

# **Business Studies**

## **Question Paper 2016**

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**Maximum Marks: 80**  
**Time allowed: Three hours**

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

#### **Question 1.**

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

- (i) Define recruitment.
- (ii) What is the significance of application blank in a selection procedure ?
- (iii) Explain how office layout can act as a morale depressant as well as a morale stimulant.
- (iv) State any two qualities of a good leader.
- (v) Explain self-actualization need as given by Maslow.
- (vi) What is meant by production transfer ?
- (vii) Define promotion.
- (viii) What is decoding with reference to communication process ?
- (ix) Differentiate between horizontal communication and vertical communication.
- (x) Distinguish between a cellular phone and a cordless phone.
- (xi) How does a business reply card help a business concern ?
- (xii) What is the role of an appendix in a report ?
- (xiii) Explain quorum.
- (xiv) Give any two limitations of visual communication.
- (xv) With reference to remuneration of employees, expand the following :
  - (a) HRA
  - (b) LTA

**Answer:**

(i) Recruitment refers to a process of searching for prospective employees and encouraging them to apply for jobs in the organisation. It is a positive process as it stimulates people to apply for jobs.

(ii) A Blank application form is designed to get a written record of candidate's qualifications, experience and other details. It helps in securing the necessary information about the candidates qualifications, training, experience, etc. in his own handwriting. This information is useful in determining the suitability of the candidate for the concerned job.

(iii) Office layout can act as a morale depressant as well as morale stimulant by offering meaningful and satisfying job which helps to improve employee morale. On the other hand, morale tends to be low when the job provides no challenge and sanctification and job standards are considered very high.

(iv) Some of the qualities, that are needed to make a leader effective are :  
Physical Features : Physical features like height, weight, energy, health, appearance, etc. determine the personality of an individual, which is an important factor in determining success of leadership. A person who is physically fit is likely to appeal as a leader and attracts people.

Knowledge: A leader must possess thorough knowledge and competence of all the subjects, principles, procedures and operations of his field. Intelligent leaders are able to instruct and influence subordinates in an effective manner.

(v) Self-actualization Needs: These are the needs of the highest order. They are generally found in persons whose first four needs have already been fulfilled. They are concerned with achieving what a person considers to be his mission of life. For instance, getting India free from the British regime was the mission of Mahatma Gandhi. Sense of achievement may be concerned with making new discoveries and doing unique things.

(vi) Production Transfers: Such transfers which are affected from one department of the organisation to another department keeping in view the labor requirements in different departments. In some department labor requirements may be decreasing and in some other they may be increasing. To avoid layoff of trained and efficient employees they are placed in alternate positions in the same organisation.

(vii) Promotion refers to movement of employee from a lower level position to a higher level position, carrying higher responsibilities, facilities, status and pay. For example, the

vacant post of General Manager can be filled through promoting branch manager to the position of General Manager.

- Promotion is a vertical shifting of employees.
- It helps to improve the motivation, loyalty and satisfaction level of employees.

(viii) Decoding : The sender can send his ideas briefly in the form of symbols or diagrams. Understanding it correctly is called decoding. For example, a telegram carries a long message in the form of a few words and when the receiver tries to understand the message in detail, his effort is called decoding.

(ix) Difference between Horizontal Communication and Vertical Communication.

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Horizontal Communication	Vertical Communication
(i) The flow of information between two or more persons working at the same level of authority is called horizontal communication. (ii) It is essential for achieving coordination in the enterprise.	(i) The flow of information from the top level or from the superiors to lower level or subordinates is called vertical communication. (ii) Its purpose is to communicate policies, procedures, programmes, order etc., through lower levels.

(x) Difference between Cellular phones and Cordless Phone.

Cellular phones	Cordless phone
(i) A person can call directly from his/her mobile phone from any place in the world. (ii) It is a very convenient system but it is expensive.	(i) It is simply extension of main telephone lines. It is very limited range around or near the main phone. (ii) It provides convenience in making and receiving calls in any part of the house or office.

