

Business Studies

Question Paper 2019

Maximum Marks: 80

Time allowed: Three hours

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

Answer briefly each of the questions (i) to (x): [10 x 2]

- (i) Name the two sources of e-recruitment. Briefly explain any one of them.
- (ii) State any two differences between training and development.
- (iii) Briefly explain the two types of esteem needs, as per the human needs stated by Maslow.
- (iv) Define Leadership.
- (v) State any two limitations of promotion of employees in an organisation.
- (vi) What is meant by gratuity ?
- (vii) State any two benefits of e-business to the buyers.
- (viii) What is meant by outsourcing ?
- (ix) State any two functions of FSSAI.
- (x) Expand the following :
 - (a) LPO
 - (b) KPO

Answer:

(i) Two sources of e-recruitment are :

1. Resume Scanners
2. Job portals

Job Portals: A job portal, also known as a career portal, is a modern name for an online job board that helps applicants find jobs and aids employers in their quest to locate ideal candidates. Some government agencies, non-profit organizations, universities and private businesses have their own job portals that applicants can access on the organization's website.

(ii)

Training	Development
(i) Training is a short term process.	(i) Development is a long term process.
(ii) Focus on present or immediate needs.	(ii) Focus on future role.
(iii) It is aimed at a specific task or job role	(iii) It is aimed at developing relationships, often for the purpose of improving leadership skills.

(iii) Esteemed needs are : Status, power, confidence, self-esteem, achievement, respect, etc. Status : When a person has status, they are widely recognized and are effectively given social power through the influence that is gained. Status may be gained through basic admiration from others. It is also gained by position,

Esteem as a reward:

Esteem : Esteem is often used as a reward. An esteem reward may be a promotion or a 'lifelong achievement' award. Although money is useful, but beyond a reasonable salary, many people are not strongly influenced by cash incentives.

Esteem often acts as an intrinsic reward, and thus can be far more powerful than extrinsic rewards such as bonus payments or loyalty card points.

(iv) Leadership is the art of motivating a group of people to act towards achieving a common goal. In a business, this can mean directing workers and colleagues with a strategy to meet the company's needs. Esteem : Esteem is often used as a reward. An esteem reward may be a promotion or a 'lifelong achievement' award. Although money is useful, but beyond a reasonable salary, many people are not strongly influenced by cash incentives. Esteem often acts as an intrinsic reward, and thus can be far more powerful than extrinsic rewards such as bonus payments or loyalty card points. Esteem as a reward: (iii) Esteemed needs are : Status, power, confidence, self-esteem, achievement, respect, etc.

Status : When a person has status, they are widely recognized and are effectively given social power through the influence that is gained. Status may be gained through basic admiration from others. It is also gained by position. such as when a person gets promoted within an organization.

(v) (a) Since the promotions are to be given to the existing employees, minimum standard of qualifications has to be ignored, if highly qualified employees are not available.

(b) Selection from the existing employees is a difficult process if the employees have limited knowledge and skills.

(vi) Gratuity is a monetary benefit given by the employer to his employee at the time of retirement. It is a defined benefit plan where no contributions are made by the employee.

(vii) (a) Products at competitive price are available on e-business platforms.

(b) A buyer can order for the product any time (24 × 7 basis).

(c) Products are delivered at doorsteps of the buyers.

(viii) (a) Outsourcing is cost effective to a firm.

(b) Outsourcing can promote efficiency. It can be a good option when the functions of an office are complicated.

(c) Outsourcing offers staffing flexibility.

(ix) Functions of Food Safety and Standards Authority of India are :

- To promote general awareness about food safety and food standards.
- To provide training to the persons who are involved or intend to get involved in food businesses.

(x) (a) LPO : Local Purchase Order

(b) KPO : Knowledge Process Outsourcing

Part – II (60 Marks)
Answer any five questions

Question 2.

(a) Briefly explain the significance of Human Resource Management to an enterprise.

[4]

(b) Define staff selection. Explain the meaning and relevance of checking references and placement in a selection procedure. [8]

Answer:

(a) An organization cannot build a good team of working professionals without good Human Resources. The key functions of the Human Resources Management (HRM) team include recruiting people, training them, performance appraisals, motivating employees as well as workplace communication, workplace safety and much more.

HRM develops skills of the employees.

