



**ST. LAWRENCE HIGH SCHOOL**  
A JESUIT CHRISTIAN MINORITY INSTITUTION



**Pre Test - 2018**

**Sub: Business Studies**

**Class: XII**

**F. M. 80**

**Duration: 3 Hours 15 Mins**

**Date: 04.08.2018**

**Part - A**  
**[Marks 44]**

**1. Answer the following questions:**

**(4x7=28)**

- Briefly explain the importance of leadership.
- State the principles of staffing.
- State the differences between authority and responsibility.
- Briefly explain the steps involved in organizing.
- Briefly discuss the internal sources of recruitment.
- State any four reasons why understanding of business environment is important for managers.
- Explain method and rule.

**2. Answer the following question:**

**(4x1=4)**

- Discuss the universality of Henri Fayol's Principles of Management.

**3. Answer the following questions:**

**(6x2=12)**

- State the elements of delegation of authority.
- Discuss the qualities of a good leader.

**Part - B**  
**[Marks 36]**

**4. Choose the correct alternatives:**

**(1x12=12)**

- Which of the following statements is not correct?
  - Management is a goal oriented process.
  - Management is a universal process.
  - Management is a continuous process.
  - Management is a rigid process.
- Father of Principles of Management -
  - G.R. Terry.
  - F.W. Taylor.
  - Henri Fayol.
  - J.D. Money.
- Which environment is within the control of the business?
  - Internal.
  - External.
  - Micro.
  - Macro.
- Which planning focuses on day to day actions of work units?
  - Corporate planning.
  - Divisional planning.
  - Unit planning.
  - Departmental planning.
- A network of social relationships gives birth to -
  - Formal organization.
  - Informal organization.
  - Functional organization.
  - Divisional organization.
- What is based on manpower planning?
  - Controlling.
  - Staffing.
  - Communication.
  - Planning.
- According to Maslow, physiological needs is a -
  - High level needs.
  - Medium level needs.
  - Lower level needs.
  - Psychological needs.
- The person who sends a message is known as -
  - Sender.
  - Receiver.
  - Messenger.
  - Communicator.
- Technological environment is -
  - Fixed.
  - Fixed.
  - Unidentified.
  - None of these.
- Wages, salaries, bonus, vacation pay, insurance are examples of -
  - Non-financial motivation.
  - Financial motivation.
  - Extrinsic motivation.
  - Intrinsic motivation.
- The word PODSCORB was advanced by -

- i. Henri Fayol.
- iii. Harold Koontz.
- l. Principles of management are -
- i. Universal.
- iii. Absolute laws.

- ii. Luther Gullick.
- iv. P.F. Drucker

- ii. Rigid.
- iv. Static.

(1x5=5)

**5. Answer the following questions in one or two sentences:**

- a. What do you mean by disinvestment?
- b. Mention one social objective of management.
- c. Define Liberalization.
- d. Define chain of command.
- e. Define training.

(1x12=12)

**6. Choose the correct alternatives:**

- a. Which environment is beyond the control of the business?
  - i. Internal.
  - iii. Micro.
- b. Planning includes -
  - i. Objectives.
  - iii. Strategy.
- c. The degree to which tasks are subdivided into separate jobs is termed -
  - i. Departmentalization.
  - iii. Work Specification.
- d. Sources of recruitment are -
  - i. Internal sources.
  - iii. Both internal and external.
- e. The leadership theory that studies leader's behavior is -
  - i. Follower's theory.
  - iii. Behavioral theory.
- f. Supervisors are called -
  - i. Front line managers.
  - iii. Top managers.
- g. Marketing manager belongs to -
  - i. Top level management.
  - iii. Lower level management.
- h. F.W. Taylor was -
  - i. A social scientist.
  - iii. An electrical engineer.
- i. When a government organization is sold to a private organization it is called -
  - i. Globalization.
  - iii. Privatization.
- j. Planning is concerned with deciding the course of action of the -
  - i. Past.
  - iii. Future.
- k. The number of subordinates that report directly to a single supervisor is known as -
  - i. Span of supervision.
  - iii. Span of business.
- l. Which of the following is an on-the job training?
  - i. Conference.
  - iii. Case study.