(xi) Business reply card helps a business concern to procure mail orders, suggestions on its products, survey reports, etc. Business reply card is a prepaid card in which the

sender does not need to affix postage stamps. Postage is borne by the business concern.

(xii) Appendix in a report is a supporting document which is attached to the report. An appendix may contain the following items :

- reference
- bibliography
- glossary etc.

It helps to explain and support the contents and conclusions of the report.

(xiii) A quorum means the specified minimum number of qualified persons whose presence is necessary to transact the legally binding business at a meeting. The members who constitute the quorum must be effective members i.e., entitled to vote at the meeting. The meeting is not legally constituted when the quorum is not present.

(xiv) Limitations of Visual Communication

Costly: The visual methods of communication are more costly than those of other methods. To draw maps, charts, diagram is costly. That is why only large company or organization can use this technique.

Complex presentation: Sometimes visual presentation of information becomes complex. The receivers cannot understand the meaning of the presentation.

(xv) HRA ⇒ House Rent Allowance  
LTA ⇒ Leave Travel Allowance

**Part-II (70 Marks)**  
**Answer any five questions**

**Question 2.**

- (a) Differentiate between induction training and job training. [6]  
(b) Filling vacancies from within the organization has some merits as well as demerits. Briefly explain any four such merits and any four demerits. [8]

**Answer:**

- (a) Distinction between Induction Training and On-the-Job Training

Basis of Distinction	Induction Training	On-the-Job Training
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1. Meaning	Process of socialization whereby a new employee is made familiar with his work environment.	Process of providing knowledge and skills for doing a particular job.
2. Place of training	May be outside the workplace.	At the workplace.
3. Frequency'	Once in the lifetime of an employee in an organisation.	May be several times.
4. Trainee	A new employee.	Both new and existing employ-
5. Purpose	To help an employee adjust to the organisation.	To improve efficiency of employee.

(b) Filling vacancies from within the Organisation have some merits as well as demerits . Merits of Internal Sources of Recruitment:

The following are the advantages of internal sources of recruitment:

- Simple and Economical: The process of selection and placement becomes very simple and economical.
- No need of Training: There is no need of induction training.
- Motivation: Motivates the employees to improve their performance.
- Promotional Avenues: Promotional avenues lead to establishment of industrial peace.

Demerits of Internal Sources of Recruitment:

Internal sources of recruitment suffers from the following demerits:

- Fresh and more Talented Stock: The scope for the entrance of fresh and more talented stock is reduced.
- Promotion: Surety of promotion makes the employees lazy.
- Lack of Competition: It reduces the feeling of competition among the employees.
- Frequent Transfers: Productivity of an organisation is also affected by frequent transfers.

### Question 3.

(a) State any three advantages and any three disadvantages of Piece rate system of wage payment. [6]

(b) Explain the relationship between morale and productivity. [8]

**Answer:**

(a) There are various advantages of Piece rate system of wage payment:

- Reward efficient workers.

- Less Supervision required.
- It discriminates between the efficient and inefficient workers.

There are also some disadvantages of Piece rate system of wage payment:

- Decline in quality
- Insecurity'
- Wastage of resources

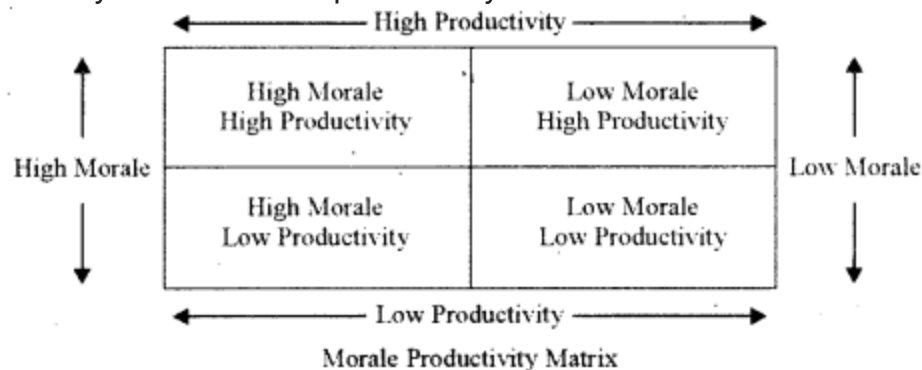
(b) There can be four combinations of morale and productivity : .

