

BEST SELLER

For 2024 Exam

OSWAAL BOOKS®
LEARNING MADE SIMPLE

CBSE

Chapterwise & Topicwise

**SOLVED
PAPERS**

**CLASS 12
QUESTION BANK**

BUSINESS STUDIES

Get the #OswaalEdge

- 1** **100% Updated for 2023-24**
with Latest Syllabus & Fully Solved
Board Papers
- 2** **Crisp Revision**
with Topic wise Revision Notes, Smart
Mind Maps & Mnemonics
- 3** **Extensive Practice**
with 3000+ Questions & Board
Marking Scheme Answers
- 4** **Concept Clarity**
with 1000+ Concepts
& 50+ Concept Videos
- 5** **NEP 2020 Compliance**
with Art Integration & Competency-
based Questions





19th EDITION

YEAR 2023-24



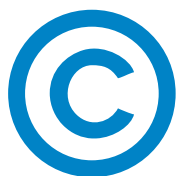
ISBN

"9789356349629"



**SYLLABUS
COVERED**

**CENTRAL BOARD OF
SECONDARY EDUCATION
DELHI**



**COPYRIGHT
RESERVED
BY THE PUBLISHERS**

All rights reserved. No part of this book may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, without written permission from the publishers. The author and publisher will gladly receive information enabling them to rectify any error or omission in subsequent editions.



PUBLISHED BY

**OSWAAL BOOKS &
LEARNING PVT. LTD.**



1/11, Sahitya Kunj, M.G. Road,
Agra - 282002, (UP) India



1/1, Cambourne Business Centre
Cambridge, Cambridgeshire
CB 236DP, United kingdom



0562-2857671



contact@oswaalbooks.com



www.OswaalBooks.com

DISCLAIMER

This book is published by Oswaal Books and Learning Pvt Ltd ("Publisher") and is intended solely for educational use, to enable students to practice for examinations/tests and reference. The contents of this book primarily comprise a collection of questions that have been sourced from previous examination papers. Any practice questions and/or notes included by the Publisher are formulated by placing reliance on previous question papers and are in keeping with the format/pattern/guidelines applicable to such papers.

The Publisher expressly disclaims any liability for the use of, or references to, any terms or terminology in the book, which may not be considered appropriate or may be considered offensive, in light of societal changes. Further, the contents of this book, including references to any persons, corporations, brands, political parties, incidents, historical events and/or terminology within the book, if any, are not intended to be offensive, and/or to hurt, insult or defame any person (whether living or dead), entity, gender, caste, religion, race, etc. and any interpretation to this effect is unintended and purely incidental. While we try to keep our publications as updated and accurate as possible, human error may creep in. We expressly disclaim liability for errors and/or omissions in the content, if any, and further disclaim any liability for any loss or damages in connection with the use of the book and reference to its contents".

Contents



- Latest CBSE Syllabus 6 - 16
- Board Specimen Paper Fully Solved (Issued by Board dated 16th Sep. 2022) 21 - 29
- Solved Paper-2022 (Delhi & Outside Delhi Sets) 30 - 42
(To download Solved paper for Term-I 2021-22 & Latest Topper's Answers 2020, scan the QR Code given on Page 42)
- Supplement : New Typologies of Questions Introduced by CBSE for 2023-24 Examination 43 - 56

PART A : PRINCIPLES AND FUNCTIONS OF MANAGEMENT

1. Nature and Significance of Management 1 - 25
 - ◆ Self Assessment Paper-1 26 - 27
2. Principles of Management 28 - 52
 - ◆ Self Assessment Paper-2 53 - 55
3. Business Environment 56 - 72
 - ◆ Self Assessment Paper-3 73 - 75
4. Planning 76 - 92
 - ◆ Self Assessment Paper-4 93 - 95
5. Organising 96 - 121
 - ◆ Self Assessment Paper-5 122 - 124
6. Staffing 125 - 156
 - ◆ Self Assessment Paper-6 157 - 159
7. Directing 160 - 190
 - ◆ Self Assessment Paper-7 191 - 194

8. Controlling 195 - 205
 - ◆ Self Assessment Paper-8 206 - 208

PART B : BUSINESS FINANCE AND MARKETING

9. Financial Management 209 - 236
 - ◆ Self Assessment Paper-9 237 - 239
10. Financial Markets 240 - 260
 - ◆ Self Assessment Paper-10 261 - 263
11. Marketing 264 - 292
 - ◆ Self Assessment Paper-11 293 - 295
12. Consumer Protection 296 - 306
 - ◆ Self Assessment Paper-12 307 - 309
 - ◆ Practice Paper-1 310 - 314
 - ◆ Practice Paper-2 315 - 320

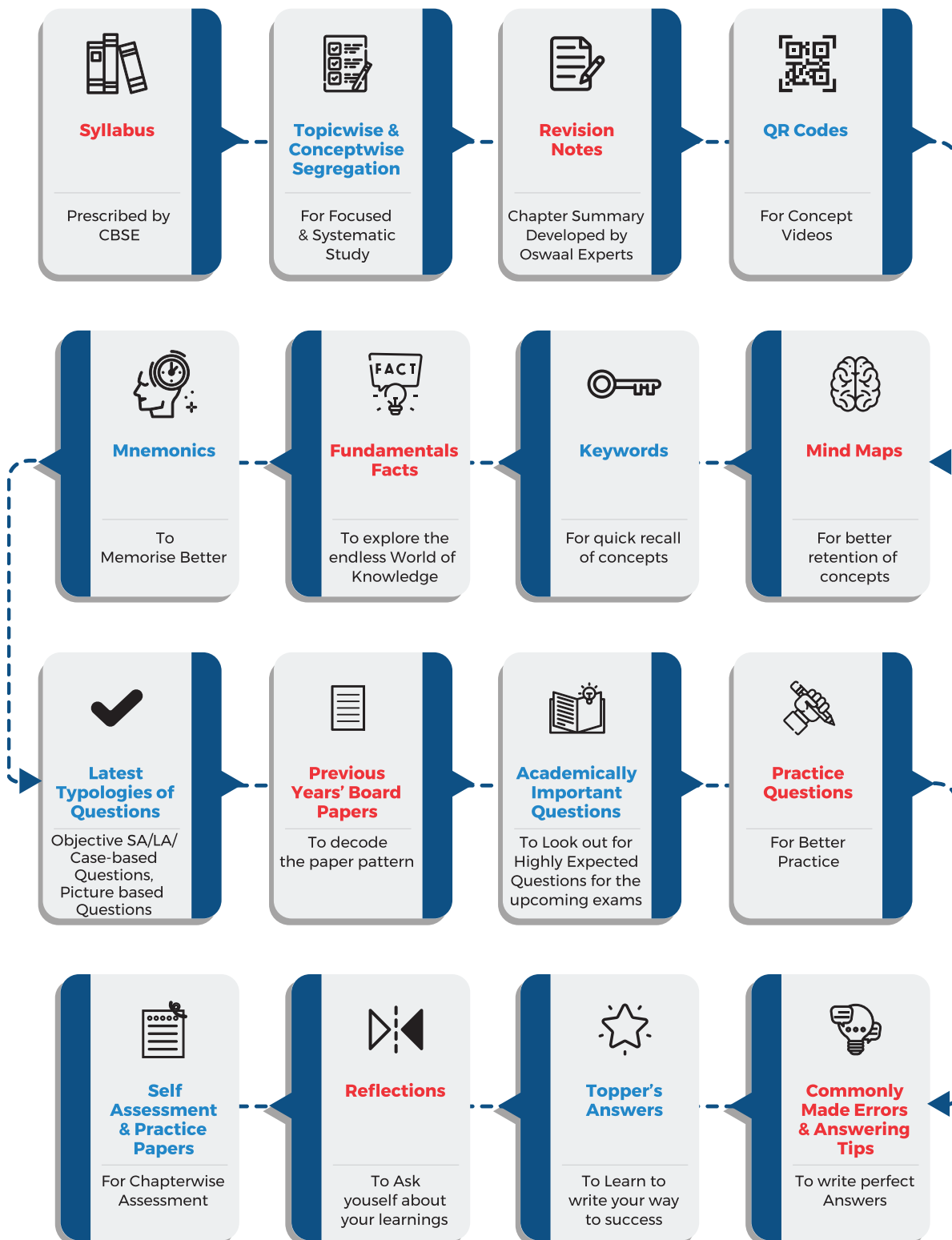
GET YOUR CBSE 2023 SOLVED BOARD PAPER FREE!

To get the fully solved CBSE Board Paper 2023 as well as other important CBSE updates throughout the year

Scan the Code

How to use this Book

Chapter Navigation Tools



What is on your wishlist for this Academic Year?

- Do better than the previous year
- Perfect every concept, every topic, and every question from the very beginning

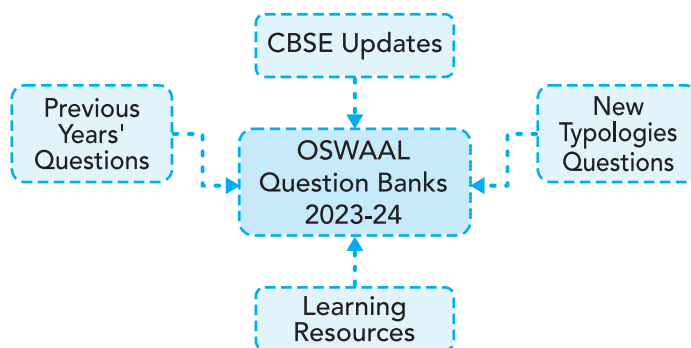
You said it, we heard it!

Practice means to perform, repeatedly in the face of all obstacles, some act of vision, of faith, of desire. Practice is a means of inviting the perfection desired.

-Martha Graham

As we usher into a brand-new Academic Year 2023-24, Oswaal Books, with its all-new Question Banks, empowers you to perfect your learning, consistently!

These Question Banks have been updated for 2023-24 with utmost care. They are a unique blend of all the **CBSE Board Updates, Previous Years' Questions**, and specially curated Questions as per the **Latest Typologies** along with best-in-class **Learning Resources**.



All these together will charge you with the much-needed confidence to face the boards and emerge champions. But what makes it so Unique?

1. **100% Updated** with Latest Syllabus & Fully Solved Board Papers
2. **Crisp Revision** with Topic wise Revision Notes, Smart Mind Maps & Mnemonics
3. **Extensive Practice** with 3000+ Questions & Board Marking Scheme Answers
4. **Concept Clarity** with 1000+concepts & 50 + Concept Videos
5. **NEP 2020 Compliance** with Art Integration and Competency -Based Questions

For those who are looking to ramp up their preparation and to 'PERFECT' every nuance of concepts studied, these Question Banks are a must in your Boards arsenal. This is the perfect time to start your exciting journey with these Question Banks and fill in learning gaps, throughout the year with utmost ease & confidence.

This Question Bank would not have been made possible without the valuable contributions of the esteemed members of the Oswaal Editorial Board-Authors, Editors, Subject matter experts, Proofreaders & DTP operators who worked day and night to bring this incredible book to you. We are also highly grateful to our dear students for all their valuable and impeccable inputs in the making of this one-of-a-kind exam preparation tool.

All the best Students!! Be the perfectionist that you are!

[Team Oswaal Books](#)

Syllabus

Latest Syllabus BUSINESS STUDIES (Code No. 054) CLASS–XII

Theory : 80 Marks

Time : 3 Hours

Project : 20 Marks

Units		Periods	Marks
Part A	PRINCIPLES AND FUNCTIONS OF MANAGEMENT		
1.	Nature and Significance of Management	12	16
2.	Principles of Management	14	
3.	Business Environment	12	
4.	Planning	14	14
5.	Organising	15	
6.	Staffing	16	20
7.	Directing	15	
8.	Controlling	12	
	Total	110	50
Part B	BUSINESS FINANCE AND MARKETING		
9.	Financial Management	20	15
10.	Financial Markets	18	
11.	Marketing Management	30	15
12.	Consumer Protection	12	
	Total	80	30
Part C	PROJECT WORK (ONE)	30	20

Part A: Principles and Functions of Management

Unit 1 : Nature and Significance of Management

Concept	After going through this unit, the student/ learner would be able to :
Management-concept, objectives and importance	<ul style="list-style-type: none"> Understand the concept of management. Explain the meaning of 'Effectiveness and Efficiency'. Discuss the objectives of management. Describe the importance of management.
Management as Science, Art and Profession	<ul style="list-style-type: none"> Examine the nature of management as a science, art and profession.
Levels of Management	<ul style="list-style-type: none"> Understand the role of top, middle and lower levels of management.
Management functions - planning, organizing, staffing, directing and controlling	<ul style="list-style-type: none"> Explain the functions of management.
Coordination- concept and importance	<ul style="list-style-type: none"> Discuss the concept and characteristics of coordination. Explain the importance of coordination.

Unit 2 : Principles of Management

Principles of Management- concept and significance.	<ul style="list-style-type: none"> Understand the concept of principles of management. Explain the significance of management principles.
---	---

Syllabus

Fayol's principles of management	<ul style="list-style-type: none"> ● Discuss the principles of management developed by Fayol.
Taylor's Scientific Management - principles and techniques	<ul style="list-style-type: none"> ● Explain the principles and techniques of 'Scientific Management'. ● Compare the contributions of Fayol and Taylor.

Unit 3 : Business Environment

Business Environment- concept and importance	<ul style="list-style-type: none"> ● Understand the concept of 'Business Environment'. ● Describe the importance of Business environment.
Dimensions of Business Environment- Economic, Social, Technological, Political and Legal Demonetization - concept and features	<ul style="list-style-type: none"> ● Describe the various dimensions of 'Business Environment'. ● Understand the concept of demonetization.

Unit 4: Planning

Concept, importance and limitation	<ul style="list-style-type: none"> ● Understand the concept of planning. ● Describe the importance of planning. ● Understand the limitations of planning.
Planning process	<ul style="list-style-type: none"> ● Describe the steps in the process of planning.
Single use and standing plans. Objectives, Strategy, Policy, Procedure, Method, Rule, Budget and Programme	<ul style="list-style-type: none"> ● Develop an understanding of single use and standing plans. ● Describe objectives, policies, strategy, procedure, method, rule, budget and programme as types of plans.

Unit 5 : Organising

Concept and importance	<ul style="list-style-type: none"> ● Understand the concept of organizing as a structure and as a process. ● Explain the importance of organising.
Organising Process	<ul style="list-style-type: none"> ● Describe the steps in the process of organising.
Structure of organisation- functional and divisional concept. Formal and informal organization - concept	<ul style="list-style-type: none"> ● Describe functional and divisional structures of organisation. ● Explain the advantages, disadvantages and suitability of functional and divisional structure. ● Understand the concept of formal and informal organisation. ● Discuss the advantages and disadvantages of formal and informal organisation.
Delegation : concept, elements and importance	<ul style="list-style-type: none"> ● Understand the concept of delegation. ● Describe the elements of delegation. ● Appreciate the importance of delegation.
Decentralization: concept and importance	<ul style="list-style-type: none"> ● Understand the concept of decentralisation. ● Explain the importance of decentralisation. ● Differentiate between delegation and decentralisation.

Unit 6 : Staffing

Concept and importance of staffing	<ul style="list-style-type: none"> ● Understand the concept of staffing. ● Explain the importance of staffing.
Staffing as a part of Human Resource Management – concept	<ul style="list-style-type: none"> ● Understand the specialized duties and activities performed by Human Resource Management.

Syllabus

Staffing process	<ul style="list-style-type: none"> Describe the steps in the process of staffing.
Recruitment Process	<ul style="list-style-type: none"> Understand the meaning of recruitment. Discuss the sources of recruitment. Explain the merits and demerits of internal and external sources of recruitment.
Selection – process	<ul style="list-style-type: none"> Understand the meaning of selection. Describe the steps involved in the process of selection.
Training and Development- concept and importance, methods of training- on the job and off the job-vestibule training, apprenticeship training and internship training	<ul style="list-style-type: none"> Understand the concept of training and development. Appreciate the importance of training to the organisation and to the employees. Discuss the meaning of induction training, vestibule training, apprenticeship training and internship training. Differentiate between training and development. Discuss on the job and off the job methods of training.

