. manages public opinion about competitors

2. Advertisement

d. spoils the image of the company.

Q5. Match the following tools of promotion on the basis of 'communication' (u)

A

B

1. Advertisement

a. paid form of communication

b. non –personal and paid form

2. Personal Selling

c. non-personal and non-paid form

d. personal and paid form of communication

Q6. Match the following marketing elements on the basis of 'Objectives'(u)

A

B

1.Promotion a. amount of money paid by a buyer  
b. inform the target market about the product

2.Price c. surviving in competitive market  
d. to make use of print and electronic media

Ans: 1-b ,2-a

Q7. Match the following promotinal tools on the basis of ‘Concept’(U)

A	B
1. Publicity	a. It is an impersonal form of communication Paid for by an identified sponsor
2. Advertising communication.	b. It is bad in taste c. It is non –paid and non-personal form of d. It is used through events and programs

Ans: 1-d ,2-a

Q8. Match the following tools of promotion on the basis of ‘ advantages’(u)

A	B
1. Personal Selling Geographical area at a time. c. encourages sale of inferior goods	a. It helps to cover a wide and large b. It helps to create confidence in buyers d. the sales presentation can be adjusted to
2. Advertisement fit the needs of individual customers.	

Ans: 1-d , 2-a

Q9. Match the following elementson the basis of ‘ Meaning’.(U)

A	B
1. Product b. theses are only the goods available in the market	a. making available goods at the right place c. Anything of value offered to the target
2.Physical distribution	

Anss: 1-c , 2-a

Market to satisfy their need.

d. satisfies wants of all the people

Q10. Match the following marketing philosophies on the basis of 'Concept' (R)

A	B
1. Selling Concept	a. Integrated Marketing
b. product improvement	
c. profit through sales volume	
2. Marketing concept	d. quantity of product

Ans: 1-c, 2-a

(U)

Q1 Match the following terms related to branding- R

1 Part of a brand which can be spoken	a Brand
2 Part of a brand that is given a legal protection	b Brand name
3 Name, term, sign, symbol, design etc.	c Brand mark
4 Part of a brand which is not utterable	d Trade mark

Ans-1b2d3a4c

Q2 Match the following terms related to packaging – R

1 Product immediate container	a Packaging
2 Packaging components necessary for storage	b Primary packaging
3 Act of designing the container or wrapper	c Secondary packaging
4 Additional layer of protection.	d Transportation packaging

Ans-1b2d3a4c

Q3 Match the following characteristics of a good brand name with its objective- A

1 To differentiate from the other products	a Adaptable
2 To not get out of date.	b Versatile
3 To accommodate new product	c Distinctive
4 To advertise the product conveniently	d Staying power

Ans- 1c2d3b4a

Q4 Match the following terms with their functions- **R**

1 To classify the products on the basis of features and quality      a Branding

2 To give brand name to the product.      b Labelling

3 Provides information about the product      c Packaging

4 Provides protection to the product      d Grading

Ans-1d2a3b4c

Q5 Match the following advantages of branding to the related groups-**U**

1 Differential Pricing      a Government  
b Shareholders

2 Ensures quality      c Marketers  
d Customers

Ans-1c2d

Q6 Match the following taglines with the names of the companies- **C**

1 Think Different      a Coca Cola  
2 Because You're Worth It      b Apple  
3 Just Do It      c LO'real  
4 Open Happiness      d Nike

Ans-1b2c3d4a

Q7 Match the following levels of packaging with their examples- **A**

1 Milk packets in carates      a Primary Packaging  
2 Corrugated boxes      b Secondary Packaging  
3 Ice-cream cup  
4 Shampoo bottle

Ans-3a4b

Q8 Match the following terms with their advantages- **R**

- |  |                       |
|--|-----------------------|
| 1 Helps in product protection                    | a Branding            |
| 2 Helps in product designing                     | b Labelling           |
| 3 Helps in identifying the product               | c Product Development |
| 4 Helps in providing information to the customer | d Packaging           |

Ans- 1d2c3a4b

Q9 Match the following functions of labelling with the suitable examples- **A**

- |                                  |                                      |
|----------------------------------|--------------------------------------|
| 1 Shampoo for normal hair        | a Sales promotion                    |
| 2 No smoking on cigarette packet | b Specifies contents                 |
| 3 Oil containing amla,neemetc.   | c Grading                            |
| 4 Buy one get one free           | d Required by law Specifies contents |

Ans-1c2d3b4a

Q10 Match the following examples with their relative terms- **C**

- |                  |                |
|------------------|----------------|
| 1 Tomato ketchup | a Generic name |
|------------------|----------------|



- |                 |              |
|-----------------|--------------|
| 2 <b>adidas</b> | b Brand name |
|-----------------|--------------|

3 Book c Logo

4 Maggid Grading

Ans-1d2c3a4b



## D. Multiple Choice Questions

1. What can be marketed?

**Remembering**

- I. Any physical object with a definite shape
- II. Any physical object which creates value to customers**
- III. Any physical object that has a selling price
- IV. Any physical object that can be tested.

