

Business Studies

Question Paper 2018

Maximum Marks: 80

Time allowed: Three hours

- Candidates are allowed additional 15 minutes for only reading the paper. They must NOT start writing during this time.
 - Answer Question 1 (Compulsory) from Part I and five questions from Part II, choosing two questions from Section A, two questions from Section B and one question from either Section A or Section B.
 - The intended marks for questions or parts of questions are given in brackets [].
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Part-I (30 Marks) Answer all questions

Question 1.

Answer briefly each of the questions (i) to (xv): [15 x 2]

- (i) What is meant by unsolicited applications ?
- (ii) State the significance of conducting refresher training.
- (iii) Define remuneration.
- (iv) Name any four non-monetary incentives that may be used in an organisation.
- (v) Briefly explain any two qualities of a good leader.
- (vi) Differentiate between upgrading and dry promotion.
- (vii) Give one benefit each of voluntary retirement scheme to employee and to the employer.
- (viii) Bring out the significance of using grapevine as a channel of communication in an organisation.
- (ix) Explain the meaning of internal communication. Name its two types.
- (x) What is a Dictaphone ?
- (xi) Briefly explain what is meant by letter of inquiry. Which letter is written in response to it ?
- (xii) With reference to written internal communication, explain the term office order.
- (xiii) Explain cross referencing, in the context of report writing.
- (xiv) Explain the term '1 motion' in the context of company meetings.
- (xv) With reference to Post Office, expand the following:
 - (a) VPP
 - (b) PIN

Answer:

(i) Unsolicited applications are those applications applied by the person in search of employment carry their resume and certificates. When suitable jobs are available for them then they may be contacted and considered.

(ii) Refresher training is provided to update the knowledge and improve the employees' working skills. It also makes the employees more efficient in the use of advanced technology.

(iii) Remuneration refers to the wage or salary paid to workers in cash or kind in consideration of the services rendered by them. Wages help the business to attract, retain and motivate efficient workers. A good system of remuneration should be simple, equitable, economical and flexible.

(iv) The following are the non-monetary incentives given below :

- Status symbols
- Appreciation of work
- Healthy competition
- Opportunity for growth

(v) A good leader should possess following qualities :

- Self-confidence : A leader should be willing to listen to others and to absorb new ideas,
- Vision and foresight: A leader should be able to anticipate or visualize the future course of events.

(vi) Difference between upgrading and dry promotion.

Upgrading	Dry Promotion
It means movement from one lower scale to higher scale.	It is one where one has to pass through the minimum requirements of promotion criteria.

(vii) Under this scheme, the employee may be allowed to retire before attaining the retirement age with full benefits of retirement due to disease or disability and the retirement benefits to employer may give a recruiting advantage.

(viii) Grapevine is an informal channel of communication which should be used judiciously to supplement the official channels. It is utilized when the official channels are slow and insufficient. It is built around interpersonal relations between people

working in an organisation. It spreads throughout the organisation with its branches going out in all directions going out in all directions irrespective of levels of authority.

(ix) Internal communication refers to all communication within an organisation. It helps to create mutual understanding and cooperation between different parts of an organisation. Internal communication is of two types: Horizontal Communication and Vertical Communication.

(x) A Dictaphone is an electronic device which records speech so that the typist may playback the recording and transcribe it on the typewriter. It permits speedy and accurate recording of lengthy debates or proceedings. Telephonic conversation, interviews etc. can be recorded immediately along with notes for follow up action.

(xi) When a buyer wants information about the quality, price, availability etc. of goods to be purchased or about the terms of sale etc. he writes a letter of inquiry to the seller. While drafting a letter of inquiry, specify the quantity you want to buy, ask for samples or demonstrations if required etc. Quotation letters are written in response to it.

(xii) Office order is a means of downward communication. It is used to communicate matters related posting, promotion, transfer, suspension, disciplinary proceedings etc. It also carries a stamp of authority and people working at lower levels are bound to accept it.

(xiii) Cross referencing means making a mention at one place in the report about some other point of the report. It helps to save time and facilitates task of the person who are to read and use the report whenever necessary, cross-referencing should be done in a report. .