The HR department teaches the organization how to utilize this human capital as well as the non-human one and so, the organizations, who aim to efficiently utilize their resources and increase the profit invite the HR management people to formulate required objectives and policies.

HRM resolves the conflicts and helps in maintaining and restoring positive working relationships.

It has the responsibility of developing good public relations as well as maintaining the goodwill of the company among other public sectors.

(b) Staff selection is the process of interviewing and evaluating the candidates for a specific job and selecting an individual for employment based on certain criteria (qualifications, skills and experience).

Checking references: The person who gives the reference of a potential employee is also a very important source of information. The referee can provide info about the person's capabilities, experience in the previous companies and leadership and managerial skills. The information provided by the reference person is meant to be kept confidential with the HR department.

Relevance of checking references : Reference checking allows you to ensure that you are finding the most qualified person. By conducting reference checks, you can avoid costs associated with poor performance. These checks help in confirming information provided by the applicant in application form and resume. It can help in looking into insights of the candidate's skills, knowledge and abilities from someone who has actually observed the candidate.

Placement : Placement is the process of assigning a specific job to each one of the selected candidates. Once an employee has been selected, he/she should be placed on a suitable job. Putting the right man at the right job is an important as hiring the right person. A misplaced employee remains dissatisfied and frustrated.

Relevance of placement:

- reduces employee turnover
- reduces absenteeism
- improves morale

Question 3.

(a) What is campus recruitment ? How does campus recruitment benefit the students as well as business houses ? [4]

(b) Explain any four methods of raising staff morale. [8]

Answer:

(a) Campus Placements/Campus recruitment drives are conducted in various educational institutes for providing job opportunities to the students who are pursuing their particular academic courses. Campus placements offer a student a wonderful

opportunity to get placed during the course of his academic pursuits, and provide him the comforts of a safe and secure future. Keeping in mind the importance of the campus placement programs, it is vital for a student to prepare adequately for these programs and make sure that they put their best foot forward.

Benefits for Business Houses: The business houses are benefited from getting wide choice of candidates to select for different job posts. They can select the right and talented candidate from a vast pool of young applicants within a limited time.

Campus recruitment helps in saving time and efforts of the business houses : An organization through effective campus recruitment finds an opportunity to establish a link with the next batch of students.

This in turn paves way to serve the future and long term recruitment needs of the business house. Students participating in internships and summer training programs may have direct recruitment to different job positions offered by the business house.

Advantages to the students : Students have the advantage of getting a good job according to their qualification level even before the completion of their academic course in college. Campus recruitment helps in increased selection ratio. More number of quality candidates can be selected through this recruitment process. The students have not to apply at various places for a job.

(b) Methods of Raising Morale :

Monetary Incentives : Monetary incentives like good salaries and wages help to encourage the employees for greater productivity. The management should evolve such a wage/salary structure which enables to workers to earn at a reasonable level and to live a decent life. Assurance of a sound wage structure builds up morale of workers.

Non-Monetary Incentives: Non-monetary incentives are also helpful in boosting the morale of employees. These incentives may be provided to them in the form of medical aid, recreational facilities, holiday homes, creche facility to the children of working couples etc.

Job Security : Security of job boosts the morale of the employees. The management should follow a good labour policy that ensures the security of the job to its employees. The workers should also be assured that in case their services are not required in their present jobs, they will be absorbed in alternative jobs sooner or later or immediately.

Sound Promotion Policy : A sound promotion policy is a must to boost the morale of the employees. Promotion policy should be so adopted by the management that it gives proper weight age to merit and seniority. If only one base either seniority or merit is adopted, it will not be good for the morale of the employees.

Healthy Working Conditions : The working conditions in the organisation play a . crucial role in boosting the morale of the employees. Working conditions should be healthy so that employees may work with best efforts and attain organisational objectives.

Question 4.

- (a) What is meant by Induction Training ? State any two objectives of this training. [4]
(b) Briefly explain any four types of leave that may be availed by an employee. [8]

Answer:

(a) Induction is the process of receiving and welcoming an employee when he first joins a company and giving him basic information he needs to settle down quickly and happily and start work. The main purpose of induction training is to integrate new employees into the company and make them understand the systems and procedures followed by the organization. Induction training helps new employees settle down quickly in the new work environment, and gives them a sense of belonging.