2. Marketing functions does not include:

**Application**

- I. After sales service
- II. Selling
- III. Negotiating with government officials
- IV. Recruiting sales team**

3. The product concept focus on the following:

**Remembering**

- I. Quantity of a product produced
- II. Quality and performance of a product produced**
- III. Place where the product is produced
- IV. Company which produced the product

4. Quality and performance of the product is the main focus of which marketing management philosophies.

**Application**

- I. Selling Concept
- II. Marketing Concept
- III. Production Concept
- IV. Product Concept**

5. Marketing can be best understood as:

**Understanding**

- I. Pre production activity
- II. Post production activity
- III. Pre & Post production activity**
- IV. Selling activity.

6. Price of a product can be referred as:

**Remembering**

- I. Product Cost
- II. Brand Value
- III. Value of utility for customer**
- IV. Promotion Cost

7. Pricing objectives does not include:

**Remembering**

- I. Market Share Leadership
- II. Surviving in a competitive
- III. Cover the entire cost of a product
- IV. To deliver goods to rural areas.**

8. Price of a product can be fixed by considering:

**Application**

- I. Press Relations
- II. Mobility of a sales person
- III. Marketing Methods used**
- IV. Consumer Attention

10. Which of the following is the right marketing mix for a Television Set

**Application**

- I. Price, Place, Promotion, Process
- II. Product, price, promotion, process
- III. Product, price, place, process
- IV. Product, promotion, price, place**

11. Which type of distribution channel is the most suitable for Consumer Goods? (U)

- (a) Zero-level                      (b) One-Level                      **(c) two-level**                      (d) three-Level

12. Which type of distribution channel is the most suitable for limited product line with objective to cover large market area? (U)

- (a) Zero-level                      (b) One-Level                      (c) two-level                      **(d) three-Level**

13. Which element of marketing mix is responsible for making the goods available from the manufacturer to consumers?

(U)

(a) Product Mix                      (b) Price Mix                      **(c) Place Mix**                      (d) Promotion Mix

14. What type of relationship exists between level of satisfaction of customers and the level of inventory? (U)

(a) Indirect      **(b) Direct**      (c) Indifferent      (d) vary according to situation

15. What type of relationship exists between degree of accuracy of sales forecasts and the level of inventory? (U)

**(a) Indirect**      (b) Direct      (c) Indifferent      (d) vary according to situation

16. Eureka Forbes uses its own sales force to reach its prospective customers. Which type of distribution channel is used by Eureka Forbes ? (Application)

**(a) Zero-level**                      (b) One-Level                      (c) two-level                      (d) three-Level

17. How does the time required to respond to the additional demand for the products effect the level of inventory? (U)

**(a) Directly**                      (b) Indirectly                      (c) indifferently                      (d) vary according to situation

18. Japanese technique 'Just In Time' is related to which component of Physical Distribution (Application)

(a) Order Processing      (b) Transportation      (c) Warehousing      **(d) Inventory Control**

19. Maruti Udyog sells its cars through company approved retailers .which type of distribution channel is used by the company? (Application)

(a) Zero-level                      **(b) One-Level**                      (c) two-level                      (d) three-Level

20. Which type of distribution channel can cover the wide market keeping the control over the distribution channel? (U)

(a) Zero-level                      **(b) One-Level**                      (c) two-level                      (d) three-Level

21. A brand or part of a brand that is given legal protection is called- R

a Brand name      b Trade Mark      c Brand mark      d Logo

Ans – b

22.A bottle of hair oil is an example of- A

a Primary packaging b Secondary Packaging c Transportation packaging      d Sales promotion

