

Q.1. A Select the proper option from the options given below & rewrite the statements. (5 Marks)

1. The Maharashtra state cooperative Societies Act came into force in 1960.
a) 1956 b) 1960 c) 1912
2. In bigger shops situated in shopping Malls or branded stores there is a POS terminal.
a) SSI b) POS c) HTTP
3. Business ethics deals with Morality in business Organisation.
a) Profitability b) Honesty c) Morality
4. A district forum can entertain a claim up to ₹ 20Lakhs.
a) 10Lakhs b) 20Lakhs c) 1crore
5. Technique of study of Motion concentrates on the body movements of the worker.
a) Time b) Motion c) Organisation

B. Match the pairs. (5 Marks)

	A	B
1	Mitigation of Loss	To Minimise the Loss
2	Fixed deposit Account	Withdrawals after fixed period of time
3	EMS mandatory in	In USA
4	Lok Adalat	Settlement by compromise
5.	F.W. Taylor	Father of scientific management

C Write a word or a phrase of a term which can substitute each of the following Statements. (5 Marks)

1. A partner who gave his name to partnership firm.
Ans. Nominal Partner
2. A device through which calls and messages can be sent & received.
Ans. Mobile
3. The right of consumer which allows him to express his views.
Ans. Right to be heard
4. A function of management that ensures that actual activities match with the planned activities.
Ans. Controlling function.

5. Father of modern management.

Ans. Henry Fayol.

Q.2. Distinguish Between [Any 3]

(15 Marks)

1. Partnership firm & Joint Hindu family firm.

Ans.

Partnership firm	Joint Hindu family firm
1. Meaning	
When two or more person come together to undertake some business activity and agree to share that profit, it is called a partnership firm.	When joint Hindu family conducts business, inherited by it as per Hindu law, it is called a Joint Hindu family firm.
2. Creation	
Partnership firm emerges out of contract between the partners	Joint Hindu family firm is created by the operation of Hindu Law.
3. Membership	
There can be a minimum of 2 partners and a maximum of 10 partners in banking business and 20 in non-banking business	There is no limit on the number of members since the membership keeps on changing depending upon the birth and death in the family
4. Management	
All partners in partnership firm have equal managerial rights. The business is jointly managed by all the partners.	Karta is the key manager of business who may be assisted by co-parcenersto a limited extent.
5. Minor Members	
A minor member can be admitted to the benefits of partnership with the consent of all the partners	A male minor become a member merely by his birth
6. Regulating law	
It is governed by the Indian partnership Act, 1932	It is governed by the Hindu Law.
7. Liability of Members	
The liability of all the partners is unlimited	Only Karta's liability is unlimited co-parcener's liability is limited.
8. Capital	
Contribution is more	Contribution is comparatively less

2. Road Transport & Rail Transport.

Ans.

Road Transport	Rail Transport
1. Speed	
Road transport has limited speed due to bad road conditions, accidents, etc.	It has considerable speed since it runs on tracks which rarely gets disturbed
2. Carrying Capacity	
It has limited carrying capacity	It has huge carrying capacity
3. Cost of construction and maintenance	
It requires limited capital investment in terms of construction of road, vehicles and their maintenance	The cost of construction of trains, railway tracks is high. Also the maintenance of trains, tracks and stations is high.
4. Distance	
Recommended for short distance	Recommended for both short and long distance
5. Transport Charges	
Transport charges are not fixed but are high due to increased fuel prices.	Transport charges are relatively low and are fixed according to the distance.
6. Door to Door service	
It provides door to door service	It does not provide door to door service
7. Means of Transport	
It uses animals, animal carts, motor-cycles three and four wheelers.	It uses passenger and goods train
8. Suitability	
It is suitable for transporting the goods in relatively smaller quantities for short distance.	It is suitable for transporting heavy goods in large quantity over long distance.
9. Safety	
It provides limited safety to goods from sun, rain, wind, etc.	Goods are kept in locked wagons which provides protection against sun, wind, rain etc.
10. Accidents	
Chances of accidents are more due to poor road conditions and negligent drivers.	Chances of accidents are less because of one way track and good signal system.
11. Ownership	
Ownership is in the hands of private parties	Ownership is in the hands of the government

3. Bonded ware house & Duty paid warehouse.

Ans.