- ii. External.
- iv. Macro.

- ii. Policy.
- iv. All of these.

- ii. Decentralization.
- iv. Structure.

- ii. External sources.
- iv. None of these.

- ii. Trait theory.
- iv. Managerial grid.

- ii. Middle managers.
- iv. Staff managers.

- ii. Middle level management.
- iv. None of these.

- ii. A mechanical engineer.
- iv. A professional accountant.

- ii. Change in ownership.
- iv. None of these.

- ii. Present.
- iv. None of these.

- ii. Span of activity.
- iv. Span of organizing.

- ii. On specific job.
- iv. Brainstorming.

(1x7=7)

**7. Answer the following questions in one or two sentences:**

- a. What is delegation of authority?
- b. What is upward communication?
- c. What is meant by on-the job training?
- d. What is positive motivation?
- e. Define economic environment.
- f. Define promotion.
- g. Mention one principle of scientific management.



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*6/7/18/18*  
*Delta 6.8.2018.*

*Deborah Chowdhury*  
*06/08/18*



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**MODEL ANSWERS**

**Part - A**  
**[Marks 44]**

**4x7=28**

**1. Answer the following questions:**

- a. Leadership is a process of influencing the behavior of people at work towards the achievement of specified goals. Leadership is an important element of directing which has lasting impact on employees of an organization. Leadership aims more at winning support of the subordinates for doing things willingly and enthusiastically. Leadership studies the physical qualities of each and every employee and thereby gets them to do the best possible work. It also creates a sense of self confidence and a sense of responsibility. It helps in motivating the employees and understanding their problems and thereby seeks to provide a remedy or solution.
- b. The following are the principles of staffing:
- Principle of objective
  - Principle of recruitment.
  - Principle of job description.
  - Principle of employee appraisal.
  - Principle of training objective.

**(The following points are to be mentioned and explanation of each of the points)**

c. The following are the differences between authority and responsibility:

<b>Basis</b>	<b>Authority</b>	<b>Responsibility</b>
Meaning	Authority is the legal right of a superior to command his subordinates.	Responsibility is the obligation of a subordinate to perform the work assigned to him by his superior.
Nature	Authority can be delegated by a senior to his subordinate that is it flows downward from superior to subordinate.	Responsibility cannot be delegated by the subordinate that is it moves in the upward direction from subordinate to superior.

d. The following are the steps involved in organizing:

- Determination of objectives.
- Determination of activities.
- Grouping or classification of activities.
- Allocation of duties and responsibilities.
- Delegation of authority.
- Preparation of organizational charts and manuals.
- Coordinating activities.

**(The following points are to be mentioned and explanation of each of the points)**

e. The following are the internal sources of recruitment:

- **Promotion:** Promotion refers to shifting of an employee to a position carrying higher responsibilities and therefore enjoying increased prestige. It helps to meet the aspirations of the employees and provide the organization with a ready supply of qualified human resources.
- **Demotion:** Demotion can be defined as transfer of an employee to a position where there is a decrease in responsibilities, status and pay.
- **Transfer:** Transfer involves the shifting of an employee from one job to another without any increase in pay, status responsibilities.
- **Lay off:** Lay off means termination of employee where there is no work in an organization. The laid-off employees may be called back whenever vacancy position arises.

f. The following are the reasons why understanding of business environment is important for managers:

- Enables the firm to identify opportunities and getting first mover advantage.
- Helps the firm to identify the threats and early warning signal.
- Helpful in tapping and assembling resources.
- Helps to adjust and adapt with rapid changes.
- Assisting in planning and policy making.
- Improvement in performance.
- Helps to build reputation.