Ans-a

23. The term used to indicate different features or quality of the product is – **R**

a Branding b Standardisation c Simplification d Grading

Ans-d

24 Providing information required by law is the main function of- **R**

a Branding b Packaging c Labelling d Sales promotion

Ans-c

25 Which element of marketing mix covers customer support services- **R**

a Product b Price c Place d Promotion

Ans-a

26 “Ideas for life” is the tagline of- **A**

a Samsung b Google c Panasonic d Sony

Ans-c

27 The following logo is of- **A**



aHundai b Honda c HDFC d HindustanUniliver

Ans-b

28 Which element provides status symbol as the advantage to customer- **U**

a Branding b Packaging c Labelling d Sales promotion

Ans-a

29 Describes the product and specify its contents is the function of- **U**

a Branding bAdvertising c Labelling d Sales promotion

Ans-c

30 Which element of product mix facilitates the use of the product- **U**

a Labelling b Packaging c Advertising d Sales promotion

Ans-b

31.Promotion refers to :

- (a) Use of various gadgets to move forward
- (b) Use of communication to inform the potential customers about the product
- (c) Customers use various tools to know about the product
- (d) Any reward given to producers

(Ans:b)

32. Advertisement is

- (a) a tool of sales promotion
- (b) an element of management
- (c) an element of Branding
- (d) a technique of sales promotion

(ans: a)

33. The basic aim of sales promotion tools is

- (a) increase output
- (b) increase demand by informing target market
- (c) increase price
- (d) increase in sales volume

(ans: b)

34. It is a merit of Advertising:

- (a) enhancing customer satisfaction and confidence
- (b) is less flexible
- (c) is the paid form
- (d) is by an identified sponsor

(ans: a)

35. This concept has to face certain objections from the society:

- (a) personal selling
- (b) sales promotion
- (c) public relations

(d) advertisement  
( ans: d )

36. Advertising similar products with same claim results in :

- (a) creating confidence in customers
  - (b) making the customer materialistic
  - (c) creating confusion in the minds of the customers
  - (d) making the customer happy
- (ans: c)

37. Link with customers is an advantage of this tool of promotion

- (a) advertisement
  - (b) personal selling
  - (c) public relations
  - (d) sales promotion
- (ans: b )

38. Sales promotion refers to

- (a) short term incentives to encourage customers to buy products
  - (b) dealing with customers
  - (c) promoting producers
  - (d) promoting deals with intermediaries
- (ans: a )

39. Sports events and press conferences are part of:

- (a) sales promotion
  - (b) advertising
  - (c) public relations
  - (d) personal selling
- (ans :c )

40. A new product is easy to introduce in the market through

- (a) Branding
  - (b) Labeling
  - (c) Personal selling
  - (d) Public relations
- (ans: a )



# CH-12 CONSUMER PROTECTION

## A.Fill in the blanks

1. A business engaging in any form of exploitative trade practices would invite \_\_\_\_\_ interventions. [R]  
Ans. Government.
2. Satisfied customers only lead to \_\_\_\_\_ sales. [R]  
Ans. repeat
3. As per the Caveat Venditor "Let the \_\_\_\_\_ beware". [R]  
Ans. Seller
4. NGO's provide \_\_\_\_\_ assistance to consumer's by way of aid and legal advice. [R]  
Ans. Legal
5. Right to choose implies that the marketer's should offer a wide variety of products in terms of \_\_\_\_\_ and \_\_\_\_\_ etc. [R]

Ans. quality, brand and prices

6. Right to be informed is the reason that the legal framework in India requires the manufactures to provide such information on the \_\_\_\_\_ and \_\_\_\_\_ of the product. [R]  
Ans. package and label
7. Right to seek redressal a right to get relief in case of the \_\_\_\_\_ or \_\_\_\_\_ falls short of his expectations. [R]  
Ans. product or service
8. Business organization use \_\_\_\_\_ which belong to the society. [R]  
Ans. Resources.
9. It is the \_\_\_\_\_ of any business to take care of consumer's interest and avoid any form their exploitation. [R]  
Ans. Moral Justification
10. Ask for a \_\_\_\_\_ on purchase of goods and services. [R]  
Ans. Cash Memo

11..... is said to a king in a free market economy.

- consumer

12.Business must avoid unscrupulous, exploitative and unfair ..... practices.

-trade



13. Non governmental organizations aim at promoting the ..... of people.

- welfare

14. Business firms should aim at long-term profit maximization through .....

- Customer Satisfaction

15. A business has social ..... towards various interest groups.

- Responsibilities

16. The CPA provides for ..... number of consumer rights.

- 6 (Six)

17. The consumer has a right to have complete ..... about the product.

- Information

18. .... goods provide quality assurance.