Bonded ware house	Duty paid warehouse
1. Meaning	
Bonded Warehouse is the warehouse where imported goods on which duty is not paid are stored.	Duty paid Warehouse is the warehouse where imported goods on which duty is already paid is stored.
2. Location	
They are located within the dock area.	They are located in port-town outside the dock area.
3. Markets	
The imported goods stored here are mostly for the domestic markets.	The imported goods stored here are mostly re-exported.
4. Supervision	
Supervision The customs authority closely supervises the working of these warehouses.	These warehouses are not supervised by the customs authority. They are supervised by port authority.
5. Delivery	
Delivery of goods is done after payment of Import duty. In case of re-export, the import duty need not be paid, only rent and service charges need to be paid.	Delivery of goods can be obtained after payment of the rent charges of the warehouse.
6. Purpose	
Main purpose would be that either the importer may not be in a position to pay the import duty or he may not require immediate delivery of goods.	Main purpose would be that the importer does not have suitable warehousing facility or he faces any problem in the transportation of the goods.
7. Ownership	
Such warehouses are owned by public authorities.	Such warehouses may be owned by private or dock authorities.

4. State commission & National Commission.

Ans.

State commission	National Commission
1. Meaning	
A consumer dispute redressal forum working at state level	A consumer dispute redressal forum working at national level
2. Monetary Jurisdiction	
It can entertain the cases where the value of goods/services and the compensation claimed is more than rupees twenty lakhs and less than rupees one crore	It can entertain the cases where the value of goods/services and the compensation claimed is more than rupees one crore
3. Duration	
Every member should hold office for a term of five years or up to the age of sixty-seven years, whichever is earlier.	Every member should hold office for a term of five years or up to the age of seventy years, whichever is earlier.
4. Nature of complaints	
It can entertain original cases and also appeals against the order of District Forum within the geographical limits of the State	It can entertain original cases and also appeals against the orders of State Commission.
5. Members	
Other than president it has minimum two members	Other than presidents it has minimum four members
6. Area Covered	
It covers a particular state	It covers the entire country
7. President	
High Court Judge or equivalent	Supreme Court Judge or equivalent

5. Planning & staffing.

Ans.

Planning	Staffing
1. Meaning	
Planning is deciding in advance what to do, how to do it, when to do it and who is to do it.	Staffing is the process of recruitment selection, development, training, promotion, etc.
2. Objective	
The main object is to set goals and choosing the means to achieve these goals	The main objective is to appoint right type of people at the right positions and at the right time.
3. Area of function	
It includes Setting objective Identifying alternate course of action Select the best plan	It includes Recruitment Training, Promotion, Transfers, etc
4. Factors	
Internal as well as external factors are considered while setting targets	Staffing is mostly concerned with Internal factors
5. Order	
It is the starting point of management. Other functions depends on Planning.	Human Resources are needed for the organization so it follows Organizing.
6. Resources	
Planning is done as per the resources required for achieving the targets.	It is related with Human Resources.
7. Targets	
The targets set are analysed and then selected	It includes proper allocation of human resources to achieve better results
8. Nature	
It is continuous in nature. Planning will nevers come to an end till the organization exists.	It is a continuous process as it deals with human beings.
9. Levels of Management	
Top level management is with related planning of activities	Middle level management are related with recruitment training, promotion, etc.

Q.3. Short Notes [Any 3]

(15 Marks)

1. Steps in on-line Transactions.

Ans. Introduction: - Online Transaction is the process of buying goods and services from merchants who sell on the internet.

Three Stages in online transactions:

- Pre-Purchase / Sale
- Purchase / Sale
- Delivery Stage

Pre-Purchase / Sale: It is based upon advertising and information about the product.