1. To reduce the initial anxiety all new entrants feel when they join a new job in a new organization.
2. To familiarize the new employees with the job, people, work-place, work environment and the organization.

(b) Methods of Raising Morale :

Monetary Incentives : Monetary incentives like good salaries and wages help to encourage the employees for greater productivity. The management should evolve such a wage/salary structure which enables the workers to earn at a reasonable level and to live a decent life. Assurance of a sound wage structure builds up morale of workers.

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Question 5.

- (a) Write a short note on the Situational Leadership. [4] .

(b) Explain the components of 360° appraisal used to appraise staff in an organisation. [8]

Answer:

(a) Situational leadership is an adaptive leadership style. This strategy encourages leaders to take stock of their team members, weigh the many variables in their workplace and choose the leadership style that best fits their goals and circumstances.

(b) 360° appraisal has four integral components :

1. Self appraisal
2. Superior's appraisal
3. Subordinate's appraisal
4. Peer appraisal

Self-appraisal gives a chance to the employee to look at his/her strengths and weaknesses, his achievements, and judge his own performance.

Superior's appraisal forms the traditional part of the 360° performance appraisal where the employees' responsibilities and actual performance is rated by the superior.

Subordinate's appraisal gives a chance to judge the employee on the parameters like communication and motivating abilities, superior's ability to delegate the work, leadership , qualities etc.

The correct feedback given by peers can help to find employees' abilities to work in a team, co-operation and sensitivity towards others. Self-assessment is an indispensable part of 360° appraisals and therefore 360° Performance appraisals have high employee involvement and also have the strongest impact on employees.

Question 6.

(a) State any two advantages and any two disadvantages of merit based promotion. [4]
(b) Give any eight distinctions between oral communication and written communication. [8]

Answer:

(a) Advantages of merit based promotion :

1. Efficiency and talents are rewarded in merit based promotion, therefore, it encourages the employees to increase their knowledge in maintaining a high level of productivity.
2. It helps in putting the most productive and competent person for specialized jobs.

Disadvantages of merit based promotion :

1. It may result in partiality, nepotism, favoritism, etc. by the management.
2. Senior employees in the organization may become unsatisfied and frustrated and they may indulge in certain activities that may lead to industrial unrest, strikes, lockouts, etc.

(b)

Oral Communication	Written Communication
1. Oral communication does not cover larger distances.	1. Written communication covers larger distances.
2. Speed of communication is fast.	2. Speed of communication is low.
3. Record is not available except in a few cases.	3. Proper records of communication are available.
4. Secrecy can be maintained.	4. Full secrecy cannot be maintained.
5. Responsibility of the sender cannot be fixed.	5. Responsibility of the sender can be fixed.
6. It does not support legal evidence.	6. It supports legal evidence.
7. It is informal in nature.	7. It is formal in nature.
8. Not suitable for lengthy messages.	8. Suitable for lengthy message.
9. Personal touch visible.	9. Personal touch not available.
10. More suitable for group communication.	10. Less suitable for group communications.
11. Immediate Feedback is available.	11. Immediate Feedback not available.

Question 7.

(a) What is meant by retirement ? Explain the two types of retirement. [4]

(b) With reference to business finance, explain the following : [8]

- (i) Preference shares
- (ii) Debentures
- (iii) Retained earnings
- (iv) Public Deposits

Answer:

(a) Retirement means to withdraw from one's position or occupation or from active working life. You can achieve retirement when you have sources of income that do not have to be earned by working. Two types of retirements are :

Superannuation : Superannuation refers to retirement you take after you have reached a predetermined age. In most countries, the government sets this age.

Voluntary retirement : Government servants may retire from service voluntarily with pensionary benefits before attaining the age of superannuation.

(b) (i) The company law defines Preferences Shares as that part of share capital which enjoys the preferential right:

- as to receive dividend at a fixed rate during the life of a company.
- as to return of capital on winding up of the company. Preferential shareholders can enforce their right of getting dividend on priority over the equity shareholders only when the dividend is declared.

(ii) A debenture is an instrument of written acknowledgement of debt under the common seal of the company.

It consists of the contract for repayment of the money borrowed after a specific time and at a specified rate of interest. The person holding this written acknowledgement is called Debenture holder.