- Standardized

19. The consumer must have the right to choose between different products at ..... prices.

- Competitive

20. When a consumer feels exploited, he/she has the right to approach a ..... to file a complaint. - Consumer Court.

21. Read \_\_\_\_\_ carefully, so as to have information about prices, net weight, etc.  
[Labels]

22. Ask for a \_\_\_\_\_ on purchase of goods and services. This would serve as a proof of purchase made. [Cash Memo]
- Buy only \_\_\_\_\_ goods as they provide quality assurance. [Standardized]
23. Confederation of Indian Industries have laid down their \_\_\_\_\_ for their members, which has guidelines in their dealings with the customers. [Code of Conduct]
24. In case the aggrieved party is not satisfied with the order of the State Commission, he/she can appeal before the \_\_\_\_\_ Commission within \_\_\_\_\_ days of the passing of the order. [National, 30]
25. The Consumer Protection Act, 1986 provides for a \_\_\_\_\_ at the district, state and national levels for redressal of consumer grievances. [Three tier machinery]
26. The \_\_\_\_\_ can protect the interests of the consumers by enacting various legislations. [Government]
27. Replacement of a damaged product is one of the example of \_\_\_\_\_ available to the consumer. [Relief]
28. An understanding of his \_\_\_\_\_ would also enable a consumer to safeguard his interests. [Responsibilities]
29. National Commission is to be approached when the compensation claimed is more than \_\_\_\_\_ rupees. [One Crore]
30. Read \_\_\_\_\_ carefully, so as to have information about prices, net weight, etc. [Labels]
31. Ask for a \_\_\_\_\_ on purchase of goods and services. This would serve as a proof of purchase made. [Cash Memo]
32. Buy only \_\_\_\_\_ goods as they provide quality assurance. [Standardized]
33. Confederation of Indian Industries have laid down their \_\_\_\_\_ for their members, which has guidelines in their dealings with the customers. [Code of Conduct]
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38.An understanding of his \_\_\_\_\_ would also enable a consumer to safeguard his interests. [Responsibilities]

39.National Commission is to be approached when the compensation claimed is more than \_\_\_\_\_ rupees. [One Crore]

A. True and False:

- 1) "Let the buyer beware" has now been changed to "Let the seller beware". [R]
  - a. Ans. True.
- 2) Each state commission must have one women as its member. [R]
  - a. Ans. True,
- 3) Right to Education is one of the consumer right. [R]
  - a. Ans. True
- 4) The scope of Consumer Protection Act is applicable to big undertakings, private sector and co-operative sector only . [R]
  - a. Ans. False, it is applicable in every sector.
- 5) Redressal through Consumer Protection Act is expensive and slow way of solving their grievances. [R]
  - a. Ans. False, it is inexpensive and speedy way.
- 6) Consumer Protection Act provides 5 consumer rights to help in getting their grievances redressed. [R]
  - a. Ans. False, there are six.
- 7) Consumer Protection Act only covers goods manufactured in India. [R]
  - a. Ans. False, it covers services and imported goods.
- 8) BIS Hallmark is standard for agricultural products. [R]
  - a. Ans. False, it is for jewelry.
- 9) The consumers has the forced to choose from the available variety of products. [R]
  - a. Ans. False, the consumer has freedom from wide variety of products.

- 10) Consumer Protection Act only includes educating consumers about their rights and responsibilities. [R]  
a. Ans. False, it also helps in getting their grievances redressed.
- 11) Business firms should aim at long-term profit maximization through customers satisfaction.  
a. Ans. True
- 12) NGOs does not take initiative in filing cases in consumer courts in the internet of general public.  
a. Ans. False – It take part.
- 13) NGO's doesn't file complaint in consumer courts on the behalf of consumers.  
a. Ans. False – It file complaints.
- 14) Resale goods are covered under CPA.  
a. Ans. True
- 15) Services provided by a lawyer or doctor are covered under CPA.  
a. Ans. True
- 16) CPA is not fruitful for producers.  
a. Ans. False – It is fruitful for both producers and consumers.
- 17) Only government educate consumers about their consumer rights.  
a. Ans. False, NGO's aAlso.
- 18) NGO's carried out comparative rests of products to test relative qualities.  
a. Ans. True
- 19) NGO's provide workshops, training programmes for educating consumer.  
a. Ans. True
- 20) To achieve consumer awareness, it is necessary to educate them.  
a. Ans. True
- 21) A complaint can be made to the District Forum when the value of goods or services in question along with the compensation claimed, does not exceed Rs 30 lakhs. [False]. [R]
- 22) Each State Commission must have one woman as its member. [True] [R]