Unit 7 : Directing

Concept and importance	<ul style="list-style-type: none"> Describe the concept of directing. Discuss the importance of directing.
Elements of directing	<ul style="list-style-type: none"> Describe the various elements of directing.
Motivation - concept, Maslow's hierarchy of needs, financial and non-financial incentives	<ul style="list-style-type: none"> Understand the concept of motivation. Develop an understanding of Maslow's hierarchy of needs. Discuss the various financial and non-financial incentives.
Leadership- concept, styles- authoritative, democratic and laissez faire	<ul style="list-style-type: none"> Understand the concept of leadership. Understand the various styles of leadership.
Communication- concept, formal and informal communication; barriers to effective communication, how to overcome the barriers	<ul style="list-style-type: none"> Understand the concept of communication. Understand the elements of the communication process. Discuss the concept of formal and informal communication. Discuss the various barriers to effective communication. Suggest measures to overcome barriers to communication.

Unit 8 : Controlling

Controlling - concept and importance	<ul style="list-style-type: none"> Understand the concept of controlling. Explain the importance of controlling.
Relationship between planning and controlling	<ul style="list-style-type: none"> Describe the relationship between planning and controlling.
Steps in the process of controlling	<ul style="list-style-type: none"> Discuss the steps in the process of controlling.

Part B: Business Finance and Marketing

Unit 9 : Financial Management

Concept, role and objectives of Financial Management	<ul style="list-style-type: none"> Understand the concept of financial management. Explain the role of financial management in an organisation. Discuss the objectives of financial management.
--	--

Syllabus

Financial decisions: investment, financing and dividend- meaning and factors affecting	<ul style="list-style-type: none"> ● Discuss the three financial decisions and the factors affecting them.
Financial Planning- concept and importance	<ul style="list-style-type: none"> ● Describe the concept of financial planning and its objectives. ● Explain the importance of financial planning.
Capital Structure – concept and factors affecting capital structure	<ul style="list-style-type: none"> ● Understand the concept of capital structure. ● Describe the factors determining the choice of an appropriate capital structure of a company.
Fixed and Working Capital- concept and factors affecting their requirements	<ul style="list-style-type: none"> ● Understand the concept of fixed and working capital. ● Describe the factors determining the requirements of fixed and working capital.

Unit 10 : Financial Markets

Financial Markets: Concept	<ul style="list-style-type: none"> ● Understand the concept of financial market.
Money Market: Concept	<ul style="list-style-type: none"> ● Understand the concept of money market.
Capital market and its types (primary and secondary)	<ul style="list-style-type: none"> ● Discuss the concept of capital market. ● Explain primary and secondary markets as types of capital market. ● Differentiate between capital market and money market. ● Distinguish between primary and secondary markets.
Stock Exchange-functions and trading procedure	<ul style="list-style-type: none"> ● Give the meaning of a stock exchange. ● Explain the functions of a stock exchange. ● Discuss the trading procedure in a stock exchange. ● Give the meaning of depository services and demat account as used in the trading procedure of securities.
Securities and Exchange Board of India (SEBI)- objectives and functions	<ul style="list-style-type: none"> ● State the objectives of SEBI. ● Explain the functions of SEBI.

Unit 11 : Marketing

Marketing – Concept, functions and philosophies	<ul style="list-style-type: none"> ● Understand the concept of marketing. ● Explain the features of marketing. ● Discuss the functions of marketing. ● Explain the marketing philosophies.
Marketing Mix – Concept and elements	<ul style="list-style-type: none"> ● Understand the concept of marketing mix. ● Describe the elements of marketing mix.
Product - branding, labelling and packaging – concept	<ul style="list-style-type: none"> ● Understand the concept of product as an element of marketing mix. ● Understand the concept of branding, labelling and packaging.
Price - Concept, factors determining price	<ul style="list-style-type: none"> ● Understand the concept of price as an element of marketing mix. ● Describe the factors determining price of a product.

Syllabus

Physical Distribution – Concept, components and channels of distribution	<ul style="list-style-type: none"> ● Understand the concept of physical distribution. ● Explain the components of physical distribution. ● Describe the various channels of distribution.
Promotion – Concept and elements; Advertising, Personal Selling, Sales Promotion and Public Relations	<ul style="list-style-type: none"> ● Understand the concept of promotion as an element of marketing mix. ● Describe the elements of promotion mix. ● Understand the concept of advertising. ● Understand the concept of sales promotion. ● Discuss the concept of public relations.

Unit 12 : Consumer Protection

Concept and importance of consumer protection	<ul style="list-style-type: none"> ● Understand the concept of consumer protection. ● Describe the importance of consumer protection. ● Discuss the scope of Consumer Protection Act, 2019
The Consumer Protection Act, 2019: <i>Source:</i> http://egazette.nic.in/WriteReadData/2019/210422.pdf Meaning of consumer Rights and responsibilities of consumers Who can file a complaint? Redressal machinery Remedies available	<ul style="list-style-type: none"> ● Understand the concept of a consumer according to the Consumer Protection Act, 2019. ● Explain the consumer rights. ● Understand the responsibilities of consumers. ● Understand who can file a complaint and against whom? ● Discuss the legal redressal machinery under Consumer Protection Act, 2019. ● Examine the remedies available to the consumer under Consumer Protection Act, 2019.
Consumer awareness - Role of consumer organizations and Non-Governmental Organizations (NGOs)	<ul style="list-style-type: none"> ● Describe the role of consumer organizations and NGOs in protecting consumers' interests.

Unit 13 : Project Work

PROJECT WORK IN BUSINESS STUDIES FOR CLASS XI AND XII

Introduction

The course in Business Studies is introduced at Senior School level to provide students with a sound understanding of the principles and practices bearing in business (trade and industry) as well as their relationship with the society. Business is a dynamic process that brings together technology, natural resources and human initiative in a constantly changing global environment. With the purpose to help them understand the framework within which a business operates, and its interaction with the social, economic, technological and legal environment, CBSE has introduced Project Work in Business Studies Syllabus for Classes XI and XII. The projects have been designed to allow students to appreciate that business is an integral component of society and help them develop an understanding of the social and ethical issues concerning them.

The project work also aims to empower the teacher to relate all the concepts with what is happening around the world and the student's surroundings, making them appear more clear and contextual. This will enable the student to enjoy studies and use his free time effectively in observing what's happening around.

By means of Project Work the students are exposed to life beyond textbooks giving them opportunities to refer materials, gather information, analyze it further to obtain relevant information and decide what matter to keep.

Objectives

After doing the Project Work in Business Studies, the students will be able to do the following:

- develop a practical approach by using modern technologies in the field of business and management;
- get an opportunity for exposure to the operational environment in the field of business management and related services;
- inculcate important skills of team work, problem solving, time management, information collection,

Syllabus

processing, analysing and synthesizing relevant information to derive meaningful conclusions;

- get involved in the process of research work; demonstrate his or her capabilities while working independently and
- make studies an enjoyable experience to cherish.

CLASS XII : GUIDELINES FOR TEACHERS

Students are supposed to select one unit out of four and are required to make only ONE project from the selected unit. (Consist of one project of 20 marks)

1. Help students to select any ONE Topic for the entire year.
2. The topic should be assigned after discussion with the students in the class and should then be discussed at every stage of the submission of the project.

The teacher should play the role of a facilitator and should closely supervise the process of project completion. The teachers must ensure that the project work assigned to the students whether individually or in group are discussed at different stages right from assignment to drafts review and finalization. Students should be facilitated in terms of providing relevant materials or suggesting websites, or obtaining required permissions from business houses, malls, etc for their project. The periods assigned to the Project Work should be suitably spaced throughout the academic session. The teachers **MUST** ensure that the student actually go through the rigors and enjoy the process of doing the project rather than depending on any readymade material available outside.

3. The students must make a presentation of the project before the class.
4. The teachers must ensure that the student's self-esteem and creativity is enhanced and both the teacher and the student enjoy this process.
5. The teachers should feel pride in the fact that they have explored the different dimensions of the project in an innovative way and their students have put in genuine work.

I. Project One: Elements of Business Environment

The teachers should help the students in selecting any one element of the following:

1. Changes witnessed over the last few years on mode of packaging and its economic impact. The teacher may guide the students to identify the following changes:
 - (a) The changes in transportation of fruits and vegetables such as cardboard crates being used in place of wooden crates, etc. Reasons for above changes.
 - (b) Milk being supplied in glass bottles, later

in plastic bags and now in tetra-pack and through vending machines.

- (c) Plastic furniture [doors and stools] gaining preference over wooden furniture.
- (d) The origin of cardboard and the various stages of changes and growth.
- (e) Brown paper bags packing to recycled paper bags to plastic bags and cloth bags.
- (f) Reuse of packaging [bottles, jars and tins] to attract customers for their products.
- (g) The concept of pyramid packaging for milk.
- (h) Cost being borne by the consumer/manufacturer.
- (i) Packaging used as means of advertisements.

2. The reasons behind changes in the following: Coca – Cola and Fanta in the seventies to Thums up and Campa Cola in the eighties to Pepsi and Coke in nineties.

The teacher may guide the students to the times when India sold Coca Cola and Fanta which were being manufactured in India by the foreign companies.

The students may be asked to enquire about :

- (a) Reasons of stopping the manufacturing of the above mentioned drinks in India THEN.
- (b) The introduction of Thums up and Campa Cola range.
- (c) Reentry of Coke and introduction of Pepsi in the Indian market.
- (d) Factors responsible for the change.
- (e) Other linkages with the above.
- (f) Leading brands and the company having the highest market share.
- (g) Different local brands venturing in the Indian market.
- (h) The rating of the above brands in the market.
- (i) The survival and reasons of failure in competition with the international brands.
- (j) Other observations made by the students

The teacher may develop the following on the above lines :

3. Changing role of the women in the past 25 years relating to joint families, nuclear families, women as a bread earner of the family, changes in the requirement trend of mixers, washing machines, micro wave and standard of living.
4. The changes in the pattern of import and export of different products.
5. The trend in the changing interest rates and their effect on savings.
6. A study on child labour laws, its implementation and consequences.
7. The state of 'anti plastic campaign,' the law, its effects and implementation.

Syllabus

8. The laws of mining /setting up of industries, rules and regulations, licences required for running that business.
 9. Social factors affecting acceptance and rejection of an identified product. (Dish washer, Atta maker, etc.)
 10. What is the effect of change in environment on the types of goods and services?
The students can take examples like:
 - (a) Washing machines, micro waves, mixers and grinders.
 - (b) Need for crèche, day care centre for young and old.
 - (c) Ready to eat food, eating food outside and tiffin centres.
 11. Change in the man-machine ratio with technological advances resulting in change of cost structure.
 12. Effect of changes in technological environment on the behaviour of employees.
3. Method study
 4. Motion Study
 5. Time Study
 6. Fatigue Study
 7. Differential piece rate plan

Tips to teacher

- (i) The teacher may organize this visit.
- (ii) The teacher should facilitate the students to identify any unit of their choice and guide them to identify the principles that are being followed.
- (iii) Similarly they should guide the students to identify the techniques of scientific management implemented in the organisation.
- (iv) It may be done as a group activity.
- (v) The observations could be on the basis of :
 - The different stages of division of work resulting to specialisation.
 - Following instructions and accountability of subordinates to higher authorities.
 - Visibility of order and equity in the unit.
 - Balance of authority and responsibility.
 - Communication levels and pattern in the organisation.
 - Methods and techniques followed by the organisation for unity of direction and coordination amongst all.
 - Methods of wage payments followed. The arrangements of fatigue study.
 - Derivation of time study.
 - Derivation and advantages of method study.
 - Organisational chart of functional foremanship.
 - Any other observation identified in the organisation.
- (vi) It is advised that students should be motivated to pick up different areas of visit, as presentations of different areas in the class would help in better understanding to the other students.
- (vii) The students may be encouraged to develop worksheets. Teachers should help students to prepare observation tools to be used for undertaking the project.

II. Project Two: Principles of Management

Students are required to visit any one of the following:

1. A departmental store.
2. An Industrial unit.
3. A fast food outlet.
4. Any other organisation approved by the teacher.

They are required to observe the application of the general principles of management advocated by Fayol.

Fayol's principles :

1. Division of work
2. Unity of command
3. Unity of direction
4. Scalar chain
5. Espirit de corps
6. Fair remuneration to all
7. Order
8. Equity
9. Discipline
10. Subordination of individual interest to general interest
11. Initiative
12. Centralisation and decentralisation
13. Stability of tenure
14. Authority and responsibility

OR

They may enquire into the application of scientific management techniques by F.W. Taylor in the unit visited.

Scientific techniques of management :

1. Functional foremanship
2. Standardisation and simplification of work

Examples : worksheets, questionnaire, interviews and organisational chart etc.

III. Project Three: Stock Exchange

The purpose of this project is to teach school students the values of investing and utilising the stock market.

Syllabus

This project also teaches important lessons about the economy, mathematics and financial responsibility. The basis of this project is to learn about the stock market while investing a specified amount of fake money in certain stocks. Students then study the results and buy and sell as they see fit.

This project will also guide the students and provide them with the supplies necessary to successfully monitor stock market trends and will teach students how to calculate profit and loss on stock.

The project work will enable the students to:

- understand the topics like sources of business finance and capital market.
- understand the concepts used in stock exchange.
- inculcate the habit of watching business channels, reading business journals/newspapers and seeking information from their elders.

The students are expected to:

- Develop a brief report on History of Stock Exchanges in India. (your country)
- Prepare a list of atleast 25 companies listed on a Stock Exchange.
- To make an imaginary portfolio totalling a sum of ₹50,000 equally in any of the 5 companies of their choice listed above over a period of twenty working days.

The students may be required to report the prices of the stocks on daily basis and present it diagrammatically on the graph paper.

- They will understand the weekly holidays and the holidays under the Negotiable Instruments Act.
- They will also come across with terms like closing prices, opening prices, etc.
- During this period of recording students are supposed to distinctively record the daily and starting and closing prices of the week other

IV. Project Four: Marketing

1. Adhesives
2. Air conditioners
3. Baby diapers
4. Bathing Soap
5. Bathroom cleaner
6. Bike
7. Blanket
8. Body Spray
9. Bread
10. Breakfast cereal
11. Butter
12. Camera
13. Car
14. Cheese spreads
15. Chocolate
16. Crockery
17. Cups
18. Detergent
19. Dishwasher
20. Dishcloth
21. Dishwasher
22. Dishwasher
23. Dishwasher
24. Dishwasher
25. Dishwasher
26. Dishwasher
27. Dishwasher
28. Dishwasher
29. Dishwasher
30. Dishwasher
31. Dishwasher
32. Dishwasher
33. Dishwasher
34. Dishwasher
35. Dishwasher
36. Dishwasher
37. Dishwasher
38. Dishwasher
39. Dishwasher
40. Dishwasher
41. Dishwasher
42. Mixers
43. Mobile
44. Moisturizer
45. Music player
46. Nail polish
47. Newspaper
48. Noodles
49. Pen
50. Pen drive
51. Pencil
52. Pickles
53. Razor
54. Ready Soups
55. Refrigerator
56. RO system

days under the negotiable instrument act so that they acquire knowledge about closing and opening prices.

- The students may conclude by identifying the causes in the fluctuations of prices. Normally it would be related to the front page news of a business journal, for example,
 - Change of seasons
 - Festivals
 - Spread of epidemic
 - Strikes and accidents
 - Natural and human disasters
 - Political environment
 - Lack of faith in the government policies
 - Impact of changes in government policies for specific industry
 - International events
 - Contract and treaties at the international scene
 - Relations with the neighbouring countries
 - Crisis in developed countries, etc.

The students are expected to find the value of their investments and accordingly rearrange their portfolios. The project work should cover the following aspects :

1. Graphical presentation of the share prices of different companies on different dates.
2. Change in market value of shares due to change of seasons, festivals, natural and human disasters.
3. Change in market value of shares due to change in political environment/ policies of various countries/crisis in developed countries or any other reasons.
4. Identify the top ten companies out of the 25 selected on the basis of their market value of shares. It does not matter if they have made profits or losses.