(xiv) A motion is a proposal moved by a member for the purpose of discussion at the meeting. The motion must be in writing and it must relate to the items placed on the agenda. An amendment is a motion proposed with a view to make some alterations in the original motion which is under discussion. A motion become a resolution when it is duly adopted in a meeting.

(xv) (a) VPP: Value Payable Post
(b) PIN: Postal Index Number i

Part – II (70 Marks)
Answer any Jive questions

Question 2.

- (a) Explain any three points of difference between training and education. [6]
- (b) With reference to selection process, explain the significance of the following : [8]
 - (i) Preliminary Interview
 - (ii) Application Blank
 - (iii) Medical Examination
 - (iv) Final Interview

Answer:

(a) Difference between Training and Education.

Basis	Training	Education
(i) Nature (ii) Contents (iii) Cost paid	It is practical. Training involves knowledge and skills in a particular job. Training cost is paid by the employer.	It is theoretical. Education involves general knowledge and intelligence. Education cost is paid by the Government and the individual.

(b) Preliminary Interview : Preliminary interview is the first occasion when candidates comes into contact with the company's officials. The job seekers are received at the reception counter of the enterprise. The purpose of preliminary interview is to ascertain the minimum qualifications, experience, age etc. of the candidates.

Application Blank : The candidates who succeed in the preliminary interviews, are required to fill in a specially drafted weighted application form. The application form provides a written record of the name, address, age, qualifications etc. of the candidate. It should be designed carefully so as to secure all relevant information about the candidate. There is no standard application form for all jobs or all firms.

Medical Examination: A physical examination of the candidates is necessary to ensure that they are physically fit for the job. Company must protect it self against the risk of claims for compensation from individuals who are afflicted with disabilities. It should record a complete medical history, current physical capabilities.

Final Interview: After a candidate has cleared all the hurdles in the selection procedure, he is formally appointed by issuing him an appointment letter. Candidates are appointed on probation of one or two years. Candidates who give satisfactory performance during the probationary period, are made permanent.

Question 3.

- (a) Write a short note on the Halsey Plan of Incentive. [6]
(b) List any four factors that influence morale. Clearly explain how they boost or lower the morale. [8]

Answer:

(a) Halsey Plan : This plan was developed by F.A. Halsey and was first introduced in the Weir Engineering Works, England. Under this plan, a worker who completes his job within or more than the standard time is paid on guaranteed time wage. For example:

$$\text{Standard Time (S)} = 20 \text{ hrs}$$

$$\text{Time Taken (T)} = 16 \text{ hrs}$$

$$\text{Rate of wages (R)} = ₹10 \text{ per hour}$$

$$\text{Bonus} = 50\%$$

$$\text{Total wages} = T \times R + 50\% (S - T) \times R$$

$$= 16 \times 10 + 50\% (20 - 16) \times 10$$

$$= 160 + \left(\frac{50}{100} \times 4 \right) \times 10$$

$$= 160 + 20 = ₹ 180$$

- (b) Following are the factors that influence morale:

Nature of Work : Meaningful and satisfying job helps to improve employee morale. Morale tends to be low when the job provides no challenge and satisfaction and job standards are considered very high.

Inter Personal Relations: The confidence of an employee in fellow employees influence morale. When a worker is confident, his morale is likely to be high and when worker is not loyal and confident then, the morale is low.

Working Conditions: When the wages are fair, job is secure and more opportunities for promotion, job satisfaction and morale is high but if the working conditions are not favorable then it will decrease the morale.

Personal Factors : The age, education level and family life affect the morale. High status employee tends to have high morale whereas low status employee leads to low morale.

Question 4.

- (a) Explain the first three needs as per the Mas low's Hierarchy of Human Needs. [6]
(b) Discuss any four purposes of performance appraisal. [8]

Answer:

(a) Following are the first three needs as per the Mas low's Hierarchy of human needs :

Physiological Needs : These needs are essential for survival of human life. It includes the food, drink, sex, sleep, clothing, shelter etc. Reasonable satisfaction of physiological needs is essential for the preservation and efficient operation of the human body. These are the basic or fundamental needs.

