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Directorate of Education, GNCT of Delhi

Suggestive Answers of Practice Paper - 2

कक्षा – XII

Class - XII

व्यवसाय अध्ययन (कोड: 054)

Business Studies (Code: 054)

TERM II (2021-22)

अधिकतम अंक: 40

Maximum Marks: 40

1	Workload analysis is the concept which will help the Human Resource Manager in deciding the actual number of persons required in each department.
2	<ol style="list-style-type: none">1. The money market instrument which is highlighted in the above case is 'Certificate of Deposit'.2. The other type of body which can issue certificate of deposit is 'Commercial Bank'. It issues certificate of deposit when the deposit growth is slow and the demand for credit is high.
3	Identification of each job in terms of duties and responsibilities, called job description and determining the abilities and skills that are required for performing the job, called job specification. These two aspects of job analysis (job description and job specification) are useful in recruitment and selection of employees so as to find the right person for the job.
4	

Taking corrective action: The last step in controlling process involves taking corrective action whenever the deviation occurs beyond the permissible limits so that they do not reoccur in future. However, the standards may be revised if it is not possible to check deviations through corrective action.

5 Differences between Training and Development

S.No.	Basis	Training	Development
1.	Meaning	It is a process of increasing knowledge and skills.	It is a process of learning and growth.
2.	Purpose	It is to enable the employee to do the job better.	It is to enable the overall growth of the employee.
3.	Scope	It is a job oriented process.	It is a career oriented process.

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Motivation is the process of stimulating employees/workers/people into action by identifying their needs (motives) and satisfying them by providing them financial and non-financial incentives (motivators) in order to achieve organisational goals.

Features of Motivation:

- It is an internal feeling. It is hidden inside like other feelings and cannot be seen as it is abstract in nature.
- Motivation can be both—positive as well as negative.

OR

Leadership is the process of influencing the behaviour of people/ employees/ workers by acting as a role model and inspiring them to work willingly towards the achievement of organisational goals.

Features of Leadership:

1. It is an interpersonal relationship between the leader (role model) and the followers.
2. It is a goal oriented process as the followers willingly work towards the attainment of set goals.

The method of floatation used by the company is 'Rights Issue'. Rajni Auto manufacturers have decided to give a special privilege to the existing shareholders to subscribe to the new issue of shares where they will be given shares according to the proportion of shares held by them.

1. The company was dealing with the 'Secondary Market'.
2. Last year the company was dealing through the capital market where both the buying and the selling of securities were taking place.
3. The watchdog of the stock market referred to in the above case is 'SEBI' (Securities and Exchange Board of India).

8	<ol style="list-style-type: none"> 1. Controlling is the function of management being performed by the quality assurance team of 'Taste Buds Ltd.' Controlling is the process of ensuring that events conform to plans. 2. The statement "records and analyses the deviations and takes the necessary corrective actions" refers to the following steps involved in the process of controlling: Comparing the actual performance with the standards: The actual performance is compared with the standards and deviations, if any, are recorded. Analysing deviations: Once the deviations are identified, it is important to analyse them.
9	<p>Here are following ways to achieve the objective of consumer protection:</p> <ol style="list-style-type: none"> 1. Business firms should work towards protecting the interests of the customers. A satisfied customer will bring in more business for the company. To maintain customer satisfaction and providing them best service companies have set up customer support centers and grievance cells. 2. Various business organisations have been setup which is working towards the customer protection in India. Such organisations are Confederation of Indian Industries (CII) and Federation of Indian Chambers of Commerce and industry (FICCI). These organisations have created guidelines for the members for maintaining customer dealings. 3. Making a customer educated and aware about the laws is one of the most important steps in consumer protection. A customer must be aware of the compensation that can be demanded in case a business has follows unfair trade practices and exploits customer. Knowing the laws will safeguard the customer from such activities. 4. A variety of consumer organisations and associations have setup such as the Consumer Protection Council, Consumer guidance Society of India and Consumer Unity and Trust Society which are educating customers of their rights and responsibilities. They also help customers in raising any form of protest against unfair trade practices or cheating. 5. Government plays a protective role for customers by passing various rules and regulations such as the Consumer Protection Act which is helpful in protecting consumer rights and acts as grievance redressal system for consumers. <p style="text-align: center;">OR</p> <p>Consumer organisations and NGO's perform the following functions in order to protect and promote consumer interests:</p> <ol style="list-style-type: none"> 1. By educating the general public about the different consumer rights through workshops, training programs and seminars. 2. By publishing periodicals and other type of publications that provide knowledge about the various consumer problems, rights and other matters that can be of use to the public. 3. By carrying out tests of the different consumer products in laboratories to determine the quality of the products and letting customer know the same by publishing the findings. 4. By encouraging customers to take legal action whenever is required against unfair trade practices

adopted by business organisations.