According to section 2 (12) of the Indian Companies Act, Debenture includes debenture stock, bonds and any other securities of a company whether constituting a charge on the assets of the company or not.

(iii) Retained earnings are the profits that a company has earned to date, less any dividends or other distributions paid to investors. This amount is adjusted whenever there is an entry to the accounting records that impacts a revenue or expense account. A large retained earnings balance implies a financially healthy organization. The formula for ending retained earnings is :

Beginning retained earnings + Profits/losses – Dividends = Ending retained earnings

(iv) A company can accept deposits from the public to finance its medium and short term requirements of funds. The companies always prefer to accept public deposits for meeting their financial needs, than approaching banks or other financial bodies. Companies generally receive public deposits for different periods ranging from 6 months to 5 years. The rate of interest on the deposits varies from 10 per cent per annum to 12 per cent per annum depending upon the period of deposits and the reputation and standing of the company.

Question 8.

- (a) Explain B₂C and C₂C as online means of conducting business.
(b) Briefly explain any four types of reports.

Answer:

(a) Business to Consumer (B₂C) : In B₂C business model, a website sells its product

directly to a customer. A customer can view products shown on the website of business organization. The customer can choose a product and order the same. Website will send a notification to the business organization via E-Mail and organization will dispatch the product/goods to the customer.

Consumer to Consumer (C₂C): The C₂C business model helps the consumer to sell their assets like residential property, cars, motorcycles etc. or rent a room by publishing their information on the website. Website may or may not charge the consumer for its services. Another consumer may opt to buy the product of the first customer by viewing the post/advertisement on the website.

(b) Four types of reports are :

Formal Report: Formal report is prepared in a prescribed format and presented before the management in an established procedure. Reports submitted by officials of Companies are usually formal report.

Informal Report:

Informal report is prepared in a format of the convenience of the reporter and presented directly before the required person as and when demanded. An informal report is presented as in the form of letter or memorandum. Generally, it takes the form of a person to person communication.

The formal reports are classified into two types. They are statutory report and non-statutory report.

Special Report:

Special report is prepared and presented before the top management on specific requirement. It usually contains the opinions or recommendations of the reporter with the help of facts and arguments. Examples for special report are opening of branch, introducing a new product, improving the quality or changing the shape or size of the product etc.

Technical Report:

Technical reports describe the process, progress, or results of technical or scientific research, include in-depth experimental details, data, and results.

Question 9.

(a) Discuss any four ways in which globalization has transformed the manner in which business is conducted. [4]

(b) Draft a letter of appointment for a school teacher, offering him/her a job of a History teacher in a secondary school. [8]

Answer:

(a) Globalization means integrating the economy of a country with the economics of other countries. It is possible through free flow of trade, capital and movement of

persons across borders. Globalization has transformed the manner in which business is conducted. Let us have a look on these ways:

- Due to globalization, it has been possible to invest in newer technologies and production methods which have raised the production standards. Foreign trade has increased in the country.
- Exchange of technology between countries has been possible.
- Collaborations with foreign companies has been possible.
- Due to improved products, it has become possible to compete and survive in international competition.
- Due to globalization, many of the Indian companies have emerged as multinationals such as Tata Motors and Asian Paints.

(b)

VIDYA BHAWAN SENIOR SECONDARY SCHOOL

Chandigarh-Delhi Highway

Ambala Cantonment -133001

March 31, 2019

Ref. No. VB/APT/2019/225

Mr Khushdeep Verma

3452, Sector 71

Mohali- 160062

Dear Mr Verma,

This is with reference to your application for the post of History teacher and the subsequent interview held on 15.03.2019. We are pleased to inform you that you have been selected for appointment. Details of emoluments are as under:

Basic Pay	: ₹ 12470/-
Dearness Allowance	: 20% of Basic Pay
House Rent	: 15% of Basic Pay
CCA	: 8% of Basic Pay

You will be on probation for a period of 6 months and your services will be confirmed only on satisfactory completion of probation period.

Please note that services can be terminated from either side by one month's notice during probation period and three months' notice after confirmation.

Please inform your acceptance within a week and report to Mr Jaskaran, Incharge, Personnel Section on 10 a.m. on any working day failing which your appointment will stand cancelled.

Yours faithfully,
Sidhartha Sharma
Director