

ISC SEMESTER 2 EXAMINATION
SAMPLE PAPER - 4
COMMERCE

Maximum Marks: 40

Time allowed: One and a half hour

Candidates are allowed an additional 10 minutes for only reading the paper.

They must NOT start writing during this time.

Answer all questions in Section A, Section B and Section C.

Section-A

Question 1.

- (i) Which of the following suggest consumer exploitation?
 - (a) Adulterated milk
 - (b) Spiralling oil prices
 - (c) Low quality mobiles phones
 - (d) All of these
- (ii) State any one feature of a good brand.
- (iii) **Assertion (A):** Conflicts and duplication of work can happen in a divisional organisational structure.
Reasoning (R): Resources are optimally utilised in a functional organisational structure leading to no overlapping or duplication of work.
 - (a) Both Assertion and Reason are true and Reason is the correct explanation for Assertion.
 - (b) Both Assertion and Reason are true and Reason is not the correct explanation for Assertion.
 - (c) Assertion is true but Reason is false.
 - (d) Assertion is false but Reason is true.
- (iv) Before taking corrective actions in controlling function, the manager.
 - (a) analyses deviations.
 - (b) measures actual results with standards.
 - (c) establishes standards.
 - (d) none of the above.
- (v) _____ is anything in communication that interferes with accurate transmission or reception of message.
- (vi) State whether the following statements are True or False.
 - (a) Staffing is associated with planning as it needs to determine the required human resources for an organisation.
 - (b) Adulterated food products is a example of consumer exploitation.
- (vii) Formal organisation has:
 - (a) a well-defined and rigid structure with informal lines of communication.
 - (b) a well-defined and rigid structure with formal lines of communication.
 - (c) a loose and rigid structure with informal lines of communication.
 - (d) a well-defined and flexible structure with formal lines of communication.

Section-B

Question 2.

State any two reasons why businesses care about consumer protection.

Question 3.

- (i) Why should good packaging process involve protection of the product from damage?

OR

- (ii) Which channel of distribution should be used for fruits and vegetables and why?

Question 4.

Advertising and salesmanship are different in terms of time frame and objective. Comment on this statement.

Question 5.

How does controlling improve employee motivation?

Question 6.

Gru Ltd. provides medical insurance to their employees and reimburses all medical expenses of the employees and their family members. They also encourage their employees to participate in the city-based sports club's activities which hosts various sports tournaments like badminton, football, cricket and athletics for various multinational and Indian companies. Which of Maslow's Hierarchy of Needs are highlighted in the example?

Question 7.

A pool of unskilled labour were brought from a nearby village to work on roads and building construction work.

- (i) Which source of recruitment was used for the work indicated in the example?
(ii) Is it the same like placement agencies? Give reasons.

Section-C

Question 8.

- (i) Directing is the heart of management. Do you agree with this statement? State any four reasons to support your answer.

OR

- (ii) Branding is the process of communicating a unique selling proposition, or differential, that sets a product or service apart from the competitors.

In light of the above statement, explain how is branding useful to customers?

Question 9.

Chemex is looking for qualified and talented people to apply for vacant jobs in their chemicals business. The organisation has been in the chemicals business for more than 50 years and kept themselves up-to-date to changing technology and market. The company will have to design different tests to understand the learnings and decision-making abilities of potential candidates. A formal discussion will be conducted after the tests for being selected to work in the company. After the selection the candidates will be placed and trained. Employees will be given training on the equipment they will be using but this training will take place away from the workplace.

- (i) Which type of recruitment should Chemex Company depend upon?
- (ii) Which type of test should be conducted done by the organisation to suit their need?
- (iii) Which stage in the selection process is highlighted after the written test?
- (iv) What type of training will be given to the selected candidates?

Question 10.

Briefly explain the meaning of the following terms:

- (i) Reference checking
- (ii) Management by exception

Question 11.

What are the types of markets on the basis of geographical area?

Question 12.

Read the given passage carefully and answer the following questions.