5. By providing assistance to the consumers who are looking for legal counselling.

6. By filing complaints in consumer courts for the customer.

7. By filing of cases in consumer forums which are of public interest.

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1. Allocative function.

2. Money market.

Difference between Capital and Money market:

Basis	Capital-market	Money-market
(i) Participants	The participants are financial institutions, banks, corporates, foreign investors and retail investors.	The participants are RBI, financial institutions, banks and corporates.
(ii) Instruments	Instruments traded are Shares, Debentures and Bonds.	Instruments traded are Treasury bills, Commercial papers, Certificates of deposit, Call money and Commercial bills.
(iii) Investment Outlay	Investment outlay is small.	Investment outlay is large.
(iv) Duration	Capital Market deals in medium term and long-term securities.	Money market deals in short-term securities.

		(v) Liquidity	Capital market securities are comparatively less liquid.	Money market securities are comparatively more liquid.
11	<ul style="list-style-type: none">• Interest Tests: Interest tests are used to know the pattern of interests or involvement of a person.• The further important steps in the process of selection, after conducting assessment tests are as follows:<ul style="list-style-type: none">○ Employment Interview: It is a face-to-face interaction between the interviewers and prospective candidate. It involves a formal, in-depth conversation that is conducted to evaluate the applicant's suitability for the job.○ Reference and Background Checks: At the time of filling up of the job application form, the prospective candidates are required to provide names, addresses, and telephone numbers of references for the purpose of verifying information and gaining additional information about him/her.○ Selection Decision: The final decision about the selection is made from among the candidates who pass the tests and interview.○ Medical Examination: After the selection decision and before the job offer is made, the candidate is required to undergo a medical fitness test.○ Job Offer: The next step in the selection process is job offer, given to those applicants who have passed all the previous tests.○ Contract of Employment: After candidate accepts the job offer, a contract of employment is issued. Basic information that should be included in a written contract of employment will vary according to the level of the job, but it will include information like job title, duties, responsibilities, date of joining, pay and allowances, etc.			

1. The concept of financial management highlighted is '**Financial Planning**'.
2. The financial plans made for a year are known as '**Budgets**'.

3. Following are the two objectives of Financial planning:

3. **To ensure availability of funds when required.** Financial planning ensures that sufficient funds are available with the enterprise as and when required. For this purpose proper estimation of funds are carried out for different purposes like for the purchase of long-term assets or for meeting day-to-day expenses of business.
4. **To see that the firm does not raise resources unnecessarily.** Financial planning makes sure that an enterprise is adequately funded. It also ensures that firms do not raise funds unnecessarily. It aims at the best possible use of financial resources.

OR

1. '**It has been consistently earning good profits for many years**'.

It relates to the stability of earnings of the company as a company having stable income is always in a better position to pay higher dividend. Companies having inconsistent and unstable earnings prefer not to declare a high rate of dividend.

2. '**There is availability of enough cash in the company**'.

The above line reflects the cash flow position of the business which is another major factor influencing the dividend decision. In order to declare higher rate of dividend, the company should have enough cash. A company remaining short of cash finds it difficult to pay dividend.

3. '**It has many shareholders who prefer to receive a regular income from their investments**'.

Shareholder's preference is highlighted in the above statement. The management of the company should keep in mind the preferences of shareholders while they declare dividend. Some shareholders prefer to receive a regular income in the form of dividend.

4. '**It has taken a loan of 40 lakhs from IDBI and is bound by certain restrictions on the payment of dividend**'.

The above statement highlights contractual constraints due to which the company is bound by certain restrictions on the payment of dividend. If a company has taken loan, the lender may impose few restrictions on the declaration of dividend in future. The dividend policy of the firm should not violate the terms and conditions of the loan agreement.

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