Purchase / Sale: It includes price of the product, price negotiation, actual purchase or sale and payment.

Delivery Stage: After completing sale-purchase stage, this is the final stage.

• **Steps involved in on-line transactions:**

1. **Registration:** Registration is required for online transactions. The person who wants online transaction needs to register with the online vendor by filling up a registration form. Among various details to be filled in is a 'password' relating to the registered 'account' and 'shopping cart'. For security reasons 'Account' and 'Shopping cart' are password protected.

2. **Placing an order:** The online shopper can pick and drop the things in the shopping cart. The shopping cart maintains the record of what items have been picked up while browsing the online store. After making sure about the items to be purchased, the shopper can choose a payment option.

3. **Payments:** Payment can be done in a number of ways like:

- **Cash on Delivery (CoD):** After physical delivery of goods, payments for the online goods ordered is made.
- **Cheque:** The vendor collects the cheque from the customer and after realization of the cheque, the goods are delivered.
- **Net banking Transfer:** It is an electronic facility of transferring funds through the internet. The buyer transfers the agreed amount to the online vendor's account. After receipt of the amount the vendor delivers the goods.
- **Credit or Debit Cards:** This is popularly known as 'plastic money'. They are mostly used for online payments. The vendors get the amount from the buyer through credit or debit card and make the delivery of goods after receiving the payment.
- **Digital Cash:** It is a form of electronic currency that exists only in cyberspace. It has no real physical properties, but offers the ability to use real currency in an electronic format.

In all the transactions information plays a very important role. Information is exchanged in both traditional as well as on line (internet) business. But as compared to traditional business internet transactions are easier. In traditional business, time is required to travel, to negotiate, to convince, presence of both the parties for face to face interaction. In this process lot of time is wasted. Whereas in on line transaction required information is provided with terms and

conditions and it is free from most of the problems referred above. So online transactions are easier and result oriented than traditional business.

2. Social Responsibility towards consumers.

Ans. Ultimate goal of business must be satisfaction of consumer's wants. The consumer is the king of market but in reality experience is different. Exploitation of consumer is very common due to lack of information and many other reasons. However, existence of business is dependent on consumers only. To protect their interest, business should perform following responsibilities.

1. **Good quality products:** A business enterprise should provide higher quality of goods and services. Every organization should have to quality control department that inferior and substandard products can be rejected International Standard Organization ISO is the latest trend towards quality control. Good quality can be maintained by using high quality materials and spare parts and high standard of techniques of production. This ensures customers about quality product
2. **Consumer Safety:** While manufacturing the products, health and safety of consumers should be the prime factor. Unsafe products should not be marketed. Consumer should be warned of any unsafe good. Some rival organizations may introduce imitation articles of inferior quality, in such circumstances the producer of genuine products must alert consumer.
3. **Charging Fair Prices:** The products and services should be available to consumers at fair prices. They should not be cheated by charging unreasonable prices. Such practice will spoil the image of organization in long run. All efforts should be made to charge fair prices. This is moral and social responsibility of business. Maximum Retail Price (MRP) Inclusive All taxes should be printed on every packed product. Retailer should not charge any extra amount.
4. **Services Regarding Products:** Organization should consider following services to customers about the goods or products:
 - Regular supply of goods on the right price and right place.
 - Provide sufficient quantity and quality of goods as per demands.
 - A large variety of products should be provided to consumers.
 - The goods must meet the needs of consumers of different classes, taste, purchasing power etc.
 - Quick efficient after sales services should be provided especially in case of consumer durable products.
 - Free repair and maintenance as well as guidance about how to use product should be available.
5. **Research and Development:** The organizations should adopt new methods and techniques of production and distribution. They should conduct research and development to improve the quality of goods and to reduce cost of production. It will minimize final prices charged to customers.