**High Morale-High Productivity :** High morale reflects a predisposition to be more productive if proper leadership is provided. This situation is likely to occur when employees are motivated to achieve high performance standards through financial and non financial rewards. Complete identity between individual and organisation goals can lead to this situation.

**High Morale-Low Productivity :** The situation arises when employees spend their time and energy in satisfying their personal objectives unrelated to the company's goals. Faulty machinery, lack of training, ineffective supervision and restrictive norms of informal groups can also lead to low productivity on the part of employees with high morale.

**Low Morale-High Productivity :** Low morale cannot result in high productivity for a long period. However, this situation can occur for a temporary period due to fear of loss of job, exceptionally good supervision and machine paced work in which only a part of workers' capabilities are used.

**Low Morale-Low Productivity :** This is a normal relationship. In the long run low morale is likely to result in low productivity.



Thus, there is a complex relationship between morale and productivity. This is because morale is only one of the factors influencing productivity.

**Question 4.**

- (a) Define staff appraisal. Explain in brief, any four objectives of staff appraisal. [6]  
(b) Explain the procedure of staff dismissal that a large organisation should follow. [8]

**Answer:**

(a) "Staff appraisal is the process of evaluating the employee's performance on the job in terms of the requirement of the job."

In Merit Grading method certain grades of merit are decided. The raters are required to distribute the rating into predetermined scales. Employees are rated on the basis of overall performance.

This method eliminates the subjective judgement and two or more employees can be given equal rating.

Some objectives of staff appraisal are :

- To identify the strengths and weaknesses of staff to place right men on right job.
- To maintain records in order to determine compensation packages, wage structure etc.
- To identify inefficient workers and the reasons for their inefficiency.
- It serves as a basis for influencing working habits of the employees.

(b) Dismissal is a harsh step and should be taken with great care. The steps involved in dismissal procedure are as follow :

**Charge Sheet:** It is a written complaint for the offence for which an employee is charged. It indicates the time limit within which an employee has to submit his reply.

**Receipt of Explanation :** Within the prescribed time employee must submit his explanation to the concerned authority explaining the reasons as to why he should not be dismissed from his services.

**Issue of Notice of Inquiry :** If an explanation is unsatisfactory then a notice of inquiry is issued to an employee. The notice should clearly mention the time, place, date of the inquiry and the name of officer concerned who is going to conduct an inquiry.

**Holding Inquiry :** The inquiry officer concerned on the specified date and time will explain clearly the charges against the employee. The details of the inquiry are recorded and the report is then signed by the inquiry officer. All the witnesses are called to submit their statement.

**The Findings Inquiry :** Officer prepared his report which contains the procedure followed. Statements recorded, document examined and the explanation given by

employee. He also prepares his report in which he records his decision and submit it to the concerned authority who has a power to dismiss the employee.

Decision : On receiving the report from Inquiry Officer, the concerned authority takes a decision to dismiss the employee.

Communication of an Order: Finally a copy of dismissal orders is handed over to the accused employee under his signatures.

**Question 5.**

- (a) Briefly explain any three essentials of a good report. [6]  
(b) Action taken by the receptionist while routing visitors varies, based on different situations. State any four such situations and explain how the receptionist will act under each situation. [8]

**Answer:**

(a) A report is an organised form of facts that serves some purpose. It is prepared by the report writer and presented to the persons interested in it. It is a description of the event for someone who was not present at the time of event.