Syllabus

16. Coffee
17. Cosmetology product
18. Crayons
19. Crockery
20. Cutlery
21. Cycle
22. DTH
23. Eraser
24. e-wash
25. Fairness cream
26. Fans
27. Fruit candy
28. Furniture
29. Hair Dye
30. Hair Oil
31. Infant dress
32. Inverter
33. Jams
34. Jeans
35. Jewellery
36. Kurti
37. Ladies bag
38. Ladies footwear
39. Learning Toys
40. Lipstick
41. Microwave oven
57. Roasted snacks
58. Salt
59. Sarees
60. Sauces/ Ketchup
61. Shampoo
62. Shaving cream
63. Shoe polish
64. Shoes
65. Squashes
66. Suitcase/ airbag
66. Suitcase/ airbag
67. Sunglasses
68. Tea
69. Tiffin Wallah
70. Toothpaste
71. Wallet
72. Washing detergent
73. Washing machine
74. Washing powder
75. Water bottle
76. Water storage tank
77. Wipes

Any more as suggested by the teacher.

The teacher must ensure that the identified product should not be items whose consumption/use is discouraged by the society and government like alcohol products/pan masala and tobacco products, etc.

Identify one product/service from the above which the students may like to manufacture/provide [pre-assumption].

Now the students are required to make a project on the identified product/service keeping in mind the following:

1. Why have they selected this product/service?
2. Find out '5' competitive brands that exist in the market.
3. What permission and licences would be required to make the product?
4. What are your competitors Unique Selling Proposition.[U.S.P.]?
5. Does your product have any range give details?
6. What is the name of your product?
7. Enlist its features.
8. Draw the 'Label' of your product.
9. Draw a logo for your product.
10. Draft a tag line.
11. What is the selling price of your competitor's product?
 - (i) Selling price to consumer

- (ii) Selling price to retailer
 - (iii) Selling price to wholesaler
- What is the profit margin in percentage to the :

- (i) Manufacturer.
- (ii) Wholesaler.
- (iii) Retailer.

12. How will your product be packaged?
13. Which channel of distribution are you going to use? Give reasons for selection?
14. Decisions related to warehousing, state reasons.
15. What is going to be your selling price?
 - (i) To consumer
 - (ii) To retailer
 - (iii) To wholesaler
16. List 5 ways of promoting your product.
17. Any schemes for :
 - (i) The wholesaler
 - (ii) The retailer
 - (iii) The consumer
18. What is going to be your U.S.P?
19. What means of transport you will use and why?
20. Draft a social message for your label.
21. What cost effective techniques will you follow for your product.
22. What cost effective techniques will you follow for your promotion plan. At this stage

Syllabus

the students will realise the importance of the concept of marketing mix and the necessary decisions regarding the four P's of marketing.

- (i) Product
- (ii) Place
- (iii) Price
- (iv) Promotion

On the basis of the work done by the students the project report should include the following:

1. Type of product /service identified and the (consumer/industries) process involve therein.
2. Brand name and the product.
3. Range of the product.
4. Identification mark or logo.
5. Tagline.
6. Labelling and packaging.
7. Price of the product and basis of price fixation.
8. Selected channels of distribution and reasons thereof.
9. Decisions related to transportation and warehousing. State reasons.
10. Promotional techniques used and starting reasons for deciding the particular technique.
11. Grading and standardization.

Presentation and Submission of Project Report

At the end of the stipulated term, each student will prepare and submit his/her project report.

Following essentials are required to be fulfilled for its preparation and submission.

1. The total length of the project will be of 25 to 30 pages.

2. The project should be handwritten.
3. The project should be presented in a neat folder.
4. The project report should be developed in the following sequence :
 - The
 - Cover page should include the title of the project, student information, school and year.
 - List of contents.
 - Acknowledgements and preface (acknowledging the institution, the places visited and the persons who have helped).
 - Introduction.
 - Topic with suitable heading.
 - Planning and activities done during the project, if any.
 - Observations and findings of the visit.
 - Conclusions (summarized suggestions or findings, future scope of study).
 - Photographs (if any).
 - Appendix
 - Teacher's observation.
 - Signatures of the teachers.
 - At the completion of the evaluation of the project, it should be punched in the centre so that the report may not be reused but is available for reference only.
 - The project will be returned after evaluation. The school may keep the best projects.

ASSESSMENT

Allocation of Marks

20 Marks

The marks will be allocated under the following heads :

1.	Initiative, cooperativeness and participation	2 Mark
2.	Creativity in presentation	2 Mark
3.	Content, observation and research work	4 Marks
4.	Analysis of situations	4 Marks
5.	Viva	8 Marks
Total		20 Marks

□□

Syllabus

SUGGESTED QUESTION PAPER DESIGN

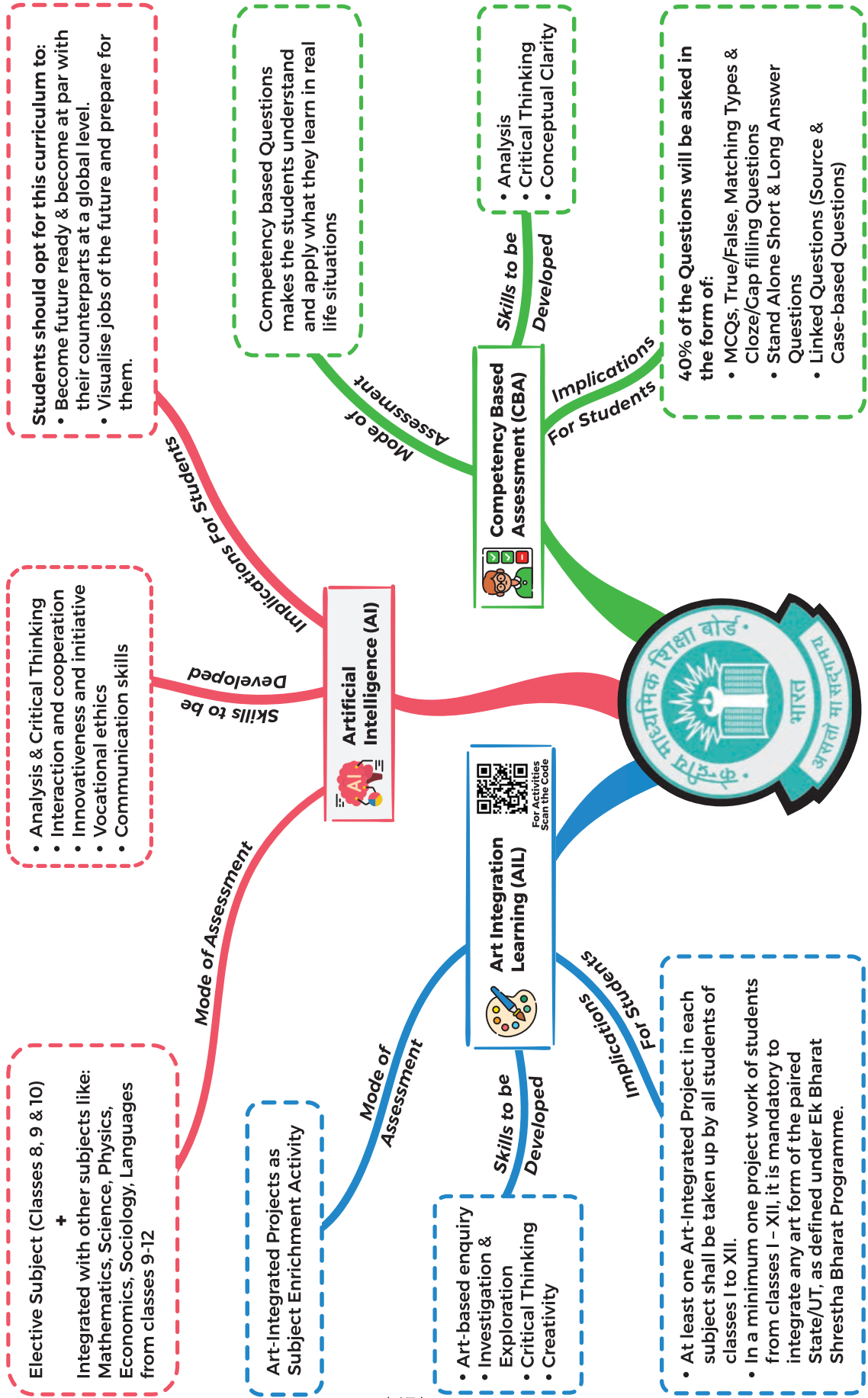
Business Studies (Code No. 054)

Class XII

Duration: 3 Hours		Max. Marks: 80	
S.No.	Typology of Questions	Marks	% Percentage
1.	Remembering and Understanding: Exhibit memory of previously learned material by recalling facts, terms, basic concepts, and answers. Demonstrate understanding of facts and ideas by organizing, comparing, translating, interpreting, giving descriptions, and stating main ideas	44	55%
2.	Applying : Solve problems to new situations by applying acquired knowledge, facts, techniques and rules in a different way	19	23.75%
3.	Analysing, Evaluating and Creating: Examine and break information into parts by identifying motives or causes. Make inferences and find evidence to support generalizations. Present and defend opinions by making judgments about information, validity of ideas, or quality of work based on a set of criteria. Compile information together in a different way by combining elements in a new pattern or proposing alternative solutions.	17	21.25%
Total		80	100%



NEP Derived Learning Resources Prescribed by CBSE for Year 2023-24



Hear it from our Happy Readers!



Good Book!

According to me, it is a brilliant book for CBSE students. It prepares students really well for the upcoming 2022-23 exams. Thankfully, Maths is no more a worry. Must buy!

Priyanka



All concepts have been explained with examples which simplifies the understanding of the concepts and makes practice very easy. It is worth the money.

Siddharth Gupta

This question bank is the best. It helps me to improve my skills and knowledge. My teacher recommended this book and it helps me a lot to increase my grades.

Avishake Kar



Great Book

This is really a nice book. It helps my son a lot in studies. Many of his friends recommended Oswaal Question Bank to him, so we bought it. It is good and helpful.

Amrik Singh Gujral



Very good book for 12th class preparation. This book contains Previous Years' Questions which is very helpful in exams. It also includes VSAQs, SAQs and one mark questions for exam practice. One must read this book to achieve high percentile in exams.

Priya J.



Outstanding Book!

It is really an outstanding book. With this question bank, we are able to get 90+ % in CBSE Board. It is really helpful.

Om Lingyat



I would definitely recommend this book for 12th Boards. It is covering the latest and updated syllabus with great-quality of questions.

Aryan



Fantastic book!

Along with Previous Years Questions & Board Marking scheme answers this book also includes new typology of questions: MCQs, Assertion-Reason, VSA, SA, LA & case-based questions. Fantastic to study!!

Sumit

PART A : PRINCIPLES AND FUNCTIONS OF MANAGEMENT

UNIT

1

NATURE AND SIGNIFICANCE OF MANAGEMENT



Syllabus

Management - Concept, Objectives, and Importance, Management as a Science, Art and Profession, Levels of Management, Management Functions - Planning, Organising, Staffing, Directing and Controlling, Coordination - Concept and Importance.

In this chapter you will study

- Meaning, objectives, and importance of management.
- Nature of management as a science, as an art and as a profession.
- Different levels of management and their roles or tasks
- Various functions of management, i.e., POSDCo.
- Meaning, characteristics and importance of coordination.

List of Topics

- Topic-1:** Introduction to Management
Page No. 1
- Topic-2 :** Nature of Management
Page No. 8
- Topic-3 :** Levels and Functions of management.
Page No. 12
- Topic-4 :** Coordination
Page No. 17

Topic-1

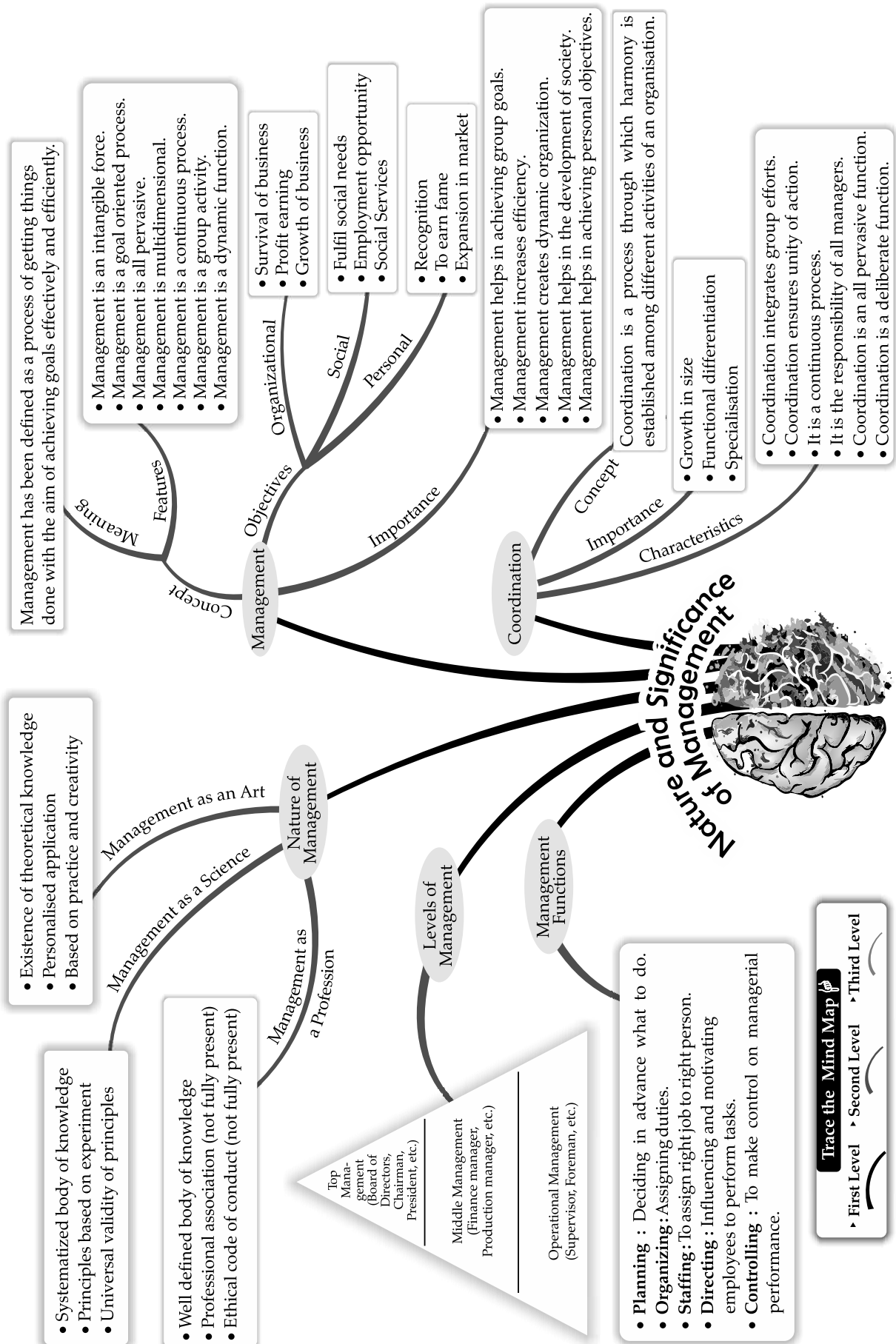
Introduction to Management

- Concepts Covered** • Concept of management.
• Meaning of Effectiveness and Efficiency.
• Objectives of management. • Importance of management.



Revision Notes

- **Management:** Management is a process of planning, organising, staffing, directing and controlling the resources of an enterprise efficiently and effectively for achieving the organizational goals.
- **Effectiveness vs Efficiency:** Effectiveness in management is concerned with doing the right task, completing activities and achieving goals without considering the cost involved. In other words, it is concerned with the end result whereas efficiency means doing the task correctly and with minimum cost.
- **Characteristics of Management:**
 - Goal-Oriented Process:** Management integrates the efforts of different individuals to achieve organizational goals.
 - Dynamic:** Management has to adapt itself and its goals according to the changing needs of the business environment.
 - Intangible:** Management cannot be seen but its presence can be felt in the way an organization functions.
 - Group Activity:** Diverse members of management work towards fulfilling the common organizational goals.
 - All Pervasive:** Managerial activities are performed in all types of organizations, across all departments and at all the levels of management.
 - Multi-dimensional:** It has three dimensions viz. **management of work, people and operations.**
 - Continuous Process:** The process of management consists of a series of continuous, composite, but separate functions (planning, organising, directing, staffing and controlling).



