



**CREATIVE EDUCATION FOUNDATION, KARKALA**  
**SECOND PU ANNUAL EXAMINATION MARCH- 2025**  
**BUSINESS STUDIES DETAILED SOLUTION**

**PART - A**

**MULTIPLE CHOICE QUESTION**

1. D) Providing employment opportunities
2. A) Transfer
3. C) Abrahm Maslow
4. B) Setting performance standards
5. B) Cash in Hand

**FILL IN THE BLANKS**

6. Managerial principle
7. Budget
8. Delegation
9. Sender
10. Publicity

**MATCH THE FOLLOWING**

11. A) Tax administration measure  
B) Assumption about feature  
C) Product specialisation  
D) Putting people to jobs  
E) Components of physical distribution

**ONE MARKS**

12. Management of work, Management of people, Management of operations.
13. Henry Fayol.
14. It refers to the mix between owners and borrowed funds.
15. Marketing concepts, Production concept, Product concept, Societal concept.
16. Doesn't exceeds 1 Crore.

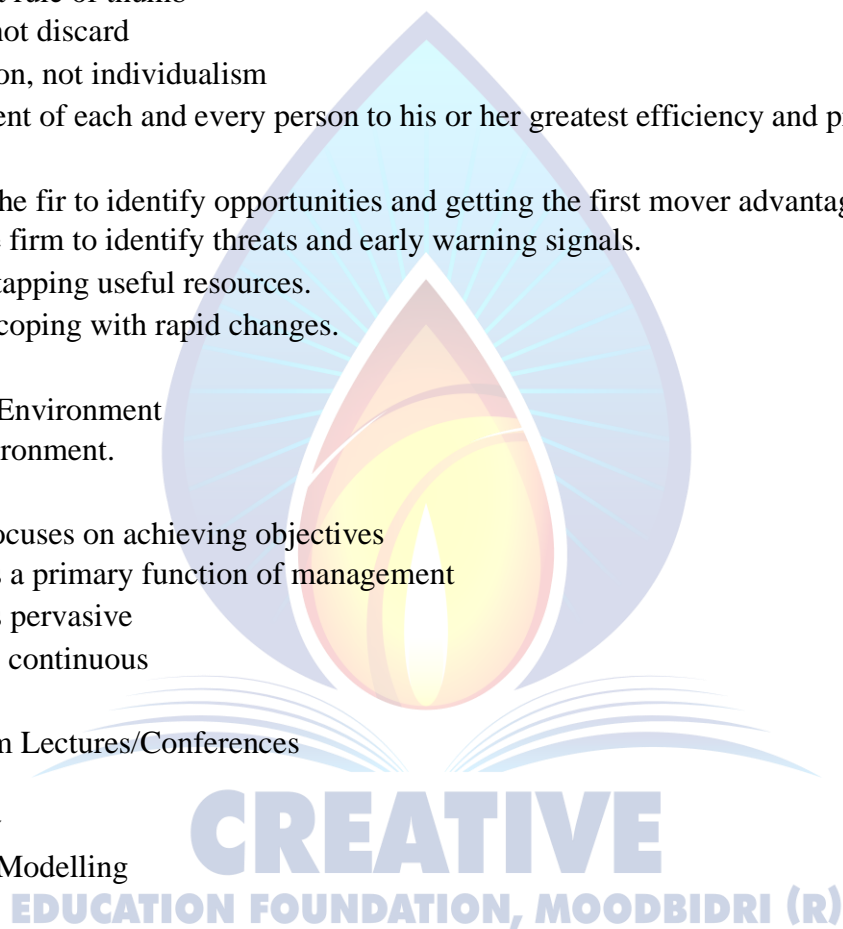
**TWO MARKS**

17. a) Coordination integrates group efforts  
b) Coordination ensures unity of action.
18. The formal lines of authority from highest to lowest ranks are known as scalar chain.
19. a) objective  
b) Rules
20. According to Theo Haimman "Organizing is the process of defining and grouping the activities of the enterprise and establishing authority relationships among them."
21. Orientation is introducing the selected employee to other employees and familiarizing him with the rules and policies of the organisation.

- 22. a) Autocratic leader  
b) Democratic leader
- 23. a) Accomplishing organisational goals  
b) Judging accuracy of standards
- 24. a) Cash flows of the project  
b) The rate of return
- 25. cigarettes, ice creams, medicines, newspaper, stationery items toothpaste. etc.
- 26. a) To remove the defect in goods or deficiency in service.  
b) To replace the defective product with a new one, free from any defect.