Characteristics of a Good Report:

- A report should be proper organisation of facts.
- A report written in a simple and unambiguous language is a good report.
- A report should not be too lengthy.

The report-writer should be clear about the purpose of the report. After ascertaining the purpose, a good report can be prepared.

A report should have a proper heading.

Reports of various types :

- Formal Reports
- Informal Reports
- Statutory Reports
- Non-Statutory Reports
- Special Reports
- Routine Reports
- Letter Reports
- Memorandum Report
- Staff Report Technical Report
- Audit Report



(b) Routing the Visitor: Routing visitors involves different situations. Each situation may require a different action by the receptionist. Some of the more common situations are given below :

Visitors with appointments : Visitors who have appointments can be handled easily. The receptionist may check a list of the day's appointments or she may call the secretary of the officer concerned and inform that the expected visitor has arrived. In some cases, the secretary will come to the reception room and escort the visitor to the manager's room. In other cases, the visitor may be escorted by a peon to the concerned officer's room.

Visitors without appointments: When a visitor arrives unexpectedly, the receptionist will telephone the proper executive's office and inform of the visitor's name and address. Sometimes, such visitors can be seen immediately. In other cases, they may have to wait. In case the visitor likes to wait he should not be forgotten. When the time allotted has passed, the receptionist should call the executive's office. At that time, the visitor can be taken to the office or any further delay can be explained. If the visitor cannot wait and does not wish to return that day, an appointment for another day may be made through the executive's secretary. A record of the visit should include the caller's purpose, his address and his telephone number so that he can be contacted to see him later.

Regular visitors: Regular clients or visitors form a special group whom the receptionist should know well. She should learn who they are and associate their names and faces with the companies they represent. In this case, a friendly greeting is essential.

Visitors who cannot be received: Sometimes, a visitor asks for someone who is out of town or away from the office for some reason. In this case, the receptionist should learn the purpose of the visit and any other information that might prove useful to the company. For example, if an important visitor arrives unexpectedly, he may be asked to see another executive when the person whom he wants to see is not available. In other cases, his telephone number may be obtained so that calls can be made later.

When the executive does not wish to see the visitor, the receptionist should use tact and diplomacy. If she has already told the visitor that the executive is in she must be polite but firm : "I am sorry Mr. Gupta, but Mr. Nair simply cannot see you today." The receptionist should stick to the point and avoid arguments. In other cases, the receptionist can simply make the excuse, "Mr. Nair is not in his office."

#### **Question 6.**

- (a) Discuss any three barriers to effective Communication. [6]
- (b) Explain any four functions of a business letter. [8]

**Answer:**

(a) The barriers of Communication are:

**Badly Expressed Message:** Sometimes a manager is not able to communicate his message clearly to his subordinate due to omission of words, use of wrong words etc. which acts as a barrier to communication.

**Symbols with different meanings:** A symbol or a word can have different meanings. If the receiver misunderstands the communication, it becomes meaningless.

**Faulty Translation:** A policy and guidelines are received from top management by the superior in English language and has to be translated to the workers in the Hindi language. A faulty translation can create a problem.

(b) Functions of business letters :

**Wide Coverage:** A business firm cannot send its representatives to each and every area of operation. It can approach the persons and other firms through letters.

**Exchange of Information:** Business firms can exchange information with various parties with the help of letters. They can obtain crucial information from other firms with regard to credit worthiness of other parties.

**Documentary Proof :** Letters serve as documentary proof. Letters can be used as a documentary evidence in the Court of Law.

**Economical:** Letters are the economical way of written communication. A message on pages (up to 20 gm) can be sent in merely Rupees 5 envelope all over India.

**Lasting Impact:** Letters have long lasting impact on the readers. A verbal message may be misleading but a written letter clears the complete picture.

**Question 7.**

(a) What are statistical tables ? Explain caption and stub in this context. [6]

(b) With reference to Company Meetings, explain the following : [8]

(i) What is a Motion ?