➤ Objectives of Management

- (i) **Social Objectives:** To create economic value consistently for various constituents of a society.
- (ii) **Organizational Objectives:** Utilizing human and material resources to the maximum possible advantage, which is to fulfill economic objectives of a business *i.e.*, survival, profit and growth.
- (iii) **Personal Objectives:** Reconcile personal goals with organizational objectives so as to maintain harmony in the organization.

➤ Importance of Management

- (i) **Helps in achieving group goals:** Gives a common direction to diverse individual efforts.
- (ii) **Increases efficiency:** Reduces cost and increases productivity.
- (iii) **Creates a dynamic organization:** Helps people to adjust with the changing environment.
- (iv) **Helps in achieving personal objectives:** Helps individuals to achieve personal goals along with overall organizational goals.
- (v) **Helps in the development of the society:** To provides good quality products, generates employment, etc.



Key Words

Management of work: Management translates work in terms of goals to be achieved and assigns the means to achieve it.

Management of people: The task of management is to make people work towards achieving the organisational goals, by making their strengths effective and their weaknesses irrelevant.

Management of operations: This requires a production process which entails the flow of input material and the technology for transforming this input into the desired output for consumption.



Amazing Fact

Management is 10% work and 90% people.



Mnemonics

Concept: Features of Management

Interpretations: Go Get IMPortant Data from Computer

G : Group Activity

G : Goal-Oriented

I : Intangible

M : Multidimensional

P : Pervasive

D : Dynamic

C : Continuous

Concept: Objectives of Management :

Please Open the Shop

P : Personal

O : Organisational

S : Social

Concept: Importance of Management

Do Eat Grapes and Drink Pure water

D : Dynamic organisation

E : Efficient organisation

G : Goal achievement

D : Development of society

P : Personal objective achievement

Scan to know more about



Importance of Management

Scan to know more about



Objectives of Management



OBJECTIVE TYPE QUESTIONS

(1 mark each)

A Multiple Choice Questions

- Q. 1. 'SORT- IT Ltd.' is a leading software development company. The company is satisfying the diverse needs of its employees. Its employees are given competitive salaries and perks. They have been given chance for their personal growth and development. For harmony in the organization, management has to reconcile personal goals with organizational objectives.

Identify the objective of management being met by 'SORT-IT Ltd.'

- (A) Social
- (B) Personnel
- (C) Organizational
- (D) Both social and personnel

[A] [CBSE Term I Exam 2022]

Ans. Option (B) is correct

Explanation: Organizations are made up of people who have different personalities, backgrounds, experiences and objectives. They all become part

of the organization to satisfy their diverse needs. Management has to reconcile personal goals with organizational objectives to establish harmony in the organization.

Q. 2. At times, a business may concentrate on producing goods with fewer resources but cannot achieve the targeted production. In such a case, the business is said to be:

- (A) Effective but not efficient
- (B) Efficient but not effective
- (C) Both effective and efficient
- (D) Neither effective nor efficient

U [CBSE TERM I Exam 2022]

Ans. Option (B) is correct.

Q. 3. Identify the dimension of the characteristic of management- "it is multidimensional", which specifies that the task of management is to make the strengths of human resources effective and their weaknesses irrelevant towards achieving the organization's objectives.

- (A) Management of work
- (B) Management of people
- (C) Management of operations
- (D) Management of goals

U [CBSE SQP TERM I 2022-23]

Ans. Option (B) is correct.

Explanation: Human resources or people are the organization's greatest asset. Despite all developments in technology "getting work done through people" is still a major task for the manager. The task of management is to make people work towards achieving the organizational goals, by making their strengths effective and their weaknesses irrelevant.

Q. 4. The Topper group is looking to make a foray into manufacturing of semiconductors and it has set up a business to seize the business opportunity and add to its prospects in the long run. The company has already pivoted into a number of new projects like electronics, 5G network equipment, as well as semiconductors. Which economic objective of management does the business seek to fulfill?

- (A) Survival
- (B) Growth
- (C) Profit
- (D) Efficiency

A [CBSE SQP TERM I 2022-23]

Ans. Option (B) is correct.

Explanation: A business needs to add to its prospects in the long run. For this it is important for the business to grow. To remain in the industry, management must exploit fully the growth potential of the organization. Growth of a business can be measured in terms of sales volume, increase in the number of employees, the number of products or the increase in capital investment, etc.

Q.5. Ravi joined a marketing firm as a sales manager. On his first day in the company, during the orientation programme, the CEO of the company told Ravi that he will have to simultaneously perform the functions of management (planning,

organising, staffing, directing, controlling) all the time. Which characteristic of management was the CEO referring to?

- (A) Management is a continuous process.
- (B) Management is all pervasive.
- (C) Management is multidimensional.
- (D) Management is goal oriented.

A [CBSE SQP TERM I 2022-23]

Ans. Option (A) is correct.

Explanation: The process of management consist of a series of continuous, composite, but separate functions (planning, organising, staffing, directing, and controlling). These functions are simultaneously performed by all managers all the time. The task of a manager consists of an ongoing series of functions.

Concept Applied

Characteristics of Management

Q. 6. Name the process of working with and through others to effectively achieve organizational objectives by efficiently using limited resources in a changing environment.

- (A) Management
- (B) Planning
- (C) Organising
- (D) Controlling



U [CBSE SQP 2021]

Q. 7. Management follows a series of continuous inter-related functions so it is called a/an:

- (A) Series
- (B) Process
- (C) Experiment
- (D) None of these



Q. 8. is used extensively for all types of activities and mainly for taking charge of different activities in any enterprise.

- (A) Planning
- (B) Management
- (C) Coordination
- (D) Staffing



Ans. Option (B) is correct.

Explanation: The activities involved in managing an enterprise are common to all organizations whether economic, social or political.

Concept Applied

Meaning of Management

B Assertion & Reason

Directions: In the following questions, a statement of Assertion (A) is followed by a statement of Reason (R). Mark the correct choice as:

- (A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
- (B) Both Assertion (A) and Reason (R) are true but Reason (R) is not the correct explanation of Assertion (A).
- (C) Assertion (A) is true but Reason (R) is false.
- (D) Assertion (A) is false but Reason (R) is true.

Q. 1. Assertion (A): Management is a dynamic function and has to adapt itself to the changing environment.

Reason (R): The effect of management is noticeable in an organization where targets are met according to plans. \square

Ans. Option (B) is correct.

Explanation: An organization interacts with its external environment which consists of various social, economic and political factors. In order to be successful, an organization must change itself and its goals according to the needs of the environment.

Q. 2. Assertion (A): Management is a goal-oriented process.

Reason (R): An organization has a set of basic goals which are the basic reasons for its existence. \square

Ans. Option (A) is correct.

Explanation: Different organizations have different goals. Management unites the efforts of different individuals in the organization towards achieving these goals.

Q. 3. Assertion (A): Management is responsible for setting and achieving objectives for the organization.

Reason (R): The basic objective of any business is survival. \square

Ans. Option (A) is correct.

Explanation: Management has to achieve a variety of objectives in all areas considering the interest of all stakeholders. The main objective of any organization should be to utilise human and material resources to the maximum possible advantage, i.e., to fulfill the economic objectives of a business. These are survival, profit and growth.

Q. 4. Assertion (A): Management increases efficiency.

Reason (R): An organization has a single objective to serve the purpose of different groups that constitute it. \square

Concept Applied

Objectives of Management

Q. 5. Assertion (A): Management helps in achieving personal objectives.

Reason (R): Through motivation and leadership the management helps individuals to develop team spirit, cooperation and commitment to group success. \square

Ans. Option (A) is correct.

Explanation: A manager motivates and leads his team in such a manner that individual members are able to achieve personal goals while contributing to the overall organizational objective.



SUBJECTIVE TYPE QUESTIONS



Short Answer Type Questions-I (2 & 3 marks)

Q. 1. Management is a complex activity that has three main dimensions. Explain these dimensions.

\square \square [Delhi Set I 2019]

Q. 2. Explain any three reasons, which clarify that management is gaining importance day by day.

\square [Delhi Set II 2019]

Ans. Importance of Management:

- (i) Helps in achieving group goals
- (ii) Increases efficiency
- (iii) Creates a dynamic organization
- (iv) Helps in achieving personal objectives
- (v) Helps in the development of society (Any three)

(If an examinee has not given the headings as above but has given the correct explanation, full credit should be given)

[CBSE Marking Scheme, 2019]

$1 \times 3 = 3$

Detailed Answer :

Refer to Q. 3 of Short Answer Type Questions-II of this Topic.

Q. 3. Mita has a successful ice cream business at Bikaner, namely 'Smart Flavours'. Her ice creams

are utterly delicious. She makes ice creams from fresh milk and the same are available in a wide range of flavours and packs. She sets viable business objectives and works with the same in mind in order to ensure that the customers will come back for purchasing. Having the first mover advantage, her business was doing well. To earn higher profits, she started cutting down costs. This would sometimes lead to delay in delivery and the ice cream was not reaching the market in time. Over a period of time, the demand for her ice cream declined and because of it the competitors entered the market. She lost some of her market share to competitors. At the beginning of summer season, she got back to back orders for supply of 4,000 ice cream packs of different flavours for special occasions. To ensure that the task was completed and orders delivered in time she hired additional workers. She was, thus able to produce and deliver the ice cream packs but at a high production cost. While completing activities and finishing the given task for achieving goals, Mita realised that she was ignoring one of the important aspects of management.

Identify the aspects of management that has been ignored by Mita. Also explain the same with the help of an example. \square [Delhi Set I,II,III 2019]

Ans. Efficiency : Efficiency means doing the task correctly and with minimum cost.

Example : Say, a company's target production is 5,000 units in a year. The manager wants to achieve the production target by cutting down costs. He was able to cut down costs but could not achieve the target production. In this case, the manager was efficient but not effective.

(or any other correct example)

OR

Effectiveness means doing the right task, completing activities and achieving goals.

Example : Say, a company's target production is 5,000 units in a year. To achieve this target the manager has to operate on double shifts due to power failure most of the time. The manager is able to produce 5,000 units but at a higher production cost. In this case, the manager was effective but not so efficient.

(or any other correct example)

[CBSE Marking Scheme, 2019] 3

Q. 4. Briefly describe the organizational objectives of Management. [U] [Outside Delhi Comptt. Set III, 2016]

Ans. Following are the organizational/economic objectives of Management :

- (i) Survival
- (ii) Profit
- (iii) Growth [CBSE Marking Scheme, 2016] 1 × 3 = 3



Commonly Made Error

- Students get confused and explain the objectives of management viz. organizational, personal and social instead of the specific organizational objectives of management



Answering Tip

- Students should have conceptual clarity regarding the organizational, social and personal objectives and should give the specific answer to what is being asked.

Detailed Answer :

Following are the economic objectives/organizational objectives of Management :

- (i) **Survival :** Management must strive to ensure the survival of the organization by earning adequate revenues to cover its costs, produce or sell standardised goods or services, keeping the motivation level of the employees high.
- (ii) **Profit :** Management should make every effort to minimise the cost and maximise profits and production. Profit provides a vital incentive for the continuous successful operations of the enterprise.

- (iii) **Growth :** To grow in the industry, the management of an organization must optimally utilise all its scarce resources.

Concept Applied

Objectives of Management



Short Answer Type

Questions-II

(4 marks each)

Q. 1. What is meant by 'Management' ? State any three objectives of Management.

[R] [Outside Delhi Set I, II, III 2015]

Ans. Management is a process of getting things done through and with the people in an effective and efficient manner.

Objectives :

- (i) **Organizational Objectives :** An organization has to achieve its different objectives like—
(a) Survival; (b) Profit; (c) Growth.
- (ii) **Social Objectives :** An organization has social objectives towards different groups of society like providing quality products at fair prices, generating employment opportunities, etc.
- (iii) **Personal Objectives :** An organization strives to fulfill personal objectives of its employees and also to reconcile their objectives with the organizational objectives, e.g., competitive salaries, personal growth, etc. 1 + 1 + 1 + 1 = 4

[CBSE Marking Scheme, 2015]

Q. 2. 'Management is the process of working with and through others to effectively achieve organizational objectives by efficiently using limited resources in the changing environment.' in the light of this statement, explain any four features of Management. [U]

Ans. Refer to Q. No. 1 of Long Answer Type Questions-I of this Topic. 4

Q. 3. 'Success of every organization depends upon its management.' Justify. [A I U]

Ans. Success of every organization depends upon its management because :

- (i) **Management helps in achieving group goals :** Management is required not for itself but for achieving the goals of an organization. The task of a manager is to give a common direction to the individual effort in achieving the overall goal of an organization.
- (ii) **Management increases efficiency :** The aim of a manager is to reduce costs and increase productivity through better planning, organising, staffing, directing and controlling the activities of an organization.
- (iii) **Management creates a dynamic organization:** All organizations have to function in an environment which is constantly changing. It is generally seen that individuals in an organization resist change. Management helps people adapt to these changes so that the organization is able to maintain its competitive edge.

- (iv) **Management helps in achieving personal objectives** : A manager motivates and leads his team in such a manner that individual members are able to achieve personal goals while contributing to the overall organizational objective. Through motivation and leadership, management helps individuals to develop team spirit, co-operation and commitment to the group success.
- (v) **Management helps in the development of society** : An organization has multiple objectives to serve the purpose of different groups that constitute it. In the process of fulfilling all these, management helps in the development of the organization and society. It helps to provide good quality products and services, creates employment opportunities, adopts new technology and leads the path towards growth and development.

(Any four) $1 \times 4 = 4$

Concept Applied

Importance of Management



Long Answer Type Questions-I (5 marks each)

Q.1. Both Apple Inc. and Samsung Ltd. require management, although difference lies in the way they are managed. Identify the feature of management stated above. Explain briefly other four features of 'Management'. [A]

Ans. Management is all pervasive: Management is a universal management. The activities involved in managing an enterprise are common to all the organizations whether economic, social or political.

1

Other Features of Management:

- (i) **Management is a goal-oriented process:** An organization has a set of basic goals which are the reason for its existence. These should be simple and clearly stated. Different organizations have different goals. For example, the goal of a retail store may be to increase sales, but the goal of the Spastics Society of India is to impart education to children with special needs. Management unites the efforts of different individuals in the organization towards achieving these goals.
- (ii) **Management is multidimensional:** Management is a complex activity that has three main dimensions. These are:
- (a) **Management of work:** All organizations exist for the performance of some work. Management translates this work in terms of goals to be achieved and assigns the means to achieve it. This is done in terms of problems to be solved, decisions to be made, plans to be established, budgets to be prepared, responsibilities to be assigned and authority to be delegated.

(b) **Management of people:** Human resources of people are the organization's greatest asset. Managing people has two dimensions viz. dealing with employees as individuals with diverse needs and behaviour and dealing with individuals as a group of people. The task of management is to make people work towards achieving the organization's goals, by making their strength effective and their weaknesses irrelevant.

(c) **Management of operations:** No matter which type of organization it is, it has some basic products or services to provide in order to survive. This requires a production process which entails the flow of input material and the technology for transforming this input into the desired output for consumption. This is interlinked with both the management of work and the management of people.

(iii) **Management is a continuous process:** The process of management is a series of continuous, composite but separate functions. These functions are simultaneously performed by all managers all the time. The task of a manager consists of an ongoing series of functions.

(iv) **Management is a group activity:** An organization is a collection of diverse individuals with different needs. Every member of the group has a different purpose for joining the organization but as members of the organization, they work towards fulfilling the common organizational goal. This requires team work and coordination of individual efforts in a common direction. At the same time, management should enable all its members to grow and develop as needs and opportunities change.

(v) **Management is a dynamic function:** Management is a dynamic function and has to adapt itself to the changing environment. An organization interacts with its external environment which consists of various social, economic, political and legal factors. In order to be successful, an organization must change itself and its goals according to the needs of the environment.