Safety Needs: These needs consist of physical safety or protection against murder, fire, accident etc. and economic security against unemployment, old age, sickness, disability etc. An organisation can influence safety needs by providing job security, pension plans, insurance plans etc.

Social Needs: Social needs include needs for love and affection, association with and acceptance by various social groups. Every person should made meaningful relationship with others.

(b) Following are the four purposes of performance appraisal:

- To provide a record of each employee's performance for deciding wage increments and rewards.
- To identify the weaknesses of employees so that suitable training and development programmes may be required to remove such weaknesses.
- To judge whether the employees are performing their jobs at the desired levels.
- To make employees aware of their performance so as to motivate their self development.

Question 5.

(a) Briefly explain any three leadership styles. [6]

(b) What is staff transfer ? Explain any four types of transfers. [8]

Answer:

(a) Following are the leadership styles :

Autocratic Leadership: An autocratic leader is one who likes to run the show himself. All decision making power is centralized in the leader. He holds out threats of punishment or uses his powers to distribute rewards on the assumption that people are lazy. It also provides strong motivation and satisfaction to the leader.

Democratic Leadership: A democratic leader makes decisions jointly with his followers. He decentralizes authority and allow the group to share his power. It increases the cooperation between management and workers. It facilitates the development of future

leaders. It is based on the assumption that the leader drives his power by consent of the followers who are mature and can be creative.

Free-Rein Leadership : A free-rein leader gives complete freedom to his followers to establish their own goals and policies. There is maximum opportunity for development of subordinates. There is also complete freedom to subordinates to improve their motivation and morale.

(b) Staff transfer means moving a person from one factory, branch or office to another without changing status, salary and power. This will ensure uniformity of treatment and avoid transfers for petty reasons. It should indicate the executive responsible for initiating and approving the transfers. The benefits of staff transfer are given below :

- Improve employee skill
- Remedy for faulty placements
- Develop employee for future promotion
- Greater job satisfaction

Various types of transfers are :

Production Transfers: Such transfers are made when there is need for more personnel in one branch. Production transfer helps to prevent lay-offs and stabilize employment. Employees are transferred from the over staffed unit to the unit where the staffs are less.

Shift Transfers: Employees may be transferred from one shift to another for personal reasons like marriage, old parents etc.

Versatility Transfers : Such transfers enable the organisation to develop talent for filling up higher jobs. It is made to develop all round proficiency among employee. They are shifted from one job to another to increase the job knowledge.

Remedial Transfers : These transfers are made to rectify errors in selection and placement of employees. It also permits better use of human resources in the organisation through proper matching of job requirements and qualification of employees.

Question 6.

(a) Name and explain any three types of interviews. [6]

(b) With reference to company meetings, explain the following terms: [8]

(i) Point of order

(ii) Statutory Meeting

- (iii) Proxy
- (iv) Agenda

Answer:

(a) Recruitment Interview: It is taken to assess the suitability of candidates for a job. The interview can be used to provide the necessary information about the organisation and job. The interviewer and the candidate both must be well-prepared for the interview so that a good decision can be taken.

Appraisal Interview: Appraisal interview gives both the employer and the employee an opportunity to know each other and helps in improving employer-employee relations. It is useful for finding out the conditions, morale etc. of employees through face to face.

Disciplinary Interview: Discipline is important for the success of every organisation. It helps to locate the cause of indiscipline. During the disciplinary interview, the approach of the superior manager should be constructive. Appropriate counselling may be used to assist and the employee in overcoming his problems and in modifying his behaviour.

(b) Point of Order: A point of order is a question regarding the procedure of a meeting. Any member can raise a point of order to draw the attention of the chairman to some irregularity in the procedure of the meeting.

Statutory Meeting: According to Section 165, every public company limited by shares or limited by guarantee and having a share capital must hold a statutory meeting within a month but not more than six months from the date on which the company is entitled to commence business. The purpose of statutory meeting is to enable the members to get acquainted with the affairs of the company.