(ii) State any two ways by which a Motion can be amended.

(iii) What is a Counter Motion ?

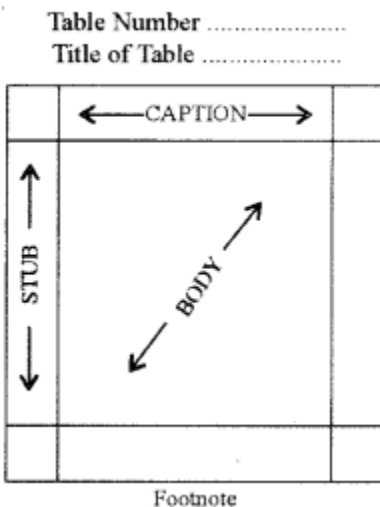
(iv) Name any four types of Formal Motions.

**Answer:**

(a) A statistical table is a systematic arrangement of data in columns (i.e. vertical arrangements) and rows (i.e. horizontal arrangements). Tabulation is the presentation of quantitative (numerical) data in a table in the most systematic manner so that the purpose of presentation of data becomes clear. It is the logical and systematic arrangement of classified data in rows and columns under different heads and sub-heads. Tabulation influences the mind of the reader more intelligently than the textual presentation. It makes the data comprehensible and facilitates comparison. It helps in further processing of statistical data and clarifies the object of investigation. It simplifies complex data and represents such data in a minimum possible space.

**Stub :** This is the extreme left part of the table, giving a description of the matter presented in rows. The stub explains what the row represents.

**Caption :** This is the upper part of the table, giving a description of the matter presented in columns. The caption explains what the column represents.

**Format of Statistical Table**

(b) **Motions :** A motion is a proposal or proposition moved by a member for the purpose of discussion at the meeting. Before it can be taken for discussion, the motion must be duly 'proposed' by someone and must be duly seconded by some one present. In case there is no seconder, the motion lacks support of the members and it is lost. The motion must be in writing and it must relate to the items placed on the agenda. When the motion is duly seconded, the chairman puts it for discussion and invites amendments.

(ii) Amendments may be made in a motion in several ways :

- by deleting words,
- by inserting words,
- by deleting certain words and substituting other words,

- by altering the position of words, etc.

An amendment may be moved with or without any previous notice. It need not be in writing or seconded. But it should not in whole change the motion, otherwise it will become a counter motion.

(iv) Types of Formal Motions are :

- The closure
- Proceed to next business
- Postponement
- Adjournment

**Question 8.**

(a) With reference to Postal Services, explain the following : [6]

(i) Registered Post

(ii) Money Order

(b) Draft a letter of appointment for a School Teacher, offering her a job of an English teacher in a secondary school. [8]

**Answer:**

(a) Registered Post : Sender affixes more postal stamps on envelope and delivers at the counter of post office and obtains receipt, then the postal authorities will deliver that parcel or letter to addressees only, whereas letters sent under UPC may reach addressees or may not.

Money Order: Money order is a device of remitting money from one place to another through post offices. The person who sends the cash is known as the remitter and the person to whom it is sent is known as the payee. The post office acts as an agent by taking the requisite commission from the remitter and agrees to remit the amount to the payee. Money order is an order issued by one post office to another requiring the latter to pay a certain sum of money to the payee.

(b)

144, AJC Bose Road  
Kolkata – 700014  
24th April, 2011

To

Mrs Rita  
166/A Rafi Ahmed Kidwai Road  
Kolkata 700016

Dear Madam,

Re : Appointment for the post of school teacher.

This letter is to bring to your attention that is reference to your interview attended on 23rd March, 2011 at the Principal's office in our school. We are pleased to appoint you as an English teacher in our secondary school. We shall be informed your scale of pay, leave entitlement, house rent allowance and other perks later on upon the receipt of your confirmation.

Hope you are eager to join us.

Thanking you,

Yours faithfully  
Alisa Mitra  
(Principa)