**(Any four points are to be mentioned and explanation of each of the points)**

- g. Every procedure consists of certain methods for performing each phase of task. Method refers to the plans or procedures followed to accomplish a task or attain a goal. Method implies a detailed, logically ordered plan. It deals with the best way to perform a particular task. A method is more specific and detailed in how a task is to be done.

Rules are statements that a specific action must or must not be taken in a given situation. Rule is the well-defined indicator to behavior or work performance. They are the most explicit of standing plans. In the context of specific situation, rule ensures certain conduct or behavior of the organization. This rule should be specific and inflexible.

**2. Answer the following questions:**

**4x1=4**

Principles of management have universal applicability. It implies that principles of management can be applied in all types of organizations: business or non-business, public sector or private sector, manufacturing sector or service sector and small or large throughout the world. For example, authority and responsibility in principles of management given by Fayol is applicable in all types of organizations across the world.

**3. Answer the following questions:**

**6x2=12**

- a. Delegation of authority is the assignment of duties, authority and responsibility to others. If the assigned accept the assignment, then they become a delegate of manager and are responsible for the assigned task. It is an administrative process of getting things done by subordinates. It is a formal mechanism by which a network of authority relationship is established.

The following are the elements of delegation of authority:

- Authority.
- Responsibility.
- Accountability.

**(The following points are to be mentioned and explanation of each of the points)**

- b. The following are the Qualities of a good leader:

- Physical qualities.
- Knowledge, intelligence and scholarship.
- Integrity and honesty.
- Self-confidence and sense of responsibility.
- Initiative.
- Motivation skill.
- Communication skill.
- Decisiveness.
- Social skill.

**(The following points are to be mentioned and explanation of each of the points)**

**Part - B**  
**[Marks 36]**

**4. Choose the correct alternatives:**

**1x12=12**

- Management is a rigid process.
- Henri Fayol.
- Internal.
- Departmental undertaking.
- Informal organization.
- Staffing.
- Lower level needs.
- Sender.

- i. None of these.
- j. Financial motivation.
- k. Luther Gullick.
- l. Universal.

5. Answer the following questions in one or two sentences:

1x5=5

- a. Disinvestment refers to sell of shares of public sector unit to private sector unit.
- b. Quality goods and services at fair prices to consumers, conservation of environment and natural resources, fair dealings with suppliers, dealers, lenders, providing employment to disadvantage sections of society, avoidance and antisocial and unfair trade practices, honesty and prompt payment of taxes. **(Mention any one of the given social objectives)**
- c. Liberalization, in economic context, is removal of unnecessary restrictions on doing business. Thus, it involves giving more freedom to businessmen to do business of their own choice.
- d. The chain of command is an unbroken line of authority that extends from the top of the organization to the lowest echelon and clarifies who reports to whom.
- e. Training is concerned with developing specific skills for a particular purpose, usually for performing a specific job, for example, learning by an employee how a particular machine can be handled effectively.

6. Choose the correct alternatives:

1x12=12

- a. External.
- b. All of these.
- c. Work specialization.
- d. Both internal and external.
- e. Behavioral theory.
- f. First line managers.
- g. Middle level management.
- h. A mechanical engineer.
- i. Privatization.
- j. Future.
- k. Span of supervision.
- l. On specific job.

7. Answer the following questions in one or two sentences:

1x7=7

- a. Delegation of authority is the assignment of duties, authority and responsibility to others.
- b. Upward communication refers to the movement of communication from the subordinates to the superior.
- c. On-the job training refers to learning while actually performing a particular work or job. Under this method, an employee is instructed by some experienced employee, who may be special instructor or a supervisor.
- d. Positive motivation refers to motivation on the basis of positive rewards such as increase in pay, recognition etc.
- e. Economic environment includes those factors which give shape and form to the development of economic activities.
- f. Promotion refers to shifting of an employee to a position carrying higher responsibilities and therefore enjoying increased pay.
- g. Science, not rule of thumb, harmony, not discord, co-operation, nor individualism, development of workers to their greatest efficiency, equal division of work and responsibility between management and workers, mental revolution. **(Mention any one of the given principles)**