6. **Accurate information:** Accurate Information of product should be provided to consumers through advertising, packing and labeling. Such information includes contents of product, their uses, ways of maintaining products, side effects, date of manufacturing and expiry, MRP, etc. This is necessary when product is new or some technical knowledge is required for proper use of product. Printed leaflet may be provided to take proper precautions. This will avoid possibility of improper use of product or injury or damage.
7. **Customer Service Cell:** An organization must attend all complaints of customers without any delay. Quick and effective service regarding grievance should be provided. Suggestions of customers should be welcome and required modifications should be considered.
8. **Advertising Ethics:** Advertisement of products should convey facts of products, its uses merits, demerits etc. False, misleading and vulgar advertisement should be avoided. Only honest advertising can be appreciated by consumers in the long run.
9. **Avoiding Consumer Exploitation:** Business should avoid unfair trade practices which lead to exploitation of consumers. They should not take undue advantage of certain situations and create artificial scarcity of goods.
10. **Miscellaneous:**
 - Supplying goods in pure form
 - Supply of spare parts
 - Fulfilling guarantees and warranties.
 - To honour the rights of consumers under consumer protection act 1986.
 - To give descent, fair and just treatment to consumer.
 - To help consumers welfare by assisting government and consumer's association.
 - Avoid monopolistic Competition
 - Provide Consumer Oriented production

3. Importance of planning.

Ans. Planning is an important function of management. It acts as base for the achievements of organizational goals. Importance of planning is as follows.

1. **Provides direction:** A proper plan always gives proper direction for the achievement towards the desired goals. A manager can give proper direction to his subordinates so that rights works can be done at the right time so as to get the right results. Planning helps to perform all the activities in smooth and systematic manner.
2. **Reduces risks and uncertainties:** Modern business world is full of risk and uncertainties. Planning helps to reduce these risks and uncertainties as it involves anticipation of future events and prepare for possible risks.
3. **Increases efficiency:** Good planning leads to proper and efficient working of the employees in an organization. Planning helps to define the

objectives of the organization with reference to available resources. Plans are efficient if they achieve their purpose at a reasonable cost, where cost is measured not only in terms of time or money or production but also in the degree of individual and group satisfaction.

4. **Integrated process:** Planning is done for all the departments in the organization. All the departments are interconnected and hence their plans needs to be integrated with each other in order to achieve the desired results.
5. **Provide clear objectives:** Planning begins with determination of objectives. It makes clear the purpose of objectives, in fact, it makes objectives more clear and specific. It helps employees in achieving their objectives or goals of the organizations.
6. **Improves morale of employees:** Planning brings order and discipline in an organization. Employees know in advance as to what is expected of them and how to achieve that. This helps them to bring the bests in their performances and also brings healthy attitude towards work, which in turn boost the confidence, morale and efficiency in them.
7. **Helps in optimum utilization of resources:** Effective planning leads to proper allocation of resources for various activities. It also facilitates optimum utilization of resources which brings higher efficiency and better results.
8. **Encourage Innovation:** In a planning process, manager gets opportunities by providing suggestions for improving performances. Planning is basically a decision making process which involves creative thinking and imagination that ultimately leads to innovations and in turn growth and prosperity for the organization.
9. **Facilitates Controlling:** An effective controlling is possible with well thought plans. Planning provides pre-determined goals against which actual performance is compared. Continuous monitoring is one on the performance so that immediate corrective action can be taken if anything goes wrong. In fact, Planning and Controlling are the two sides of the same coin. If planning is the root, controlling is the fruit.
10. **Facilitates Co-ordination:** All managerial functions lead to co-ordination in the organization. Planning revolves around organization goals. Integrated efforts from various departments leads towards achieving organizational goals and it is possible co-ordination among various departments. It is truly said that co-ordination is essence of managements and planning is the base for it.

4. Principles of Scientific management.

Ans. 1. Development of Science for each part of men's job: According to this principle the manager should use the scientific method to determine every activity performed by the employee in the organization. For this he should consider the following points:

- a. To calculate the time required for each job by observing the employee.