Three companies, Company A, Company B and Company C have signed up with an NGO that provides free education to girls from rural villages till they could apply for further education in colleges. Company A conducted a competition that awarded grants to individuals with innovative ideas for providing clean water and sanitation in the rural villages where the girls live. Company B hosts organic, environment-friendly and hand-made products made by the artisans of the rural villages promoted by the NGO, in several stores across the country. When a consumer buys those products in Company B's stores, a donation towards promotion and growth of simple and pollutants-free life. Company C encourages their employees to volunteer with the NGOs to teach real-life skills to the girls in the NGO's schools or make donations towards the development of the schools in rural villages.

- (i) What is the role of the NGO in consumer protection?
- (ii) Are the three companies using marketing tools? Give reasons.



Section-A

Answer 1.

- (i) (d) All of these

Explanation:

Consumer exploitation is a situation in which a consumer is cheated or given false information by the producers. Adulterated milk, spiralling oil prices and low quality of mobile phones are examples of consumer exploitation.

- (ii) A good brand should be unique and distinctive that broadly reflects the company's significance in the market. It should be easy pronounceable and indicate the inherent quality of the product. For example, Hajmola, Huggies.
- (iii) (b) Both Assertion and Reason are true and Reason is not the correct explanation for Assertion.

Explanation:

Assertion and Reasoning separately indicate the meaning of divisional and functional organisational structure. However, the reasoning does not explain the assertion.

- (iv) (a) Analyses deviations

Explanation:

Analysis of deviations is one of the steps in controlling conducted before taking corrective actions to amend any deviations found during analysis.

- (v) Noise

Explanation:

Noise in a communication process is undesirable and unwanted signals that influences the interpretation of conversations or discussions. It can be physical/external or internal/mental disturbances.

- (vi) (a) True

One of the characteristics of staffing is planning for the required number and types of human resources for the organisation.

- (b) True

Any substance added to a food item to reduce its quality in order to increase its quantity is called an adulterant. This act of addition of the adulterant in food item is known as food adulteration. This is the example of consumer exploitation.

(vii) (b) a well-defined and rigid structure with formal lines of communication.

Explanation:

By definition, formal organisation is a well-defined and planned coordination of activities with formal lines of communication based on the scalar principle with defined roles and relationships among superiors and their subordinates/employees.

Answer 2.

Businesses need to ensure consumer protection because of the following reasons:

1. **Long-term interests** : In the long-term, businesses would like to sustain and thus provide good quality products to cater to consumer demand and satisfaction.
2. **Moral justification** : Businesses have a moral and social responsibilities towards the community and environment which provides them human and physical resources.

Answer 3.

- (i) A good packaging process involves protection of the product from damage during handling or distribution from extreme temperatures, contamination, loss of content properties and pilferage. For example, electronic appliances are bubble wrapped before secondary or tertiary packaging. Also, aerated water bottles for soda and soft drinks have sealed caps to avoid loss of liquid or fuzz.

OR

- (ii) Fruits and vegetables are highly perishable in nature and therefore should have a short distribution channel. Fruits and vegetables should ideally reach the consumers from the farmers through a single intermediary or retailers for them to remain fresh and can be consumed immediately.

Answer 4.

While advertising and salesmanship are both promotional tools, they are different in terms of time frame because advertising focus on long-term impact on the consumers regarding the brand/product while salesmanship emphasises on short-term or immediate purchase and consumption. The objective of advertising is mostly image or brand building while salesmanship focuses on sales and building relationships with the customers.

Answer 5.

Controlling involves setting standards for employees in advance such that employees know what they are expected to do and the standards of performance on the basis of which they will be appraised. Thus, it motivates them and helps them to give better performance.

Answer 6.

Maslow's hierarchy of needs highlighted in the example are as follows:

1. **Security needs** : Gru Ltd. provides medical insurance to employees and reimburses all medical expenses of the employees' family members thus making them feel physically and emotionally secure at the work place.

2. **Social needs** : Gru Ltd's employees participate in sports organised in the city-based sports club thus catering to their social needs where there is friendship and a sense of belongingness and acceptance.

Answer 7.