- 23) A legal heir or representative of a deceased consumer cannot file a complaint in consumer forum. [False] [R]
- 24) Under Consumer Protection Act, a consumer is defined as a person who obtains goods for re-sale or any commercial purpose. [False] [R]
- 25) An order passed by the National commission in a matter of its original jurisdiction is appealable before the Supreme Court. [True]. [U]
- 26) A consumer has the responsibility to learn about the risks associated with products and services. [True] [R]
- 27) Right to seek redressal, suggests the business firms to set up their own consumer service and grievance cell. [False] [R]
- 28) Under Consumer Protection Act, a complaint can be filed by a consumer only for a defective good. [False] [R]
- 29) National commission is the apex institution under Consumer Protection Act, 1986. [True] [R]
- 30) While purchasing an edible oil, a consumer has the responsibility to look for AGMARK label besides cash memo. [True] [U]
- 31) An intelligent and wise choice can be made when consumer is aware . (TRUE ). (U)
- 32) FPO mark is a quality assurance for agricultural product .( FALSE ) (R)
- 33) The National Commission consists of atleast eight members . (FALSE) (R)
- 34) Government of India can file complaint against producer if it finds it guilty . ( FALSE) (U)
- 35) If consumer is not satisfied with the judgement of district forum , can appeal in supreme court (FALSE ) (A)
- 36) If national commission , a complaint can be made when the value of the goods and service exceeds Rs 1 crore . ( TRUE ) (R)
- 37) Hall Mark is the certification maintained for standardisation of jewellery .(TRUE) (R)
- 38) The Consumer Protection Act was passed in India in 1996 . (FALSE) (R)
- 39) The Consumer protection Act provides for six consumer rights. ( TRUE ) (R)
- 40) A producer can not complaint file in the court / forum under Consumer Protection Act. (TRUE) (R)
- 41) COPRA/ CPA applies only to goods . ( FALSE ) (U)
- 42) The Consumer redressal process is very simple and quick. ( FALSE ) (A)

## **C. Multiple choice questions:-**

1. The consumer must be assured whenever possible access to a variety of goods and services at competitive prices. [R]
  - a. Right to Consumer Protection Act
  - b. Right to choose
  - c. Right to safety

- d. Right to be heard  
Ans. B. Right to Choose
2. The consumer provides to approach the government and dpublic bodies when decision and policies are made which can hamper consumer interests. [R]
- Right to safety
  - Right to be heard
  - Right to Consumer Protection Act
  - Right to consumer education.
- Ans. Right to be heard
3. Consumer Protection Act is applicable: [R]
- Immovable goods
  - Movable goods
  - Specific goods and services
  - All goods and services.
- Ans. D. All goods and services.
4. "Consumer has the right to present before the appropriate forum or authourities all those matters which effect his interests". It is termed as right to be : [R]
- Heard
  - Informed
  - Safety
  - Education
- Ans. A. Right to heard
5. When does false representation that the goods are of the particular standard, quality is termed as: [R]
- Restricted trade practices
  - Unfair trade practices
  - Caveat emptor
  - Caveat Vendittor
- Ans. A. Restrictes trade practices.
6. What does false representation that the goods arte of the particular standard, quality is termed as : [R]
- Unfair trade practices
  - Spurious goods and services
  - Restrictive trade practice
  - Defect
- Ans. A. unfair trade practices.



7.  this symbol is a sign of standard on which kinds of products. [R]

- a. Agricultural Products
- b. Food products
- c. Electrical goods
- d. Jewelry

Ans. B. Food products.

8. Which mark is suitable for eco-friendly products? [R]

- a. Eco-mark
- b. Agmark
- c. Hallmark
- d. ISI Mark

Ans. A. Eco mark

9. Identify the importance of consumer protection according to consumers point of view. [R]

- a. Consumer ignorance
- b. Government interverntion
- c. Moral justification
- d. Social responsibility

Ans. Consumer ignorance.