- b. To determine how much work can an employee perform in a day.
 - c. To find out the best way to do a particular job.
 - d. Instead of using trial and errors method for determining the job use systematic way such as data collection, analysis of data and then drawing conclusions.
- 2. Scientific Selection, Training & Development of Workers:** According to Taylor selection of employees is an important task before the manager. The selection procedure should be perfect and systematic. For this purpose the following points should be considered.
- a. The procedure of selection should be scientific. It means the selection should not be based on the judgement of a single person.
 - b. The physical, mental, technical or other qualities required for the job should be clearly defined. This makes the selection easier.
 - c. The employees should be selected on the basis of tests and interviews.
 - d. The employees should be trained from time to time. Training makes employees capable to survive in the job.
- 3. Co-operation between Management and Employees:** To achieve the objectives or goals there should be proper co-operation between the employees and management. The relations between them should be harmonious. Followings points should be noted in this regard:
- a. In the organization the emphasis should be given co-operation between the management and workers and not to individualism.
 - b. The goals can be achieved effectively only by co-operation.
 - c. The interests of the management and the workers should be one and the same. They should harmonise.
- 4. Division of Responsibility:** While dividing the work there should be the division of responsibility between the managers and the employees. This can be done by the following way:
- a. The nature and roles played by different level of managers and employees should be determined properly.
 - b. The managers should be given the responsibility of planning whereas the workers or employees should concentrate on the execution.
This principle helps the employees to perform their best.
- 5. Mental Revolution:** This principle focuses on the complete change in the attitude of the management and employees as regards their relations are concerned. For this change the followings points should be taken into account.
- a. The manager should create a suitable working condition for the employees.
 - b. All the problems should be solved scientifically.
 - c. The employees should perform their jobs carefully and with devotion.
 - d. The employees should use the resources carefully. They should not waste the resources.
 - e. On the other hand management should provide fair remuneration to the employees and boost up their morale.

If there is a change in the attitude of the management and the employees it will help in achieving the goals, increase in the production, creating discipline in the organization and creating a sense of belongingness among the employees.

6. **Maximum prosperity for Employer and Employees:** The aim of scientific management is to give maximum prosperity to the employer and employee. However, it is possible with the help of following points.
 - a. Each employee should be given proper opportunity to attain his highest efficiency
 - b. The employees should give maximum output
 - c. There should be the optimum utilization of resources.

5. Features of entrepreneurship.

Ans. There are certain characteristics of entrepreneurs. Some entrepreneurs may have some special characteristics according to their capabilities. Here, we are studying the common characteristics:

1. **High goals:** The entrepreneurs have very positive desires to achieve high goals. Such high self motivation keeps them strong and confident to face various obstacles and misfortunes. Hence they are successful in setting a prosperous organization.
2. **Future foresight:** The entrepreneurs have good foresight to know about the future market development and the external business environment. He can take proper decisions according to the market situations and market changes. This also helps them to take timely actions.
3. **Mental abilities:** Mental ability consists of intelligence and creative thinking. To be an entrepreneur, a person must be intelligent and have the ability of creative thinking. This ability will help him to take proper decision.
4. **Technical knowledge:** An entrepreneur should have sufficient technical knowledge about the products and his plan to produce. Timely change of technology should always be updated to be in pace with the market.
5. **Hard work:** A successful entrepreneur will always be ready to work hard. Hard work will always distinguish a successful entrepreneur from an unsuccessful one. At the start of any venture, the entrepreneur has to work tediously, for long hours and independently handle the main areas.
6. **Highly optimistic:** An entrepreneur always thinks positive in all the activities. He is always optimistic with the market situations even in failure times. Such positive attitude helps the enterprise to run successfully.
7. **Communication skills:** This refers to communicate effectively. It is very important that the sender and receiver of the message are being understood perfectly. An entrepreneur has to communicate to various parties i.e. customers, suppliers, creditors, employees, etc.
8. **Creativity:** Creativity is the ability to bring something new into existence. Innovation is the process of doing new things, and creativity is a prerequisite to innovation. An entrepreneur should be creative, because ideas usually evolve through creative process whereby imaginative people bring them into existence, grow them and develop them positively.