Any four ($1 \times 4 = 4$)

Q.2. XYZ Power Ltd. set up a factory for manufacturing solar lanterns in a remote village as there was no reliable supply of electricity in rural areas. The revenue earned by the company was sufficient to cover the costs and the risks. As the demand of lanterns was increasing day-by-day, the company decided to increase production to generate higher sales. For this they decided to employ people from a nearby village as very few job opportunities were available in that area. The company also decided to open schools and creches for the children of its employees. Identify and explain the objectives of management discussed above. [A]

Ans. The objectives of management discussed above are:

- (i) **Organizational objectives:** Management is responsible for setting and achieving objectives for the organization. It has to achieve a variety of objectives in all areas considering the interest of all stakeholders including, shareholders, employees, customers and the government. The main objective of any organization should be to utilise human and material resources to the maximum possible advantage, i.e., to fulfill the economic objectives of a business. These are survival, profit and growth.
- (ii) **Social Objectives:** It involves the creation of benefit for society. As a part of society, every organization whether it is business or non-business, has a social obligation to fulfill. This refers to consistently creating economic value for various constituents of society. This includes using environment friendly methods of production, giving employment opportunities to the underprivileged sections of society and providing basic amenities like schools and healthcare, etc., for community.

$$2\frac{1}{2} + 2\frac{1}{2} = 5$$

Concept Applied

Objectives of Management



Long Answer Type Questions-II (6 marks each)

Q.1. 'Every organization has a set of economic and social goals and management unites the efforts of different individuals in the organization towards achieving these goals.'

- (i) Identify the feature of management stated in the above lines.
(ii) Explain any other five features of management.

Ans. (i) Goal-oriented Process

- (ii) Refer to Q.1 of Long Answer Type Questions-I of this Topic. 1+5=6

Q.2. McDonald's, the fast food giant, made major changes in its menu to be able to survive in the Indian market. Which characteristic of management is highlighted here? Explain any other five characteristics of management.

Ans. Characteristic stated in the above lines : Management is a dynamic function.

Other Characteristics of Management : Refer to Q.1 of Long Answer Type Questions-I of this Topic.

1+5=6

Topic-2

Nature of Management

Concepts Covered • Management as a Science • Management as an Art, • Management as a Profession.



Revision Notes

- **Management as an Art :** Art is the skillful and personal application of existing knowledge to achieve desired results. It can be acquired through study, observation and experience. Since art is concerned with personal application of knowledge, some kind of ingenuity and creativity is required to practice the basic principles learnt.

Features of Art:

- (i) Personalized application
(ii) Based on practice and creativity
(iii) Existence of theoretical knowledge

Management is an art as it satisfies all the features for being an art.

- **Management as a Science :** Science is a systematized body of knowledge that explains certain general truths or the operation of general laws.

Features of Science:

- (i) Systematized body of knowledge
(ii) Principles based on experiments
(iii) Universal validity

Management is an inexact science as its principles have to be modified according to a given situation. It is a social science as it deals with human beings.

- **Management as a Profession**

Features of Profession: Profession is an occupation which is regulated by a legally recognized body and

requires specific and formal qualification. Entry is limited in case of profession.

- (i) Well-defined body of knowledge
(ii) Professional association
(iii) Restricted entry
(iv) Ethical code of conduct
(v) Service motive

Management is on the path of becoming a profession but not a full-fledged profession.

Management is a well-defined body of knowledge but all other features are desirable, but not compulsory for a manager.



Mnemonics

Concept: Management as an Art
Mnemonics: Please Pay on Time

Interpretations:

P : Personalised Application
P : Practice and Creativity
T : Theoretical Knowledge

Concept: Management as a Science
Mnemonics: Save Us from Enemy

Interpretations:

S : Systematised knowledge
U : Universal validity
E : Experiment based

Scan to know more about



Nature of Management



OBJECTIVE TYPE QUESTIONS

A Multiple Choice Questions

Q. 1. "What distinguishes a successful manager from a less successful one is the ability to put the principles into practice." Which aspect of the nature of management is highlighted in the above statement?

- (A) Management as a science
- (B) Management as an art
- (C) Management as a profession
- (D) Management is an intangible force.

[A] [CBSE SQP Term I 2022-23]

Ans. Option (B) is correct.

Explanation: Art involves the creative practice of existing theoretical knowledge. A successful manager practices the art of management in the day-to-day job of managing an enterprise based on study, observation and experience.

Q. 2. Which of the following statements is true for management as a science?

- (A) Existence of theoretical knowledge
- (B) Based on practice and creativity
- (C) Principles based on experimentation
- (D) Professional association

[R]

Ans. Option (C) is correct.

Explanation: Scientific principles are first developed through observation and then tested through repeated experimentation under controlled conditions.

Concept Applied

Nature of Management

Q. 3. Management is

- (A) A Science
- (B) An Art
- (C) Both a science and an art
- (D) None of these

[R]

Q. 4. Art can be acquired through which of the following:

- (A) Study
- (B) Observation
- (C) Experience
- (D) All of these

[R]

Ans. Option (D) is correct.

Explanation: In every art there is systematic and organized study material available to acquire theoretical knowledge of the art. Every artist must have personal skill and creativity to apply that knowledge.

Q. 5. "Anyone can be called a manager irrespective of the educational qualification possessed." Identify the characteristic of the profession that Management does not fulfill in the statement being discussed above:

- (A) Ethical code of conduct
- (B) Professional association

(C) Restricted entry

(D) Service motive

[U] [CBSE SQP 2021]

Ans. Option (C) is correct.

Explanation: The entry to a profession is restricted through an examination or through acquiring an educational degree. Whereas there is no legal restriction on appointment of a manager, anyone can become a manager irrespective of the educational qualification.

Q. 6. Identify the nature of management when it is practised as personal application of existing knowledge to achieve desired results.

- (A) Management as a Science
- (B) Management as an Art
- (C) Management as a Profession
- (D) All of the above

[AIU]

Q. 7. Which of the following feature of a profession is fully satisfied by management?

- (A) Service motive
- (B) Well defined body of knowledge
- (C) Restricted entry
- (D) Ethical code of conduct

[U] [CBSE TERM I Exam 2022]

Ans. Option (b) is correct.

Explanation : All professions are based on a well-defined body of knowledge that can be acquired through instructions. All over the world there is marked growth in management as a discipline. It is based on a systematic body of knowledge comprising well-defined business situations. This knowledge can be acquired at different colleges and professional institutes and through a number of books and journals. Thus, Management has a systematised body of knowledge.

B Assertion & Reason

Directions : In the following questions, a statement of Assertion (A) is followed by a statement of Reason (R). Mark the correct choice as:

- (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
- (B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
- (C) Assertion (A) is true, but Reason (R) is false.
- (D) Assertion (A) is false, but Reason (R) is true.

Q. 1. **Assertion (A):** Management is a systematic body of knowledge.

Reason (R): Management has its own theory and principles that have developed over a period of time.

[R]

Q. 2. **Assertion (A):** All professions are bound by a code of conduct which guides the behaviour of its members.

Reason (R): There are several associations of practicing managers in India, that have laid down a code of conduct to follow. [U]

Ans. Option (A) is correct.

Explanation: Every profession has a certain code of conduct to follow. There are several associations of practicing managers in India, like the AIMA (All India Management Association) that have laid down a code of conduct to regulate the activities of their members.

Q. 3. Assertion (A): Profession involves skillful and personal application of existing knowledge to achieve desired results.

Reason (R): Experts in their respective areas have derived certain basic principles which are applicable to a particular form of art. [U]

Ans. Option (D) is correct.

Explanation: Art involves skillful and personal application of existing knowledge to achieve desired results. Art presupposes the existence of certain theoretical knowledge.

Q. 4. Assertion (A): Scientific principles have universal application and validity.

Reason (R): Management principles are not exact like scientific principles so their application and use is not universal. [R]

Ans. Option (B) is correct.

Explanation: Scientific principles are based on truth and they can be applied at every time and in every situation. Thus, its universal application is possible. In the field of management too, managerial knowledge and principles of management are considered to be based on truth and they, too, can be applied anywhere and in every situation.



SUBJECTIVE TYPE QUESTIONS



Short Answer Type Questions-I (2 & 3 marks each)

Q. 1. Identify and explain the nature of management when it is said to be a systematised body of knowledge that explains certain general truths. [U]

Ans. Management as a science: Science is a systematised body of knowledge that explains certain general truths or the operation of general laws. Its principles are based on a cause and effect relationship. 2

Q. 2. Science is a systematized body of knowledge that explains certain general truths or the operation of general laws.' In the light of this statement, describe management as a science.

[U] [Delhi Set-I, II, III, 2019]

OR

'Science is a systematised body of knowledge that explains certain general truths or the operation of general laws'. Based on the statement, identify and state the characteristics of management that establish it as a science.

[U] [Outside Delhi Comptt. Set-I, 2016]

Ans. Refer to Q. 2 (b) of Long Answer Type Questions-I of this topic.

Q. 3. "Art is concerned with personal application of knowledge." In the light of this statement compare all the features of management with art and prove that it is an art. [U] [Delhi Set III 2019]

OR

'Art is the skillful and personalized application of existing knowledge to achieve desired results and some kind of ingenuity and creativity is required to practice its basic principles learnt.' Pick up points from the statements and explain the same to prove that management is an art.

[U] [Outside Delhi Comptt. Set-II, 2016]

Ans. "Art is concerned with personal application of knowledge". Management is an art because of the following reasons :

(i) **Existence of theoretical knowledge :** As in art, in management too, there is a lot of literature available in various areas of management which the manager has to specialise in.

(ii) **Personalised application :** Like in any art, in management too, a manager applies his acquired knowledge in a personalised and unique manner. This gives rise to different styles of management.

(iii) **Based on practice and creativity :** Management satisfies this criteria as a manager gains experience through regular practice and becomes more effective.

Like any other art, a manager after studying various situations, formulates his own theories for use in a given situation. This gives rise to different styles of management.

As all the criterias of art are satisfied by management, it qualifies as an art.

[CBSE Marking Scheme, 2019] 1×3=3

Q. 4. Explain why management is considered to be both an Art and a Science. [U]



Short Answer Type Questions-II (4 marks each)

Q. 1. Define Management. Explain the features that establish it as a Social Science.

[U] [Outside Delhi Set II 2016]

Ans. Management is the process of getting things done with the aim of achieving goals effectively and efficiently.

The features that establish management as a social science are :

(i) **Principles based on observation and experimentation** : Like science, management principles are derived through observations and repeated experimentations.

However, since management deals with human beings, the outcome of these experiments are not capable of being accurately predicted.

(ii) **Universal validity** : Principles of management like principles of pure science, provide managers with certain standardised techniques that can be used in different situations.

Since they have to be modified according to a given situation, their application and use is not universal.

So, this feature of science is not fully present in management.

Therefore, management is considered as a social science.

$$1 + 1\frac{1}{2} + 1\frac{1}{2} = 4$$

[CBSE Marking Scheme, 2016]

Q. 2. Explain the features of management that do not establish it as a profession.

[U] [Outside Delhi Set II 2016]

Ans. The features of management that do not establish it as a profession are :

(i) **Restricted entry** : The entry to a profession is restricted through a prescribed qualification. But there is no restriction on anyone being appointed as a manager in any business enterprise.

(ii) **Professional association** : All professions are affiliated to a professional association which regulates entry and grants certificate of practice.

There is no compulsion for managers to be members of such associations.

(iii) **Ethical code of conduct** : All professions are bound by a code of conduct which guides the behaviour of its members.

AIMA has devised a code of conduct for Indian managers but there is no statutory backing for this code.

(iv) **Service motive** : The motive of a profession is to serve their client's interests by rendering dedicated and committed service.

The basic purpose of management is to help the organization to achieve its stated goal which may be profit maximisation. However, profit maximisation as the objective of management does not hold true and is fast changing. So, presently this feature of profession is not fully present in management.

(Note : In case an examinee has combined 'professional association' and 'ethical code of conduct', full credit to be given) $1 \times 4 = 4$

[CBSE Marking Scheme, 2016]



Long Answer Type

Questions-I

(5 marks each)

Q. 1. Explain Management as a Profession.



[U] [Outside Delhi Set-III 2019]

Q. 2. 'Management is regarded as an art by some, as science or as inexact science by others. The truth seems to be somewhere in between.'

In the light of this statement, explain the true nature of management. [A]

Ans. Management is an art as well as a science or an inexact science.

(a) **Management as an Art:** Management may be regarded as an art because of the following reasons:

(i) **Existence of theoretical knowledge:** A successful manager practices the art of management in the day-to-day job of managing an enterprise based on study, observation and experience.

(ii) **Personalized application:** The use of basic knowledge varies from individual to individual; therefore, it is a personalised concept, e.g. two dancers, two speakers will always differ in demonstrating their art.

(iii) **Based on practice and creativity:** A good manager works through a combination of practice, creativity, imagination, initiative and innovation. He uses tact and creativity to develop his own style. Thus, management is an art because it satisfies all the characteristics of an art. $2\frac{1}{2}$

(b) **Management as a Science:** Management may be regarded as a science because it fulfils the following characteristics of science:

(i) **Systematised body of knowledge:** As science, management has a systematised body of knowledge. It has its own theories and principles that have been developed over a period of time. It also draws some principles from other disciplines such as economics, sociology, psychology and mathematics.

(ii) **Principles based on scientific observation and experiments:** Like science, management principles are based on scientific enquiry and observations.

(iii) **Universal validity and application:** Like science, principles of management are universally applicable. Thus, we can say that management is also a science.

However, the principles of management are not as exact as the principles of Physics or Chemistry. Management principles are flexible and can be modified to suit different situations. Thus, management can be called as an inexact science also.

In the light of both the above statement, the true nature of management can be defined as, management is both an art and a science. Principles of management constitute the science of management and the practice of management

principles is the art of management. $2\frac{1}{2}$



Long Answer Type Questions-II (6 marks each)

Q. 1. James joins an IT firm as a system analyst after completing his masters in Computer Science. As the nature of his work demands he has to work in very close coordination with all the departmental heads in the firm. Very soon James realizes that each departmental head has own individual style of working. They differ greatly in their day-to-day approach to work. They tend to deal with a given situation, an issue or a problem through a combination of their own experience, creativity, imagination, initiative and innovation. Identify and explain the nature of management highlighted in the above case.

A

Q. 2. Kamal, Khan and David are partners in a firm engaged in the distribution of dairy products in Madhya Pradesh. Kamal is a holder of Senior Secondary School Certificate from Central Board of Secondary Education with Business Studies as one of his elective subjects. Khan had done his post-graduation in Hindi Literature and David in Dairy Farming. One day there was a serious discussion between Khan and David regarding the nature of 'Management as a Science'. Khan argued that Management was not a science whereas David was of the opinion that Management was a science. Kamal intervened and corrected both Khan and David about the nature of Management as a Science with the help of his knowledge of Business Studies. Explain, how Kamal would have been able to satisfy both Khan and David.

A1 **C** [Outside Delhi Comptt. Set I, II, III 2015]

Ans. Kamal would have been able to satisfy both Khan and David by explaining the following features of Management as a Science :

- (i) **Systematised body of knowledge** : Like science, management is a systematic body of knowledge with its own theories and principles that have been developed over a period of time. So, this feature of science is present in the management.
- (ii) **Principles based on observation and experimentation** : Like science, management principles are derived through observation and repeated experimentation. So, this feature of science is present in management.

However, since management deals with human beings, the outcome of these experiments cannot be accurately predicted.

- (iii) **Universal validity** : Principles of Management like principles of pure science, provide managers with certain standardised techniques that can be used in different situations. Since they have to be modified according to a given situation, their application and use is not universal. So, this feature of science is not fully present in management.

Through the above discussion Kamal would have been able to satisfy both Khan and David by making them understand that management is a science but not an exact science. $2 \times 3 = 6$

[CBSE Marking Scheme, 2015]

Topic-3

Levels and Functions of Management

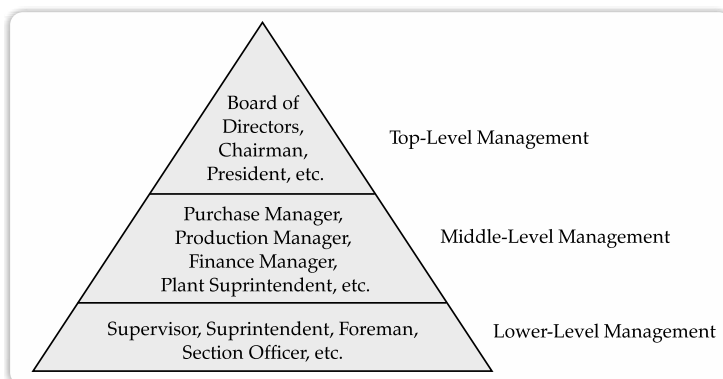
Concepts Covered • Different levels of Management and their roles • Management functions-POSDCo..