10. Which of the following is importance of consumer protection in the view of business: [R]

- a. Unorganized consumers
- b. Consumer ignorance
- c. Moral justification
- d. Unorganized consumers

Ans. C. moral justification

11. Rights of consumer protection are protected under :

- (a) CPA, 1988
- (b) CPA, 1986
- (c) CPA, 1982
- (d) CPA, 1984

Ans – (b)

12. Consumer should use ISI marked electrical appliance is an example of :

- (a) Right to safety
- (b) Right to be informed
- (c) Right to choose

(d) Right to be heard

Ans – (a)

13. Consumer can ask anything regarding date of manufacture, price, quantity, etc. is an example of :

(a) right to be informed

(b) right to choose

(c) right to be heard

(d) right to safety

Ans –(a)

14. A consumer has a right to fill a complaint and to be heard in case of dissatisfaction with goods or services according to which right of consumer protection act?

(a) Right to be heard

(b) Right to seek redressal

(c) Right to choose

(d) Right to consumer education

Ans –(a)

15. The consumer has a right to get relief in case of defective goods or deficient service as per the .....

(a) Right to be informed

(b) Right to seek redressal

(c) Right to choose

(d) Right to be heard



Ans – (b)

16. Which of the following does not fall under consumer rights.

- (a) Right to be informed
- (b) Right to choose
- (c) Right to present the consumer court
- (d) Right to seek government help

Ans – (c)

17. Which consumer right provides a safeguard for consumers against goods and services which are hazardous to health.

- (a) Right to safety
- (b) Right to choose
- (c) Right to be informed
- (d) Right to be heard

Ans – (a)

18. Which consumer right provides the adequate and accurate information about quality, quantity, purity standard and the price of the goods and services.

- (a) Right to choose
- (b) Right to be heard
- (c) Right to be informed
- (d) Right to consumer education

Ans – (b)

19. Which consumer right provides a fair settlement of genuine grievances relating to the performance, grade, quality etc. of goods and services.

- (a) Right to safety
- (b) Right to consumer education
- (c) Right to seek redressal
- (d) Right to choose

Ans – (c)

20. Which consumer right empowers consumers to fight against any unfair trade practices.

- (a) Right to safety
- (b) Right to consumer education
- (c) Right to be heard
- (d) Right to choose

Ans – (b)

21. Which of the following is not a description of a consumer? [U]

- a. Any person who buys goods for a consideration which has been paid or promised.
- b. A person who obtains goods for re-sale purpose.
- c. Any person who avails any service for a consideration which has been partly paid.
- d. Any person who hires any service for a consideration which has been partly promised.

Ans. (b)

22. The members of the District Forum are appointed by: [R]

- e. Central Govt.
- f. State Govt.
- g. Local authority
- h. None of the above

Ans. (b)

23. Any aggrieved party, not satisfied with the order of the District Forum can appeal before the State Commission within: [R]

- i. 60 days of passing of the order
- j. 30 days of passing of the order
- k. 45 days of passing of the order
- l. None of the above

Ans. (b)

24. Appeal against the National Forum can be done in: [R]

- m. District Forum
- n. High Court
- o. Supreme Court
- p. State Forum

Ans. (c)

25. In which of the forum, it is mandatory to include a woman as a member of the forum: [U]

- q. District Forum
- r. State Commission
- s. National Commission
- t. All of the above

Ans. (d)

26. Who can file a complaint before the appropriate consumer forum? [U]

- u. One or more consumers, on behalf of numerous consumers.
- v. Central Govt. or any State Govt.
- w. Any registered Consumer's Association
- x. All of the above

Ans. (d)

27. The rights of a consumer are protected under: [R]

- y. Consumer Protection Act, 1986
- z. Consumer Protection Act, 1932
- aa. Consumer Protection Act, 1984
- bb. Consumer Protection Act, 1983

Ans. (a)

28. Which consumer right refers to acquiring of knowledge and be a well-informed consumer throughout life? [U]

- cc. Right to be informed
- dd. Right to be heard
- ee. Right to consumer education
- ff. Right to choose

Ans. (c.)

29. What is the complete nomenclature of 'District Forum'? [R]

- gg. District Consumer Dispute Redressal Forum
- hh. District Consumer Redressal Forum
- ii. District Consumer Forum
- jj. None of the above

Ans. (a)

30. What relief is available to a consumer who suffers due to consumption of a medicine beyond its expiry date? [A]

- kk. To get a reasonable amount of compensation for loss suffered.
- ll. To get the expired medicine replaced by a new one.
- mm. To get the refund of the price paid for the medicine.
- nn. All of the above

Ans. (d)

31.----- a standardised mark is printed on jewellery.

- a. AGmark
- b. ISI
- c. Hall mark
- d. ISO , 2009

ANS..(C) (R)

32.----- set up in each district by the state govt. Concern

- a. National commission
- b. State commission
- c. district forum
- d. None of these

ANS..(C) (R)

33.----- is set up by the central govt.