#### FOUR MARKS

- 27. a) Science not rule of thumb  
b) Harmony not discard  
c) Co-operation, not individualism  
d) Development of each and every person to his or her greatest efficiency and prosperity
- 28. a) It enables the firm to identify opportunities and getting the first mover advantages.  
b) It helps the firm to identify threats and early warning signals.  
c) It helps in tapping useful resources.  
d) It helps in coping with rapid changes.
- 29. a) Economic Environment  
b) Legal Environment.
- 30. a) Planning focuses on achieving objectives  
b) Planning is a primary function of management  
c) Planning is pervasive  
d) Planning is continuous
- 31. a) Class Room Lectures/Conferences  
b) Films  
c) Case Study  
d) Computer Modelling
- 32. a) Difficulty in setting quantitative standards  
b) Little control on external factors  
c) Resistance from employees  
d) Costly affair
- 33. Fixed Capital:
  - a) Nature of Business
  - b) Scale of Operations
  - c) Choice of Technique
  - d) Technology Upgradation
- 34. a) The brand name should be short, easy to pronounce, spell, recognise and remember e.g., Ponds, VIP, Rin, Vim, etc.



- b) A brand should suggest the product's benefits and qualities. It should be appropriate to the product's function. e.g., Rasika, Genteel, Promise, My Fair Lady and Boost.
- c) A brand name should be distinctive e.g., Liril, Sprit, Safari, Zodiac.
- d) The brand name should be adaptable to packing or labelling requirements, to different advertising media and to different languages.
- e) The brand name should be sufficiently versatile to accommodate new products, which are added to the product line e.g., Maggie, Colgate.
- f) It should be capable of being registered and protected legally. (vii) Chosen name should have staying power i.e., it should not get out of date.

35. Four differences between Advertising and Personal selling

Advertising	Personal selling
1. Advertising is an impersonal form of communication.	1. Personal selling is a personal form of communication.
2. Advertising involves transmission of standardised messages, i.e., same message is sent to all the customers in a market segment.	2. In personal selling, the sales talk is adjusted keeping view customer's background and needs.
3. Advertising is inflexible as the message can't be adjusted to the needs of the buyer.	3. Personal selling is highly flexible. As the message can be adjusted.
4. It reaches masses, i.e., a large number of people can be approached.	4. Only a limited number of people can be contacted because of time and cost considerations.

- 36. a) Right to Safety
- b) Right to be Informed
- c) Right to Choose
- d) Right to be Heard

**EIGHT MARKS**

- 37. a) Planning
- b) Organising
- c) Staffing
- d) Directing
- c) Controlling

38. **Advantages** of Formal organisation are as follows:-

- a) It is easier to fix responsibility since mutual relationships are clearly defined.
- b) There is no ambiguity in the role that each member has to play as duties are specified. This also helps in avoiding duplication of effort.
- c) Unity of command is maintained through an established chain of command.
- d) It leads to effective accomplishment of goals by providing a framework for the operations to be performed and ensuring that each employee knows the role he has to play.
- e) It provides stability to the organisation. This is because behaviour of employees can be fairly predicted since there are specific rules to guide them.

**Disadvantages** of Formal Organization are as follows: -

- a) The formal communication may lead to procedural delays as the established chain of command has to be followed which increases the time taken for decision making.
- b) Poor organisation practices may not provide adequate recognition to creative talent, since it does not allow any deviations from rigidly laid down policies.
- c) It is difficult to understand all human relationships in an enterprise as it places more emphasis on structure and work. Hence, the formal organisation does not provide a complete picture of how an organisation works.

39. a) preliminary Screening

b) Selection Tests

c) Employment Interview

d) Reference and Background Checks

e) Selection Decision

f) Medical Examination

g) Job offer

h) Contract of Employment

40. a) Harmony of objectives: There must be alignment between the objectives of the subordinates and the enterprise.

b) Unity of command: Each subordinate should receive orders and instructions from only one superior.

c) Direct supervision: The manager should personally oversee and guide the work of the subordinates.

d) Managerial communication: The manager should communicate clearly and effectively with the subordinates.

e) Effective leadership: The manager should inspire, influence, and guide the subordinates.

f) Effective motivation: The manager should stimulate and encourage the subordinates to perform well.

g) Follow through: The manager should monitor and evaluate the performance of the subordinates and take corrective actions if needed.

41. a) Product Cost

b) The Utility and Demand

c) Extent of Competition in the Market

d) Government and Legal Regulations

e) Pricing Objectives

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## **DEPARTMENT OF COMMERCE**

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