Revision Notes

- **Levels of management** means different categories of managers, the lowest to the highest on the basis of their responsibilities, authority and status.
- **Levels of Management**
 - (i) **Top-Level Management:** Consists of **Board of Directors**, Chairman, Managing Directors,

Chief Executives, etc. These top level managers are responsible for the welfare and survival of the organization. They analyse the business environment and its implications for the survival of the firm. They formulate overall organizational goals and strategies for their achievement.



Scan to know more about



Levels of Management

(ii) **Middle-Level Management:** Consists of Departmental Heads, e.g., Finance Manager, Production Manager, etc. Middle Management is the link between top and lower level managers. They are subordinate to top managers and superior to the first line managers.

(iii) **Lower/Supervisory/Operational-Level Management:** Consists of Foremen, Supervisors, Superintendents, etc. Lower level managers directly oversee the efforts of the more force, their authority and responsibility is limited according to the plans management.

► Functions of Management

- (i) **Planning:** Planning is the function of deciding in advance what to do, when do to, how to do and who should do it.
- (ii) **Organising:** Organising is the management function of assigning duties, grouping tasks, establishing authority and allocating resources required to carry out a specific plan.
- (iii) **Staffing:** This function is concerned with finding the right person for the right job.
- (iv) **Directing:** Directing is the process of supervising, motivating, leading and communicating with the subordinates to achieve the organizational objectives.
- (v) **Controlling:** The task of controlling involves establishing standards of performance, measuring current performance, comparing it with established standards and taking corrective actions. If there is any significant deviation between actual and planned performance then, it is found.



Key Words

Board of Directors: The governing body elected by a group of individuals that represent shareholders.

Foreman: A trained worker who is person-in-charge of a group of workers.

Hierarchy: A system ranking the members according to relative status or authority.



Mnemonics

- (i) **Concept: Levels of Management :**
Interpretations: Mummy Loves Tea
M : Middle level
L : Lower level
T : Top level
- (ii) **Concept: Functions of Management :**
Interpretations: Do Save Plants or Creatures
D : Directing
S : Staffing
P : Planning
O : Organising
C : Controlling



Fundamental Fact

Planning is about preparing for the future, not predicting it.



OBJECTIVE TYPE QUESTIONS

A Multiple Choice Questions

Q. 1. Which level of management is responsible for coordinating the activities of different departments according to overall objectives of the organization?

- (A) Top level
- (B) Middle level
- (C) Supervisory level
- (D) Both middle and supervisory level.

[CBSE Term I Exam 2022]

Ans. Option (A) is correct.

Explanation: Top Level Management's basic task is to integrate diverse elements and coordinate the activities of different departments according to the overall objectives of the organization. These top level managers are responsible for the welfare and survival of the organization. They analyse the business environment and its implications for the survival of the firm. They formulate overall organizational goals and strategies for their achievement.

Q. 2. Which level of management is responsible for the welfare and survival of the organization?

- (A) Top level of management
- (B) Middle level of management
- (C) Supervisory level
- (D) Both (B) and (C)

[CBSE SQP TERM I 2022-23]

Ans. Option (A) is correct.

Explanation: Refer to explanation of MCQ No.1 of this topic

The major task of top management is to integrate diverse elements and coordinate the activities of different departments according to the overall objectives of the organization. These top level managers are responsible for the welfare and survival of the organization. They analyse the business environment and its implications for the survival of the firm.

Q. 3. Silico Ltd. has appointed the former Consulting Executive of Shri Shakti Ltd. Rajan Bahl as its Vice President. What will be his basic task?

- (A) To integrate diverse elements and coordinate activities of different departments.
- (B) To carry out plans formulated by top managers.
- (C) To oversee the efforts of the workforce.
- (D) Help to maintain quality of output.

[CBSE SQP TERM I 2022]

Ans. Option (A) is correct.

Explanation: Top Management consists of the senior-most executives of the organization by whatever name they are called. They are usually referred to as the chairman, the chief executive officer, chief operating officer, president and vice-president. Top management is a team consisting of managers from different functional levels, heading finance, marketing etc. For example chief finance officer, vice president (marketing). Their basic task is to integrate diverse elements and coordinate the activities of different departments according to the overall objectives of the organization.

Q. 4. The festive season was about to come. Mrs. Rubi, Head of Production department, called for a meeting of all the subordinates and communicated the objectives. Now she is establishing authority-responsibility relationship between superior and subordinates to avoid any delay.

..... function of management is stated in the above case.

- (A) Organising (B) Controlling
(C) Directing (D) Planning

[CBSE SQP 2021-22]

Ans. Option (A) is correct.

Explanation: Organising is the management function of assigning duties, grouping tasks, establishing authority and allocating resources required to carry out a specific plan.

Q. 5. comes under the top management.

- (A) Chief Executive Officer
(B) Operations Manager
(C) Foremen
(D) Supervisors

Q. 6. is the process by which the manager brings order out of chaos, removes conflict among people over allotted work or responsibility-sharing and creates an environment suitable for teamwork.

- (A) Planning (B) Organising
(C) Staffing (D) Controlling

[CBSE SQP 2021]

Ans. Option (B) is correct.

Explanation: Proper organizational techniques help in the accomplishment of work and promote both the efficiency of operations and the effectiveness of results.

Q. 7. Name the function of management which helps in the formulation of future plans, in the light of the problems that were identified and thus, helps in better planning in the future period.

- (A) Planning (B) Organising
(C) Directing (D) Controlling

[CBSE SQP 2021]

Concept Applied

Functions of Management

B Assertion & Reason

Directions : In the following questions, a statement of Assertion (A) is followed by a statement of Reason (R). Mark the correct choice as:

- (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Q. 1. Assertion (A): Middle Management is the link between top and lower level managers.

Reason (R): Middle management is subordinate to top managers and superior to the first line managers.

Q. 2. Assertion (A): Lower level managers spend more time in planning and organizing.

Reason (R): Top Management consists of the senior-most executives of the organization.

Ans. Option (D) is correct.

Explanation: Top level managers spend more time in planning and organizing. They are usually referred to as the chairman, the chief executive officer, chief operating officer, president and vice-president. They formulate overall organizational goals and strategies for their achievement.

Q. 3. Assertion (A): Planning is the first function management.

Reason (R): Planning implies setting goals in advance and developing a way of achieving them efficiently and effectively.

Q. 4. Assertion (A): Staffing is finding the right people for the right job and is an important aspect of management.

Reason (R): Staffing makes sure that right people with the right qualifications are available at the right places and times to accomplish the goals of the organization.

Ans. Option (A) is correct.

Explanation: Staffing is also known as the human resource function and it involves activities such as recruitment, selection, placement and training of personnel.

Q. 5. Assertion (A): The middle level management includes Board of Directors and the Chief Executive.

Reason (R): The top-level level determines the objectives of the business as a whole and lays down the policies to achieve these objectives.

Ans. Option (D) is correct.

Explanation: Top Management consists of the senior-most executives of the organization by whatever name they are called. They are usually referred to as the chairman, the chief executive officer, chief operating officer, president and vice-president. Top management is a team consisting of managers from different functional levels, heading finance, marketing, etc. They formulate overall organizational goals and strategies for their achievement.



SUBJECTIVE TYPE QUESTIONS



Short Answer Type Questions-I (2 & 3 marks each)

Q. 1. List any two functions of top level management. R

Ans. The two functions of top level management are:

- (i) Laying down the overall objectives and framing policies of the enterprise.
- (ii) Coordinating the activities of different departments and assembling all resources. 2

Concept Applied

Functions of top level Management

Q. 2. Identify the level of management whose basic task is to integrate diverse elements and coordinate the activities of different departments according to the overall objectives of the organization. State any two functions of the level of management identified. R [CBSE SQP 2021]

Ans. Top-level management

Functions of top-level management :

- (i) The top-level managers are responsible for the welfare and survival of the organization.
- (ii) They analyse the business environment and its implications for the survival of the firm.
- (iii) They formulate overall organizational goals and strategies for their achievement.
- (iv) They are responsible for all the activities of the business and for its impact on society.

(Any two) [1 + 2 = 3]

[CBSE SQP Marking Scheme, 2021]

Q. 3. Explain the three levels of management ? U

Q. 4. Explain the Controlling function of management. U



Short Answer Type Questions-II (4 marks each)

Q. 1. Chandrika Bhattacharya is working in Olax Ltd., a company manufacturing room heaters. She is responsible for all the activities of the business and for its impact on the society. Her job demands long hours and commitment to the organization.

- (i) Identify the level at which Chandrika Bhattacharya is working.
- (ii) State three more functions required to be performed by Chandrika Bhattacharya at this level. A [Foreign Set I, II, III, 2017]

Ans. (i) Top level

(ii) Functions of the Top level of management :

- (a) To coordinate the activities of different departments.
- (b) To be responsible for welfare and survival of the organization.

(c) To formulate overall organizational goals and strategies.

(d) To be responsible for all the activities of the business and for its impact on the society.

(Any three) 1 + 3 = 4

Q. 2. Rishitosh Mukerjee has recently joined AMV Ltd., a company manufacturing refrigerators. He found that his department was under-staffed and other departments were not cooperating with his department for smooth functioning of the organization. Therefore, he ensured that his department has the required number of employees and its cooperation with other departments is improved.

(i) Identify the level at which Rishitosh Mukerjee was working.

(ii) Also, state three more functions required to be performed by Rishitosh Mukerjee at this level.

A [Outside Delhi Set I, II, III 2017]

Ans. (i) Middle level

(ii) Functions required to be performed by Rishitosh Mukerjee:

(a) To interpret the policies framed by the top management.

(b) To ensure that their department has the necessary personnel.

(c) To assign necessary duties and responsibilities to the employees of their respective departments for implementation of the plan.

(d) To motivate employees of their respective departments to achieve the desired objectives.

(e) To co-operate with other departments for smooth functioning of the organization. (Any three)

(or any other correct function) 1 + 3 = 4

[CBSE Marking Scheme, 2017]

OR



Topper's Answer, 2017

14. (a) Rishitosh works at MIDDLE LEVEL of management.

(b) Functions

- ① Interpret the policies framed by top management.
- ② Assign necessary duties & responsibilities to subordinates.
- ③ Motivate them (subordinates) to achieve the desired objectives.

Main task of middle management is to carry out plans developed by top management.

Q. 3. Ashutosh Goenka was working in 'Axe Ltd.' a company manufacturing air purifiers. He found that the profits had started declining from the last six months. Profit has an implication for the survival of the firm, so he analysed the business environment to find out the reasons for this decline.

- (i) Identify the level of management at which Ashutosh Goenka was working.
- (ii) State three other functions being performed by Ashutosh Goenka. [Delhi Set I 2017]

Ans. (i) Top Level **1**
 (ii) Functions of the top level of management :
 (a) To coordinate the activities of different departments.
 (b) To be responsible for welfare and survival of the organization.
 (c) To formulate overall organizational goals and strategies for their achievement.
 (d) To be responsible for all the activities of the business and for its impact on the society.
 (Any three) $1 \times 3 = 3$
 [CBSE Marking Scheme, 2017] $1 + 3 = 4$



Long Answer Type Questions-I (5 marks each)

Q. 1. Gayatri is working in a private sector bank. One of her key function relates to the formulation of the overall organizational goals and strategies of the bank. Identify and explain the level of management at which she is working? Also, state the other functions that she has to perform at this level. [U]

Ans. Gayatri is working at the top level of management in the private sector bank. Top management consists of the senior-most executives of the organization. They are usually referred to as the chairman, the chief executive officer, chief operating officer, president and vice-president. Top management is a team consisting of managers from different functional levels, heading finance, marketing, etc. For example, chief finance officer, vice president (marketing), etc. **1**

Functions of the top-level management:

- (i) Their basic task is to integrate diverse elements and coordinate the activities of different departments according to the overall objectives of the organization.
- (ii) These top-level managers are responsible for the welfare and survival of the organization.
- (iii) They analyse the business environment and its implications for the survival of the firm.
- (iv) They formulate overall organizational goals and strategies for their achievement. They are responsible for all the activities of the business and for its impact on society.
- (v) The job of the top manager is complex and stressful, demanding long hours and commitment to the organization.

(Any four) $1 \times 4 = 4$

Q. 2. Anubhuti has been promoted to the post of Marketing Division Head of a soft drink company. Identify and explain the level of management at which she will be working henceforth. State other functions that she will have to perform at this level. [A]

Ans. Henceforth, Anubhuti will be working at middle level of management. Middle Management is the link between top and lower level managers. They are subordinate to top managers and superior to the first line managers. They are usually known as division heads, for example production manager. **1**

Functions of middle management :

- (i) Middle management is responsible for implementing and controlling plans and strategies developed by top management.
- (ii) They are responsible for all the activities of first line managers.
- (iii) Their main task is to carry out the plans formulated by the top managers. For this they need to: (a) interpret the policies framed by top management, (b) ensure that their department has the necessary personnel, (c) assign necessary duties and responsibilities to them, (d) motivate them to achieve desired objectives, and (e) cooperate with other departments for smooth functioning of the organization.
- (iv) They have to ensure that their department has the necessary staff.
- (v) They have to assign duties and responsibilities to the people in their department.
- (vi) They have to motivate the people in their department to achieve the desired objectives.
- (vii) They have to co-operate with other departments for ensuring smooth functioning of the organization. (Any four) $1 \times 4 = 4$



Long Answer Type Questions-II (8 marks each)

Q. 1. Give the meaning of middle-level management. State any five functions performed by the manager who is working at the middle level of management. [R]

Ans. Middle Management is the link between top and lower level managers. They are subordinate to top managers and superior to the first line managers. They are usually known as division heads, e.g., production manager.

Following are the functions performed by a middle level manager :

- (i) **Interpreting policies :** At this level, policies framed by top-level managers are interpreted. Like the marketing manager introduces his salesman to the sales policy of the company.
- (ii) **Ensures the availability of personnel in departments :** Manager working under middle level management has to ensure that this department has the necessary personnel to perform the task.
- (iii) **Assigns duties and responsibilities :** Superior manager assigns the duties and responsibilities to various workers working under him/her.

(iv) **Motivating Employees** : Middle-level managers motivate their employees by various means so that they work most efficiently to achieve organizational objectives.

(v) **Creating Cooperation** : Cooperation among different divisions is required to successfully achieve company's objectives and this is done by middle-level managers. $1 + 1 \times 5 = 6$

Q. 2. Distinguish between top-level, middle-level, and lower-level of Management.

U

Ans. Difference between top-level, middle-level, and lower-or supervisory-level of management :

S. No.	Basis	Top-Level	Middle-Level	Lower-Level
(i)	Time range	It covers a long span of period.	It covers a moderate range of period.	It is concerned with short period.
(ii)	Skills	It requires creative skills.	It needs persuasive skills.	It is concerned with operative skills.
(iii)	Evaluation	It is difficult to evaluate their achievement.	It is less difficult to evaluate their performance.	It is easy to evaluate their performance.
(iv)	Number of Persons	It involves few persons.	It involves moderate number of persons.	It is concerned with large number of persons.
(v)	Policy Formulation	It is concerned with the formulation of policies to a great extent.	It is moderately concerned with policy formulation.	It is least concerned with policy formulation.
(vi)	Nature	It is determinative.	It is more administrative than determinative.	It is more executory and managerial than administrative.

$1 \times 6 = 6$

Topic-4

Coordination

Concepts Covered • *Concept of Coordination* • *Importance of Coordination*
• *Coordination as the Essence of Management.*



Revision Notes

► **Meaning:** Coordination is a process by which a manager synchronises the activities of different departments to achieve the common organizational goals. It is the force that binds all the other functions of management.

► **Nature/Features of Coordination:**

- (i) All pervasive
- (ii) Integrates group efforts
- (iii) Continuous process
- (iv) Ensures unity of action
- (v) Responsibility of all managers
- (vi) Deliberate function

► **Importance of Coordination**

- (i) **Functional differentiation:** Ensures unity of action among different departments which have independent functioning by linking their activities.
- (ii) **Growth in size:** Integrates individual goals with organizational goals to achieve organizational efficiency as organizations grow in size.



(iii) **Specialisation:** Integrates efforts of various specialists in the organization which avoids conflict.

► **Coordination is the essence of Management**

(i) **Needed in all management functions:**

- (a) **Planning:** Coordination between organizational plan and departmental plan.
- (b) **Organising:** Required between authority, responsibility and accountability.
- (c) **Staffing:** To achieve balance between job requirement and qualities of personnel.
- (d) **Directing:** Required between supervision, motivation and leadership.
- (e) **Controlling:** Ensure actual result conform to expected results.