Q.4. State true or false with Reasons. [Any 3]

(15 Marks)

1. Coordination is the essence of management.

Ans. This statement is TRUE

Reasons:

- a) Organization is a system which is made up of many parts and sub systems which are interdependent, interlinked and interactive.
- b) Coordination gives common direction to all the people in the organization.
- c) The harmony among these sub-system or parts decides the success of the system as whole.
- d) Without coordination any system will collapse in no time.
- e) Thus coordination is the essence of management.

2. Principles of management are rigid.

Ans. This statement is False.

Reasons:

(i) Dynamic: Unlike the natural sciences like physics and chemistry, the principles of management* are dynamic in nature. They are flexible and not rigid or static. They act under the influence of several socio-cultural and economic factors.

The principles of management are made so flexible that they are applicable to people and environment which are frequently changing. Thus dynamic attitude is the basic feature of management.

(ii) Relativity: Unlike scientific principles which are absolute and uniform, the principles of management can not be used for readymade solutions. They are only guidelines to solve the problem Management principles are relative and adjusted in accordance with the existing environment. They do not offer immediate remedy. They only help the manager to understand the situation and find out the necessary solution. They can not be accepted blindly. The manager must keep in mind the size, nature and requirements of the organisation while applying these principles.

(iii) Management principles are universal: According to thinkers like Megginson, Fayol and Dalton Mc Farland management principles are universal and are applicable everywhere. It is practiced by all organisations under all kinds of situations whether it is business, government, military university, clubs or church.

In the words of Professor Megginson - "Management principles are true in all managerial situations and are universally applicable in business, government, religious.

(iv) Management principles are easily transferable: Management principles can be transfered from one person to another person and one country to another country. According to Fayol presidents, college deans, bishops and heads of governement follow same principles.

People from developing countries can learn management principles from developed countries.

- (v) **Management principles can be altered:** Management principles are only guidelines. Managers can not follow them blindly. They have to alter them according to the situation existing. They can not be applied in rigid form. It is possible to alter them as per the situation warrants.

3. Transport help in raising the standard of living.

Ans. **This statement is true.**

Reasons:

- (i) **Promotes standard living:** Transport facilitates movement of goods from factory to consumers. Modern transport assures quick distribution of goods at national and international level. Thus consumer stands to enjoy variety of goods of their choice.
The availability of all means of transport encourages competition among sellers. Goods of reasonable quality are sold at cheap prices. As a result, the standard of living improves.
- (ii) **Supply of essential goods:** Transport facilitates supply of essential goods like foodgrain, fruit, vegetable, medicines in adequate quantity to people. Nobody can live without the assurance of supply of such goods. Adequate supply at reasonable prices improve their standard of living
- (iii) **Price stability:** Transport enables quick transport of essential goods from one place to another place. In the absence of transport, there may be scarcity of goods. It results on black marketing and rising prices. Thus transport plays an important role in stability prices
- (iv) **Employment:** Transport sector acts as a source of employment for millions of job seekers. The various types of transport like road, railways, airways and seaways, generate pie"-opportunities.
- (v) **Industrialisation:** Transport contributes towards the success of industrialisation. Industrialisation contributes to national income and percapita income. When per capita income increases, standard of living rises.

4. Consumer being king of market does not have any responsibilities.

Ans. **This statement is False.**

Reasons:

Consumer has several responsibilities.

1. **Consumers should show environment friendly attitude:** Consumers should respect environment and put all possible efforts to create environment awareness among others. They should co-ordinate with others to create a pollution free society. They should put pressure on industrialists to adopt adequate safety measures to avoid air, water and sound pollution.
2. **Spreading consumer education:** Consumer movement can also spread consumer education. They can play an effective role in creating awareness among consumers and make them understand the need to fight for consumer rights.