Proxy: Proxy is a representative of a member who is unable or unwilling to attend the meeting in person. Unless the articles provide otherwise, a member of a company not having share capital cannot appoint a proxy. The proxy cannot speak at the general meeting, nor can he cast a vote unless there is a poll. There are two types of proxies i.e., special proxy and general proxy. A proxy may be revoked at any time.

Agenda: Agenda refers to the various items of business to be transacted at the meeting. It is in the form of a statement specifying the order in which the various matters are to be dealt with. The secretary is in charge of the Agenda and he prepares the agenda in consultation with the chairman of the board of directors. The preparation of agenda in advance of the meeting helps in the systematic conduct of the meeting. Agenda may be drafted on a loose sheet of paper or there may be a special 'Agenda Book'.

Question 7.

- (a) Explain the process of report writing. [6]
(b) What are statistical tables ? Explain any three advantages of tabulating data. [8]

Answer:

(a) The various steps involved in the process of report are.

- Introduction : It involves the purpose and name of the report.
- Headings : It includes headings and sub-headings which make report useful.
- Address : The report should be addressed to a definite person.
- Table Contents: In case of lengthy report, the topics or chapters along with their page numbers should be givep.
- Finding : This part of the report contains the findings along with tables, charts and figures.
- Recommendations : This section contains the conclusions and suggestions of the reporter.
- Summary: In case of long reports, a brief summary of the report should be given.
- Appendix: It consists statistical data or tables, graphs etc.
- Signature and Date: The report should be dated and signed by reporter.

(b) According to Tuttle a statistical table is the logical listing of related quantitative data in vertical columns and horizontal rows of numbers with sufficient explanatory and qualifying words, phrases and statements in the form of titles, headings and notes to make clear the full meaning of the data and their origin.

The following are the advantages of tables:

Simplification : Tables enable an analyst to present a huge mass of data in an orderly manner within a minimum of space. Data become easily understandable and avoiding unnecessary details.

Comparison: The table is divided into parts and each part contains total and sub-total. This will help to easily understand, compare and studied.

Patterns: Tabulation reveals patterns within, cannot be seen in a narrative form. It also facilitates the summation of the figures.

Question 8.

- (a) State any six advantages of centralized handling of mail in an organisation. [6]
(b) Draft an application letter for the post of an Assistant Manager (Sales) at a reputed retail firm in response to a newspaper advertisement. An appropriate bio-data of the applicant should be prepared and enclosed with the application. [8]

Answer:

(a) Centralization of mailing work offers the following advantages:

- All the mailing work can be systematized leading to reduction in delays and errors.
- Various labor saving devices such as letter opening, folding and sealing machines can be used economically.
- Trained persons can be employed. It leads to greater accuracy, speed and efficiency in mailing operations.
- Centralized mailing allows new employees to get training in the routines of the office.
- Centralization will ensure better control of use of postage stamps and their proper accounting.
- Careful opening and prompt distribution of inward mail help to improve the efficiency of operations.

(b) Application letter for the Post of Assistant Manager

The Manager, Human Resources :

ABC Company, Ltd.

7, Nariman Point

Mumbai

Sir,

With reference to your advertisement in The Hindustan Times dated 15 April, 2018.1 hereby apply for the post of Junior Executive in your company. The particulars of my qualifications and the other personal details are given below :

Name : M.K. Sareen

Address : C-6, TilakNagar, Phase I, Delhi

Date of Birth : April 6, 1987

Marital Status : Unmarried

Physique : Height 165 cm; Weight 60 kg

Education: (i) 90% marks in Commerce stream.

(ii) B.Com. (H) from Shri Ram College of Commerce with 85% marks.

(iii) PGDBM from Jagan Institute of Management Studies.

Extra Curricular Activities and Sports:

- House captain in school.
- Secretary, Commerce society in College.
- Member of the college Cricket Team.

References: (i) Principal, Shri Ram College of Commerce, University of Delhi.

I look forward for an interview.

Yours faithfully

M.K. Sareen

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