(ii) **Needed at all levels of management:**

- (a) **Top level:** Coordination to integrate activities of the organization for accomplishing the organizational goals.
- (b) **Middle level:** Coordination of the efforts of different sections and sub-sections.
- (c) **Lower level:** Coordination of the activities of workers to ensure the progress of work.



Key Words

Specialisation: Particular area in which a person concentrates and gains expertise.

Functional differentiation: Division of work and sub-division of the organization on the basis of work or functions, *i.e.*, departmentalization.



Mnemonics

(i) **Concept : Features of Coordination :**

Interpretations : Draw UR PIC

D : Deliberate

U : Unity of action

R : Manager's responsibility

P : Pervasive

I : Integrates efforts

C : Continuous

(ii) **Concept : Importance of Coordination :**

Interpretations : Grab Some Food

G : Growth in size

S : Specialization

F : Functional differentiation



OBJECTIVE TYPE QUESTIONS

A Multiple Choice Questions

Q. 1. "A manager in a conscious manner has to ensure that even where members of a department willingly cooperate, coordination gives direction to the willing spirit."

The characteristic of coordination being highlighted above is :

- (A) Coordination is the responsibility of all managers.
 (B) Coordination is a deliberate function.
 (C) Coordination integrates group efforts.
 (D) Coordination is a continuous process

U [CBSE SQP Term I 2022-23]

Ans. Option (B) is correct.

Explanation: A manager has to coordinate the efforts of different people in a conscious and deliberate manner. Even where members of a department willingly cooperate and work, coordination gives a direction to that willing spirit. Cooperation in the absence of coordination may lead to waste effort and coordination without cooperation may lead to dissatisfaction among employees.

Q. 2. The production department at Karishmaa Ltd., a firm manufacturing readymade garments for men has an objective to increase production by 10% but the Sales department does not approve of the increase in production, till changes are brought about in the product to incorporate latest fashion. These kinds of conflicts bring to light the following importance of the force that can help to accomplish the linking of activities of various departments :

- (A) Growth in size
 (B) Functional differentiation.
 (C) Specialization
 (D) Efficiency

A [CBSE SQP Term I 2022-23]

Ans. Option (B) is correct.

Explanation: Functions of an organization are divided into departments, divisions and sections. In an organization there may be separate departments of finance, production, marketing or human resources. All these departments may have their own objectives, policies and their own style of working.

Q. 3. Coordination is needed at :

- (A) Lower level of management
 (B) Middle level of management
 (C) Top level of management
 (D) All of the above

R

Q. 4. Which level of manager is responsible for coordination ?

- (A) Lower (B) Middle
 (C) Upper (D) All levels

U

Ans. Option (D) is correct.

Explanation: Coordination is needed at all three, *i.e.*, top, middle, and lower managerial levels. Different activities performed at all levels are equally important. Thus, it is the responsibility of all the managers that they make efforts to establish coordination.

Q. 5. Zamara Garments Ltd., found that there was decline in sales even in the festive season. After analyzing, it was found that purchase and sales departments were not synchronizing so that supply of goods could take place according to purchase orders.

..... aspect of management is lacking above.

- (A) Planning (B) Organising
 (C) Controlling (D) Coordination

A

Ans. Option (D) is correct.

Concept Applied

Concepts & Coordination

Explanation: Coordination involves synchronisation of the different actions or efforts of the various units of an organization.

Q. 6. Making timetable in an educational institute is an example of

- (A) Organising (B) Coordination
(C) Controlling (D) None of these

Ans. Option (B) is correct.

Explanation: Planning is the elementary stage of achieving co-ordination. When various functions are properly planned and various policies are integrated then co-ordination will be easily achieved.

Q. 7. 'Even where members of a department willingly cooperate and work, a manager has to coordinate the efforts of different people in a conscious manner.' Identify the characteristic of coordination discussed above.

- (A) Coordination ensures unity of action.
(B) Coordination is a deliberate function.
(C) Coordination is a continuous process.
(D) Coordination is an all-pervasive function.

[CBSE SQP 2021]

Ans. Option (B) is correct.

Explanation: A manager has to coordinate the efforts of different people in a conscious and deliberate manner. Even where members of a department willingly cooperate and work, coordination gives a direction to that willing spirit.

Q. 8. The process by which a manager synchronizes the activities of different departments is :

- (A) Planning (B) Organising
(C) Controlling (D) Coordination

Ans. Option (D) is correct.

Explanation: Coordination is the integration, unification, synchronization of the efforts of the departments to provide unity of action for pursuing common goals.

B Assertion & Reason

Directions : In the following questions, a statement of Assertion (A) is followed by a statement of Reason (R). Mark the correct choice as:

- (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Q. 1. Assertion (A): Coordination begins at the planning stage and continues till controlling.

Reason (R): Coordination is a one-time process.

Ans. Option (C) is correct.

Explanation: Coordination is a continuous process. It is not a one-time function but a continuous process. It begins at the planning stage and continues till controlling.

Q. 2. Assertion (A): Coordination is an all-pervasive function.

Reason (R): Coordination ensures unity of action.

Q. 3. Assertion (A): Coordination integrates group efforts.

Reason (R): Coordination unifies unrelated or diverse interests into purposeful work activity.

Ans. Option (A) is correct.

Explanation: Coordination gives a common focus to group effort to ensure that performance is as it was planned and scheduled.

Q. 4. Assertion (A): Coordination is the essence of management.

Reason (R): Coordination is the force that binds all the other functions of management.

Ans. Option (A) is correct.

Explanation: Coordination is the common thread that runs through all activities such as purchase, production, sales, and finance to ensure continuity in the working of the organization. Coordination is implicit and inherent in all functions of an organization.



Short Answer Type

Questions-I (2 & 3 marks each)

Q. 1. Explain why coordination is important in an organization.

Ans. Importance of Coordination:

- (i) **Growth in size:** To integrate individual goals with organizational goals.
(ii) **Functional differentiation:** To ensure unity of action among interdependent departments like finance, production, marketing, etc.
(iii) **Specialisation:** To eliminate conflict and integrate efforts of various specialists in the organization.

Q. 2. Coordination is needed at all levels of management, and is the responsibility of all managers.

Explain. [Delhi Set-II 2019]

Ans. Coordination is needed at all levels of management :

- (i) Coordination is required at all levels of management due to the interdependent nature of activities of various departments.
(ii) It integrates the efforts of different departments and different levels.

Coordination is the responsibility of all managers :

- (i) Coordination is the function of every manager in the organization.
(ii) Top level managers need to coordinate with their subordinates to ensure that the overall policies for the organization are duly carried out.

- (iii) Middle-level management coordinates with both the top level and first line managers.
- (iv) Operational-level management coordinates the activities of its workers to ensure that work proceeds according to plans. $1\frac{1}{2} + 1\frac{1}{2} = 3$
[CBSE Marking Scheme, 2019]

Q. 3. 'Coordination is the essence of management.'
Explain. [U] [Delhi Set-III 2019]

Ans. Coordination is not a separate function of management. It is the force that binds all other functions and thus called the essence of management.

- (i) The process of coordinating the activities begins at the planning stage in which the top management plans for the entire organization.
- (ii) At the organising stage, the organizational structure is developed as per plans.
- (iii) The staffing function is performed thereafter as per the structure developed in the organization.
- (iv) Directing is then required to ensure that these plans are executed accordingly.
- (v) Controlling function ensures that the discrepancies between actual and planned activities are taken care of. Coordination, therefore, synchronises the efforts through all functions of management and ensures that the organizational objectives are achieved with a minimum of conflict.

(Any three) [CBSE Marking Scheme, 2019]
 $1 \times 3 = 3$



Short Answer Type Questions-II (4 marks each)

Q. 1. "Coordination is synchronisation of group efforts to achieve organizational objectives." In the light of this statement, highlight any four features of Coordination. [AE]

Ans. Refer to Q. No. 1 of Long Answer Type Questions-II of this Topic. 4

Q. 2. Explain how coordination 'integrates group efforts' and 'ensures unity of actions' ? [U]

Ans. (i) Integrates group effort: Coordination is not required when the entire job is performed by an individual. Coordination is instead needed when many individuals are working together, have different backgrounds and methods of working. Coordination unifies their diverse activities and gives a common focus to the group efforts to ensure that performance is as it was planned and scheduled.

(ii) Ensures unity of actions: The purpose of coordination is to secure unity of action in the realisation of a common purpose. It acts as the binding force between departments and ensures that all action is aimed at achieving the goals of the organization. Thus, all departmental goals

of purchase, sales, finance departments, etc. are streamlined to focus towards the achievement of the common organizational objective. $2 + 2 = 4$



Long Answer Type Questions-I (5 marks each)

Q. 1. Explain any five characteristics of 'Coordination'.

[A] [R] [Outside Delhi Set I 2019]

Q. 2. CareTech is a company which deals with providing car service at home and on road. There are different departments in this company like Human Resources, Marketing, Finance, Research and Development and Operations. The top management of the company tries its level best to synchronize the activities of different departments in the best possible manner. The result is the increased efficiency and attainment of goals. However, with the passing of time the size of the company has grown and now there are many branches of this company. The synchronization has turned more important with the increase in the size of the company and the number of employees. The Departmental Heads of the company are specialists in their respective areas and the top management tries to work with them not with authority but by respecting their views on the subject. Their ego clashes are avoided to ensure smooth functioning of the organization.

Identify the concept of management highlighted above. Also give the benefits highlighted in the above paragraph of this concept. [A]



Long Answer Type Questions-II (6 marks each)

Q.1. Describe any four characteristics of 'Coordination'.

[A] [R] [Outside Delhi Set I, II, III 2016]

Q. 2. Interdependence between departments and individuals and harmonization of individual goals with organizational goals makes coordination necessary. In the light of this statement, discuss why coordination is important. [A] [AE]

Ans. Coordination is important as it integrates the efforts of individuals, departments and specialists and harmonizes their goals. Its importance is as follows:

(i) Growth in size : As organizations grow in size, the number of people employed by the organization also increases. Thus, it becomes difficult to integrate their efforts and activities. All individuals differ in their habits of work, background, approaches to situations and relationships with others. It becomes necessary to ensure that all individuals work towards achieving the common goals of the organization. But employees may have their own individual goals also. Therefore, for organizational efficiency, it is important to harmonize individual goals and organizational goals through coordination.

(ii) Functional differentiation : Functions of an organization are divided into departments,

divisions and sections. In an organization there may be separate departments of finance, production, marketing or human resources. All these departments may have their own objectives, policies and their own style of working. For example, the marketing department's objective may be to increase sales by 10 percent by offering discounts. Coordination ensures unity of action among these different departments.

(iii) **Specialisation** : Complexity of modern business

requires various functions to be performed by specialists. Specialisation, in turn, brings out the need for greater coordination because of the diversity of activities of different specialists otherwise it often leads to a conflict among them because they do not take advice or suggestions from others in matters pertaining to their area of specialisation. Thus, coordination is required to reconcile the differences in approach, interest or opinion of the specialists. $2 + 2 + 2 = 6$



COMPETENCY BASED QUESTIONS



Case based MCQs

I. Read the below case and answer the questions that follow:

Sana is the branch manager of ABC Handicrafts Pvt. Ltd. The company's objective is to promote the sales of Indian handloom and handicraft products. It sells fabrics, furnishings, ready-mades and household items made out of traditional Indian fabrics. Sana decides quantities, varieties, colours and textures of all the above items and then allocates resources for their purchase from different suppliers. She appointed a team of designers and crafts people in the company, who developed some prints for bed covers in bright colour on silk. Although the products looked very attractive and impressive, they were relatively expensive on the front of affordability for an average customer. Sana suggested that they should keep the silk bed covers for special festive occasions and offer the cotton bed covers on a regular basis to keep costs under control. [CBSE QB 2021]

Q. 1. "She appointed a team of designers and crafts people in the company, who developed some prints for bed covers in bright colour on silk." Which function of management is highlighted in this context ?

- (A) Controlling (B) Staffing
(C) Planning (D) Directing

Ans. Option (B) is correct.

Explanation: Staffing is a very important aspect of management so as to make sure that the right people with the right qualifications are available at the right places and times to accomplish the goals of the organization.

Q. 2. In the above case "company's objective is to promote the sales of Indian handloom and handicraft products." The above line focuses on which feature of management?

- (A) Management is an intangible force.
(B) Management is a goal oriented process.
(C) Management is pervasive in nature.
(D) Management is a continuous process.

Ans. Option (B) is correct.

Explanation: An organization has a set of basic goals which are the basic reason for its existence. Management unites the efforts of different

individuals in the organization towards achieving these goals.

Q. 3. With reference to the above case, at which level of management Sana is working?

- (A) Lower level (B) Top level
(C) Middle level (D) Shop floor

Ans. Option (C) is correct.

Explanation: Middle Management is the link between top and lower level managers. They are subordinate to top managers and superior to the first line managers. They are usually known as division heads.

Q. 4. "Sana suggested that they should keep the silk bed covers for special festive occasions and offer the cotton bed covers on a regular basis to keep costs under control." Which function of management is highlighted in this context?

- (A) Controlling (B) Staffing
(C) Organising (D) Planning

Ans. Option (A) is correct.

Explanation: Controlling is the management function of monitoring organizational performance towards the attainment of organizational goals. The task of controlling involves establishing standards of performance, measuring current performance, comparing this with established standards and taking corrective action where any deviation is found.

II. Read the below case and answer the questions that follow:

Best Textiles Ltd. is a big company. Managing many employees at the same moment is a challenge which this company always faces. Since the company has many departments it is necessary for the company to ensure unity of action among various departments. The various departments are human resources, marketing, finance, operations and sales. The top-level managers coordinate with all middle-level managers. The middle-level managers coordinate simultaneously with top as well as lower-level managers. The lower-level managers coordinate with middle-level managers and the workers. The employees are always concerned about the company and are a useful resource to their organization. Though they have diverse interests and have to perform different activities, the management ensures that the efforts of the employees should be given a focus so as to achieve the organizational goals.

The different departments have their own interests but due to proper coordination, conflict of interest between departments is minimized to zero. When it comes to the employees, the organization shows its concern. The career of employees is shown a developmental path through proper training modules and job enrichment. Sanjeev is a manager who takes care of all the duties and responsibilities to be assigned to his employees in the department. He uses all sources to develop a proper communication with them and leaves no attempt to motivate them. This year the company has decided to give the best manager award to Sanjeev for his contribution to the organization.

Q. 1. Which characteristic of coordination has been highlighted in the above case?

- (A) Unity of action
- (B) Responsibility of all managers
- (C) Integration of group efforts
- (D) All of the above

Ans. Option (D) is correct.

Q. 2. Which importance of management has been highlighted above?

- (A) Functional differentiation
- (B) Growth in size
- (C) Specialisation

(D) All of the above

Ans. Option (A) is correct.

Explanation: Functions of an organization are divided into departments, divisions and sections. In an organization there may be separate departments of finance, production, marketing or human resources. The activity of each department needs to be focused on attainment of common organizational goals.

The process of linking the activities of various departments is accomplished by coordination.

Q. 3. Which type of objective is fulfilled here?

- (A) Personal
- (B) Social
- (C) Organizational
- (D) None of the above

Ans. Option (A) is correct.

Explanation: Organizations are made up of people who have different personalities, backgrounds, experiences and objectives.

Management has to reconcile personal goals with organizational objectives for harmony in the organization.

Q. 4. At which level of management does Sanjeev work?

- (A) Top
- (B) Middle
- (C) Lower
- (D) None of the above

Ans. Option (B) is correct.



Solutions for Practice Questions (Topic-1)

Multiple Choice Questions

Ans 6. Option (A) is correct.

Explanation: Management as a process means to carry out primary functions or activities that management performs to get things done using limited resources. These functions are planning, organising, staffing, directing and controlling.

Ans 7. Option (B) is correct.

Explanation: Management is described as the process of planning, organising, staffing, directing and controlling the efforts of organisational members and of using organisational resources to achieve specific goals.

Assertion & Reason

Ans 4. Option (C) is correct.

Explanation: The aim of a manager is to reduce costs and increase productivity through better planning, organising, directing, staffing and

controlling activities of the organisation.