- a. National commission
- b. Supreme court
- c. District forum
- d. None of these

ANS..(A) (R)

34. Consumer protection affords safe gaurd to consumer in which of these areas?

- a. Safe gaurd and well constructed items
- c. Clean advertising campaign

b. Faulty defective products                      d. Healthful food and drinks

ANS..(B)      (U)

35. All of these are basic consumer rights under Indian law concept which?

a. The right to be compensated      c. The right to be educated

b. The right to be heard                      d. The right to be grateful

ANS.. (D)      (U)

36. A Co. Is using sub-standard electric wiring in its coolers. Which consumer right is being violated?

a. Right to be heard                      c. Right to safety

b. Right to seek redressal                      d. Right to education

ANS..(C)      (A)

37. What are the different ways of exploiting of consumer in the market?

a. Higher price                                      c. Under weight and under measurement

b. Quality lapse                                      d. All of above

ANS..(D)      (A)

38. Which is not the certification for quality assurance ?

a. ISI mark    c. Hall mark

b. MRI mark    d. AG mark

ANS ..(B)      (R)

39. Which one of the following is the agency that develops standards for goods and services in India?

a. COPRA    c. National consumer court

b. Consumer Protection Council      d. Bureau of Indian Standards

ANS ..(D)      (R)

40. Appeal against the order of national commission can be preferred before?

a. The President                                      c. The supreme court of India

b. The ministry of consumer affairs      d. None of the above

ANS ..(C) (U)

## D.Match the following

1.Match the following on the basis of consumers point of view:

A.consumers need to be organized in the form of consumer organization.	1. Consumer Ignorance
B. Consumers might be exploited by unscrupulous, exploitative and unfair trade practice	2.Unorganised customers
	3.Widespread exploitation of consumers

Ans.A-(2);B-(3) (R)

2.Match the following on the basis of consumer rights:

A.Right to seek redressal.	1.The consumers has a right to acquire knowledge.
B.Right to choose.	2.The consumer has the freedom to choose from a variety of products.
	3.The consumer has right to get relief in case the product or service falls short of his expectation.

Ans.a-3,b-2 (R)

3.Match the following:

1.District forum	A.Upto Rs. One crore.
2. National commission	B.Exceed Rs.20 lakhs but does not exceed RS. One crore.
3.State commission	C.Does not exceed RS. 20 lakhs.

Ans.1-c,2-a,3-b (R)

4.Match the following:

A.ISI mark	1. For food products
B. FPO mark	2.For agricultural products.
C.Agmark	3.For electrical goods.

Ans.a-3,b-1,c-2 (R)

5.Match the following:

A.National Commission	1.A president and two other members.
B.District forum	2.A president and not less than two members.
C.State commission	3.A president and four members.

Ans. A-3, B-1, C-2 (R)

6.Match the following:

A. Buy only standardized goods.	1. Relief available to customers.
B. To remove the defects in goods.	2. One of the consumer right.
	3. Consumer Responsibility.

Ans. A-3, B-1 (U)

7. Match the following:

A. Common Cause	1. Jaipur
B. CERC	2. Mumbai
C. CUTS	3. Ahmedabad 4. Delhi

Ans. A-4, B-3, C-1 (R)

8. Match the following:

A. A consumer means....	1. Any end user.
	2. Producer
	3. Wholeseller

Ans. A-1 (R)

9. Match the following correct importance of Consumer Protection Act to business: [R]

- |   |                            |
|---|----------------------------|
| i. Avoidance of any law or legal process. | a. moral justification     |
| ii. Business takes resources from society | b. government intervention |
|   | c. Social responsibility   |

Ans. i.- b, ii- c

10. Match the following:- [R]

- |                     |   |
|---------------------|---|
| i. Hoarding         | a. illegal selling and buying of goods                                      |
| ii. Black marketing | b. making something poorer in quality by the addition of another substances |
|                     | c. To collect and large quantities of another substance                     |

n

Ans. i-c, ii-a

11. Match the correct NGO's situated in the respective locations: [U]

- |          |             |
|----------|-------------|
| i. VOICE | a. Jaipur   |
| ii. CUTS | b. Delhi    |
|          | c. Kolkatta |

Ans. i-b, ii-a

12. Make the correct match:- [R]



[judicial]