- (i) Labour contractors is an external source of recruitment which was used for work on roads and building construction.
- (ii) Labour contractors are different from placement agencies because the labour found by contractors are unskilled and obtained in a short-period while placement agencies have a database of candidates with specific skills and qualifications.

Section-B

Answer 8.

- (i) Agree. Directing is the heart of management due to the following reasons:
 - 1. **Integration of employee efforts** : The work and activities of employees across all levels are interrelated and direction attempts to integrate all individual efforts through coordination between plans, resources and human efforts and through guidance, supervision and counselling.
 - 2. **Initiates action** : Direction initiates action based on the preconditions set up by planning, organising and staffing. Correspondingly, it stimulates the actions of managers by supervising, motivating and leading their subordinates in the right way.
 - 3. **Provides balance and stability** : Direction provided balance and stabilities by smooth integration of all organisational activities and avoids all conflicts. It provides relevant rewards and recognition to employees that strives the employees to achieve suitable goals in the organisation.
 - 4. **Facilitates changes** : Direction enables an organisation to adapt to changing conditions through better leadership and communication.

OR

- (ii) Branding is useful for customers because of the following reasons:
 - 1. **Recognition** : The brands are easily recognisable and relatable for the customers.
 - 2. **Reduced shopping time** : A brand name allows the customer to shop easily and effectively as customers can associate the brand with quality and its utility.
 - 3. **Quality** : The brand name ensures quality of the products/services which possibly remains consistent across all types of existing and new products.
 - 4. **Status symbol** : A brand name allows consumers to reflect a social position symbolising wealth or prestige.

Answer 9.

- (i) Chemex company depends upon external sources of recruitment specifically on placement agencies to look for skilled and qualified candidates.
- (ii) The company should conduct intelligence test to determine their power of memory and reasoning for understanding their learnings and decision-making capabilities.
- (iii) Employee interview is the next stage after written test highlighted in the example where the candidates will be qualified or disqualified based on their intelligence, communication skills and personal qualities.
- (iv) The selected candidates will be given off-the-job training or specifically vestibule training by the company.

Answer 10.

- (i) **Reference checking** : Reference checking is one of the steps considered during the selection process in staffing. The potential candidates shortlisted from the recruitment process are asked for names of

referees from whom more information about the candidates can be implored and confirmed. This information is related to understanding the character, working approach, behaviour and confidence and mainly aims at garnering reassurance regarding the candidates' experiences and abilities in their previous jobs.

- (ii) **Management by exception** : Management by exception is one of the important steps in the controlling function of management which is also known as control by exception. It focuses in identifying and handling specific cases that deviate from the standards or norms and can be usually handled through human intervention. It is based on the belief that an attempt to control everything results in controlling nothing. Thus, only significant deviations which go beyond the permissible limit should be brought to the notice of management.

Answer 11.

The types of markets on the basis of geographical area include the following:

1. **Local market** : A local market for a product exists when buyers and sellers of products conduct business in a particular locality or village or area where the demand and supply conditions are influenced by local conditions only. For example, perishable goods like fruits, vegetables, milk, etc.
2. **National market** : A national market for a product exists when the demand and supply occurs across the nation. For example, commodities like wheat, rice, cotton etc. are demanded and supplied across India.
3. **Regional market** : Regional market includes areas beyond, villages, districts, states or countries with common characteristics and are distinguishable from other regions. For example, the 7 sister states in North-East India is a regional market with distinguishable demand/supply features.
4. **Global market** : Global market is the international market where demand and supply for products are at a global level and traded in bulk quantities internationally.

Answer 12.

- (i) The NGO does not operate for profit and are engaged in the following activities catering to consumer protection:
1. Providing free education to girls in rural villages till they could apply for further education in colleges.
 2. Encouraging companies to create clean and hygienic living conditions in the girls' respective rural villages.
 3. Promoting organic, environment-friendly and hand-made products of the artisans of the rural villages to people across the country.
 4. Creating consumer awareness on leading a simple and pollutants-free life.
- (ii) Yes. The companies are using cause-related marketing tools to encourage consumers to contribute responsibly towards the community and environment.