An organisation has multiple objectives to serve the purpose of different groups that constitute it. In the process of fulfilling all these, management helps in the development of the organisation and through that it helps in the development of society.

Short Answer Type Questions-I

Ans 1. Management is a complex activity that has three main dimensions. The dimensions are:

- (i) Management of work.
- (ii) Management of people.
- (iii) Management of operations.

[CBSE Marking Scheme, 2019] 1×3=3

Detailed Answer :

Refer to Q. 1 (ii) of Long Answer Type Questions-I of this Topic.



Solutions for Practice Questions (Topic-2)

Multiple Choice Questions

Ans 3. Option (C) is correct.

Explanation: Management is both a science as well as an art. Like science it has systematic and well-organised body of knowledge and like an art it requires personal skill, creativity and practice to apply such knowledge in the best possible way.

Ans 6. Option (B) is correct.

Explanation: Management is an art because it requires personal skill, creativity and practice to apply systematic and well-organised body of knowledge in the best possible way.

Assertion & Reason

Ans 1. Option (A) is correct.

Explanation: Management has a systematized body of knowledge. Like all other organised activities, management has its own theory, principles, vocabulary of terms and concepts.

Short Answer Type Questions-I

Ans 4. Management is an art as well as a science though an inexact science.

- (i) Art is the skillful and personal application of existing knowledge to achieve desired results. Management is an art because like any other art, it has existence of theoretical knowledge and personalised application based on continuous practice.
- (ii) Science is a systematised body of knowledge that explains certain general truths. Like science, management principles are derived through observation and repeated experiments. Since management deals with human beings, the outcome of these experiments cannot be accurately predicted.

Moreover, they have to be modified according to the given situation. Hence, it is an inexact science.

$$1\frac{1}{2} \times 2 = 3$$

Long Answer Type Questions-I

Ans 1. Management as a Profession :

- (i) **Well-defined body of knowledge :** All professions are based on a well-defined body of knowledge that can be acquired through instruction. In management also, there is a systematic body of knowledge comprising well-defined principles based on a variety of business situations that is taught at different institutions. This feature of profession is present in management.
- (ii) **Restricted entry :** The entry to profession is restricted through a prescribed qualification. But there is no restriction on anyone being appointed as a manager in any business enterprise. So, presently this feature of profession is not present in management.
- (iii) **Professional association :** Legal and medical professions are affiliated to a professional association like bar council and medical council which regulates entry, grants

certificate of practice and formulates and enforces a code of conduct. There are several associations of practicing managers in India, like AIMA that has laid down a code of conduct to regulate the activities of its members. There is, however, no compulsion for managers to be members of such an association. So, presently this feature of profession is not present in management.

- (iv) **Ethical code of conduct :** Legal and medical professions are bound by a code of conduct which guides the behaviour of its members. AIMA has devised a code of conduct for Indian managers but there is no statutory backing for this code. So, presently this feature of profession is not present in management.
- (v) **Service motive :** The basic motive of a profession is to serve their client's interests by rendering dedicated and committed service. The basic purpose of management is to help the organisation achieve its stated goals by providing good quality products at reasonable prices. So, presently this feature of profession is not fully present in management.

[CBSE Marking Scheme,

2019]

(Any four) $1\frac{1}{2} \times 4 =$

6

Long Answer Type Questions-II

Ans1. In the above case, management is being considered as an art.

Art is the skillful and personal application of existing knowledge to achieve desired results. The evaluation of management as an art is given below:

- (i) **Existence of theoretical knowledge:** Art presupposes the existence of certain knowledge. Management fulfills this criterion as there exist a number of theories and principles on management which have been formulated by various management experts.
- (ii) **Personalised applications:** Art is a personalised concept. Management fulfills this criterion as a good manager works through a combination of his own experience, creativity, imagination, initiative and innovation to carry out the assigned work.
- (iii) **Based on practice and creativity:** All art is practical. Management fulfills this criterion as a person becomes a better manager with constant practice and experience. This also leads to emergence of different styles of management.

3+3=6



Solutions for Practice Questions (Topic-3)

Objective Type Questions

Ans 5. Option (A) is correct.

Explanation: The top level management includes Board of Directors and the Chief Executive. This level determines the objectives of the business as a whole and lays down policies to achieve these objectives.

Ans 7. Option (D) is correct.

Explanation: Controlling is the management function of monitoring organisational performance towards the attainment of organisational goals.

Assertion & Reason

Ans 1. Option (A) is correct.

Explanation: Middle management is responsible for implementing and controlling plans and strategies developed by top management. At the same time, they are responsible for all the activities of first line managers.

Ans 3. Option (A) is correct.

Explanation: Planning is the function of determining in advance what is to be done and who is to do it. Planning bridges the gap between where we are and where we want to go.

Short Answer Type Questions-I

Ans 3. Organisational structure possesses three levels of

management which are as follows :

(i) **Top-level management** : It consists of the Board of Directors, Chief Executive Officers, Chief Operational Officers and many more.

This level of management frames policies for overall attainment of management objectives.

(ii) **Middle-level management** : It consists of departmental heads, section officers, etc. This level interprets and explains the policies framed by the top-level management.

They are involved more in collecting and reporting feedbacks to the top level.

(iii) **Operational-level management** : It is the lowest level of management. It consists of plant superintendents, clerks, supervisors, etc. They are concerned with technical and routine work on a day-to-day basis. $1 \times 3 = 3$

Ans 4. Controlling is the management function of monitoring organisational performance towards the attainment of organisational goals. The task of controlling involves establishing standards of performance, measuring current performance, comparing this with established standards and taking corrective action where any deviation is found. 3



Solutions for Practice Questions (Topic-4)

Multiple Choice Questions

Ans 3. Option (D) is correct.

Explanation: Coordination is required at all levels of management due to the interdependent nature of activities of various departments. It integrates the efforts of different departments and different levels.

Assertion & Reason

Ans 2. Option (B) is correct.

Explanation: Coordination is required at all levels of management due to the interdependent nature of activities of various departments. It integrates the efforts of different departments and different levels.

Long Answer Type Questions-I

Ans 1. Refer to Q. No. 1 of Long Answer Type Question-II of this topic.

Ans 2. The concept of management highlighted above is that of Coordination. The process by which a manager synchronises the activities of different departments is known as coordination.

Coordination is the force that binds all the other functions of management. It is the common thread that runs through all activities such as purchase, production, sales, and finance to ensure continuity in the working of the organisation. Coordination is sometimes considered a separate function of management.

Importance of coordination:

(i) **Growth in size:** As organisations grow in size, the number of people employed by the organisation also increases. At times, it may become difficult to integrate their efforts and activities. All individuals differ in their habits of work, background, approaches to situations and relationships with others. It becomes necessary to ensure that all individuals work towards the common goals of the organisation. But employees may have their own individual goals also. Therefore, for organisational efficiency, it is important to harmonise individual goals and organisational goals through coordination.

(ii) **Functional differentiation:** Functions of an organisation are divided into departments, divisions and sections. In an organisation there may be separate departments of finance, production, marketing or human resources. All these departments may have their own objectives, policies and their own style of working. However, all departments and individuals are interdependent and they have to depend on each other for information to perform their activities.

The activity of each department needs to be focused on attainment of common organisational goals. The process of linking the activities of various departments is accomplished by coordination.

(iii) **Specialisation:** Modern organisations are characterised by a high degree of specialisation. Specialisation arises out of the complexities of modern technology and the diversity of tasks to be performed. Organisations, therefore, need to employ a number of specialists. Specialists usually think that they only are qualified to evaluate, judge and decide according to their professional criteria. They do not take advice or suggestions from others in matters pertaining to their area of specialisation. This often leads to conflict amongst different specialists as well as others in the organisation. Therefore, some coordination is required by an independent person to reconcile the differences in approach, interest or opinion of the specialists. 5

Long Answer Type Questions-II

Ans 1.Characteristics of Coordination :

- (i) Integrates group efforts
- (ii) Ensures unity of action
- (iii) Continuous process
- (iv) Pervasive function
- (v) Responsibility of all managers
- (vi) Deliberate function.

(Any four)

[CBSE Marking Scheme, 2016] $1\frac{1}{2} \times 4 = 6$

Detailed Answer :

Characteristics of Coordination :

- (i) **Coordination integrates group efforts :** Coordination unifies unrelated or diverse interests into purposeful work activity. It gives a common focus to the group efforts to ensure that performance is same as it was planned and scheduled.
- (ii) **Coordination ensures unity of action :** The purpose of Coordination is to secure unity of action in the realisation of a common purpose. It acts as the binding force between different departments and ensures that all actions are aimed at achieving the goals of the organisation.
- (iii) **Coordination is a continuous process :** Coordination is not a one-time function but a continuous process. It begins at the planning stage and continues till controlling.
- (iv) **Coordination is an all pervasive function :** Coordination is required at all levels of management due to the interdependent nature of activities of various departments. It integrates the efforts of different departments and different levels.



REFLECTIONS

1. Were you able to identify the level of management concerned with developing cooperation with other departments for smooth functioning of organisation?
2. Did you know which objective of management is fulfilled by a business manufacturing biscuits by using environmental friendly methods of production?
3. Were you able to explain coordination as an essence of management?
4. Could you identify and explain the feature of profession stated below :
"In order to become a lawyer one has to register himself as a member of Bar Council of India."
5. Were you able to identify function of management involved in determining in advance what is to be done in future?



SELF ASSESSMENT PAPER - 1

Maximum Time: 1 hour

MM: 30

General Instructions:

- (i) All the Questions are compulsory
- (ii) Q.1 to Q.9 are MCQ based
- (iii) Q.10 to Q.13 are 1 mark Questions based on a case
- (iv) Q.14 to Q.16 are 2 marks questions
- (v) Q.17 and Q.18 are 3 marks questions
- (vi) Q.19 is a 5 Marks Question

1. Sunlent Power Ltd. set up a factory for manufacturing solar lanterns in a remote village as there was no reliable supply of electricity in rural areas. Company decided to employ people from the nearby villages as very few job opportunities were available in that area. The company also decided to open schools and creches for the children of its employees. Identify the objectives of management discussed above.
 (A) Organizational (B) Social (C) Personnel (D) All of these [1]
 2. Which is the basic reason for the existence of an organization?
 (A) Set of basic goals (B) Being pervasive
 (C) Being multidimensional (D) None of these [1]
 3. "The task of management is to make people work towards achieving the organization's goals, by making their strengths effective and their weaknesses irrelevant." The above statement highlights which of the following dimension of management:
 (A) Management of work (B) Management of people
 (C) Management of operations (D) All of these [1]
 4. Cooperation in the absence of _____ may lead to wasted effort.
 (A) Planning (B) Coordination (C) Controlling (D) Staffing [1]
- Read the following statements - Assertion (A) and Reason (R) in the Questions 5 and 6 and choose the answer from the given alternatives choose the correct one:
 Alternatives:
 (A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
 (B) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A).
 (C) Assertion (A) is true but Reason (R) is false.
 (D) Assertion (A) is false but Reason (R) is true.
5. **Assertion (A):** Proper organizational techniques help in the accomplishment of work and promote both the efficiency of operations and the effectiveness of results.
Reason (R): Organising involves the grouping of the required tasks into manageable departments. [1]
 6. **Assertion (A):** The structure in a formal organization can be functional or divisional.
Reason (R): Efforts of various departments are coordinated, interlinked and integrated through the formal organization. [1]
 7. **Assertion (A):** Middle management ensures that their department has the necessary personnel.
Reason (R): Middle level managers analyse the business environment. [1]
 8. For the following two statements choose the correct option:
Statement I : An organization has a set of basic goals.
Statement II : Different organizations have different goals.
 Choose the correct option from the options given below:
 (A) Statement I is correct and II is wrong. (B) Statement II is correct and I is wrong.
 (C) Both the statements are correct. (D) Both the statements are incorrect. [1]
 9. For the following two statements choose the correct option:
Statement I: The process of coordinating the activities of an organization begins at the planning stage.
Statement II: Any discrepancies between actual and realised activities are then taken care of at the stage of controlling.
 Choose the correct option from the options given below: [1]
 (A) Statement I is correct and II is wrong. (B) Statement II is correct and I is wrong.
 (C) Both the statements are correct. (D) Both the statements are incorrect.

CASE BASED MCQs- I

1 Mark Each

Akshat is working as a vice president in the company that manufactures water heaters. He is the senior-most executive of the organization. He motivates and leads his team in such a manner that individual members are able to achieve personal goals while contributing to the overall organizational objective. The company has a set of basic goals and objectives and to achieve these organizational goals and objectives, he has to unite the efforts of different individuals in the organization. He also ensures that the goals should be achieved with minimum resources i.e., as efficiently as possible thus, maintaining a balance between effectiveness and efficiency.

While looking into the day to day affairs of the company he has to perform a series of continuous, composite, but separate functions. He decides the targets and future course of action for various departments well in advance. He assigns duties, group tasks, establishes authority and allocate resources required to carry out a specific plan. He makes sure that the right people with the right qualifications are available at the right places and times to accomplish the goals of the organization. He directs his employees through praises and criticisms in such a way that it brings out the best in the employee. Moreover, he monitors the organizational performance towards the attainment of organizational goals to ensure that they are in accordance with the standards set and takes corrective actions whenever needed.

10. Why it's important for Akshat to maintain a balance between effectiveness and efficiency?
 (A) To ensure that tasks are completed and goals are achieved with the least amount of resources.
 (B) To ensure that tasks are completed and goals are achieved at a minimum cost
 (C) Both (a) and (b) (D) None of these [1]
11. Which of the following importance of management is highlighted in the below mentioned lines:
 "He motivates and leads his team in such a manner that individual members are able to achieve personal goals while contributing to the overall organizational objective".
 (A) Management helps in achieving group goals
 (B) Management increases efficiency
 (C) Management creates a dynamic organization
 (D) Management helps in achieving personal objectives [1]
12. Which of the following function of management is highlighted in the below mentioned lines:
 "He directs his employees through praises and criticisms in such a way that it brings out the best in the employee".
 (A) Directing (B) Controlling
 (C) Staffing (D) Planning [1]
13. Which of the following function of management is highlighted in the below mentioned lines:
 "He assigns duties, group tasks, establishes authority and allocate resources required to carry out a specific plan."
 (A) Staffing (B) Organizing
 (C) Controlling (D) Planning [1]

OR

Which of the following function of management is highlighted in the below mentioned lines:

"He monitors the organizational performance towards the attainment of organizational goals to ensure that they are in accordance with the standards set and takes corrective actions whenever needed".

- (A) Controlling (B) Planning
 (C) Both A and B (D) None of these

Short Answer Type Questions – I

2 & 3 Marks

14. Management is skillful and personal application of existing knowledge to achieve desired results. Explain.
15. 'Management seeks to achieve certain objectives which must be derived from basic purpose of the businesses'. In the light of the above statement, explain organizational objectives of management.
16. Rahul has retired from an organization in which he was responsible for implementing the plans developed by the top management. At which level of management was he working? State one more function performed at this level.

Short Answer Type Questions – II

3 Marks

17. Coordination is needed at all levels of management and is the responsibility of all managers. Explain how? [3]
18. What is meant by management as a science? Explain with the help of any three features.

Long Answer Type Questions

5 Marks

19. John and Vipul are good friends. After completing their MBA, both of them take up a job at managerial level in different organizations as per their individual areas of interest considering the fact that the activities involved in managing an enterprise are common to all organizations. John takes up a marketing job in a retail company and strives to increase sales whereas Vipul joins a garment factory as a plant supervisor in Mumbai. His goal is to produce 2000 garments a day. Both of them have to perform a series of continuous, composite, but separate functions. On some days, John may spend more time in planning a future display layout and on another day, he may spend time in sorting out an employee's problem. Both John and Vipul make conscious efforts to build a feeling of team spirit and coordination among diverse individuals with different needs who work under them. The effect of their management is noticeable in their respective departments as the targets are met according to plans, employees are happy and satisfied, and there is orderliness in its functioning rather than chaos. In context of the above case, identify the various features of management highlighted in the above paragraph by quoting lines from it.

Finished Solving the Paper ?
 Time to evaluate yourself !
<https://qr.page/g/3GwWO9qCt3S>

OR

SCAN THE CODE



For elaborate Solutions

OSWAAL COGNITIVE
LEARNING TOOLS