- |     |                     |                             |
|-----|---------------------|-----------------------------|
| i.  | State commission    | a. Exceeds 1 crore          |
| ii. | District commission | b. From 20 lakhs to 1 crore |
|     |                     | c. upto 20 lakhs            |

Ans. I-b, ii- c

13.Match the correct answer:- [U]

- |     |                                  |  |
|-----|----------------------------------|--|
| i.  | Right to be informed<br>informed | a. right to acquire knowledge and to be a well |
| ii. | Right to consumer education      | b. right to file complaint                     |
|     |                                  | c. right to have complete information          |

Ans. I-c, ii-a

14.Match the correct means of consumer protection: [R]

- |     |                                       |   |
|-----|---------------------------------------|---|
| i.  | Consumer awareness<br>grievances cell | a. set up their customer service and      |
| ii. | Government                            | b. well informed about rights and reliefs |
|     |                                       | c. enacting various legislations          |

Ans. I-b, ii-c

15.Match the following :- [U]

- |     |         |                                    |
|-----|---------|------------------------------------|
| i.  | Ecomark | a. switches, electrical appliances |
| ii. | ISI     | b. jams, sauces etc.               |
|     |         | c. Medicines, packing materials    |

Ans. I- c, ii-a

16.Match the following : [R]

- |     |                                     |  |
|-----|-------------------------------------|--|
| i.  | Consumer organization<br>grievances | a. set up their customer service and                               |
| ii. | Self regulation by business<br>them | b. educating consumers about<br>rights and providing protection to |
|     |                                     | c. enacting various legislations                                   |

Ans. I-b, ii-a

17.Match the following on the basis of composition of the following redressal forms: [R]

- |    |               |                   |
|----|---------------|-------------------|
| i. | District form | a. Min. 5 members |
|----|---------------|-------------------|

- ii. National commission
  - b. 3 members
  - c. Min. 6 members

Ans. I-b, ii-a

18. Match the following: [R]

- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li>i. Adulteration</li> <li>ii. Unfair trade practices</li> </ul> | <ul style="list-style-type: none"> <li>a. To collect and store large quantities of goods</li> <li>b. use of various deceptive fraudulent methods to obtain business</li> <li>c. Making something poorer in quality by the addition of another substances</li> </ul> |
|---|---|

19. Business firms should aim at long-term profit maximization through customers satisfaction.

Ans. True

20. NGOs does not take initiative in filing cases in consumer courts in the interest of general public.

Ans. False – It take part.

21. NGO's doesn't file complaint in consumer courts on the behalf of consumers.

Ans. False – It file complaints.

22. Resale goods are covered under CPA.

Ans. True

23. Services provided by a lawyer or doctor are covered under CPA.

Ans. True

24. CPA is not fruitful for producers.

Ans. False – It is fruitful for both producers and consumers.

25. Only government educate consumers about their consumer rights.

Ans. False, NGO's also.

26. NGO's carried out comparative tests of products to test relative qualities.

Ans. True

27. NGO's provide workshops, training programmes for educating consumer.

Ans. True

28. To achieve consumer awareness, it is necessary to educate them.

Ans. True

29. match the following on the basis of importance of consumer protection:

1. Designing the product in mind the requirements of customers	keeping	(a) social responsibility
2. Adds glory to businessman		(b) long-term interest of business
3. It may spoil the image of business		(c) moral justification
4. Provide good quality products at reasonable price		(d) government intervention

Ans – 1- b, 2- c, 3 – d, 4 - a

30. match the following on the basis of consumer rights:

1. Supply of safe goods	(a) Right to information
2. Complete information regarding product	(b) Right to safety
3. Select the product independently	(c) Right to seek redressal
4. Compensation for the damage	(d) Right to choice

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Ans – 1 – b, 2 – a, 3 – d , 4 – c

31. match the following on the basis of location of consumer organisations :

1. CUTS	a. Ahmedabad
2. CERC	b. Kolkata
3. Common cause	c. Jaipur
4. Consumers association	d. New delhi

32. match the following on the basis of importance of consumer protection from consumers point of view:

1. Consumer are not aware of there rights and reliefs available to them	a. Consumer organisations
2. To provide direction , adequate protection to consumers	b. Widespread exploitation of consumers
	c. Consumer ignorance

33. match the following on the basis of consumer rights:

1. Acquire the knowledge and skills	a. Right to information
2. Relief against consumer exploitation	b. Right to consumer education
3. Consumer represent himself to advocate his interest	c. Right to seek redressal
	d. Right to be heard