They involve in various kinds of activities such as seminars, conferences, workshops, public meetings, street plays, counselling, demonstrations and exhibition to spread awareness.

3. **Checking defective and unfair trade practices:** Big firms involve in deceptive and unfair trade practices to cheat and exploit innocent consumers. Consumer organisations educate consumers about their rights and help them to protect against business malpractices and frauds. Consumer organisation can play an useful role in moulding the consumer behaviour in the right direction.
4. **Consumer must exercise their rights:** Every consumer must aware of his rights and come forward to exercise his rights whenever and wherever required. The consumer protection act 1986 provides rights and responsibilities to consumers. The consumer rights will deliver benefits only when the consumer himself exercise such rights. He must choose the commodity, according to his likes and dislikes. If he is not satisfied with the quality of the product, he must immediately protest and exercise his right to protect him.
5. **Insists on issue of receipts/cash memo:** Most of the consumers do not show interest in collecting bills or cash memo. Every consumer must insist on the issue of cash memo or receipts for the goods delivered. Even for a product of small value, cash memo must be issued. They will act as legal documents to file cases if the products turn out to be defective or duplicate later. It will also put pressure on the seller to be more quality conscious.

5. Shareholders can manage the business.

Ans. This statement is False.

Reasons:

1. **The company is an independent body altogether from owners (shareholders).**
Being registered organization, Joint Stock Company enjoys a separate legal status. The members are not liable for the action of the company. The company is an artificial person purely created by law. It can function independently.
2. **Shareholders are owners of the company.**
Shareholders enjoy the ownership of the company. They do not manage company affairs.
However company can not manage and control management activities like human beings. Therefore shareholders elect among themselves directors who act as the in charge of the company.
3. **The staff of the company implements the decisions of the company.**
The directors recruit group of executives and other employees to manage company affairs.
These managers and other staff implement the decisions: of the directors. Thus management falls in the hands of directors an employees.
4. **Shareholders do not manage the company* directly.**

In a joint stock company there is complete separation of ownership and management. A member a owner but he can not bind company by his act. His activities are personal and nothing to do with company affairs.

5. Shareholders can influence management indirectly.

Shareholders enjoy voting rights which can be used by them to influence management indirectly. If share holders are not satisfied with the performance of directors, they can be ranged by the members. Policy decisions taken by the board must be approved by the shareholders.

Q.5. Answer the following. [Any 2]

(10 Marks)

1. Explain the types of partners.

Ans. When a person who deals with the firm, must know the partners of the firm and to what extent each partner is liable. Some partners in a partnership take active part in firm and they are also directly related with the firm. They invest money in the firm and have a share in its profits and loss. Some partners who do not have full interest in the partnership firm. It is compulsory to make investment in the business, so they don't get any share in the profit. Following are the types of partners.

- 1. Active partners/Actual Partners:** The partners who take active participation in the day to day work of the firm or take active part in the conduct of the business are called Active Partners. They contribute money in the firm and have a share in its profit or loss. These partners act as agent of the firm and they have unlimited liabilities. Active partners must give public notice of their retirement. These partners are also known as Ordinary or General partners.
- 2. Sleeping or Dormant Partners:** Sleeping or Dormant partners are those who do not take active part in the conduct of business. They have invested money in the business and have share in profit and loss. They do not give public notice of their retirement. They have unlimited liability.
- 3. Nominal Partners:** They lend their names to the firm without having any real interest in the firm. They neither contribute to the capital nor share the profits or take part in the conduct of the business of the firm. The firm make them partners to join form, to use personal goodwill. So they have no direct attachment with the firm and not answerable to any other party.
- 4. Minor Partner:** According to the Indian Contract Act, 1872, a person below 18 years is called minor. But according to the provisions in the Indian Partnership Act, 1932, a minor can be a partner in the profit of the firm if all of the other partners give their consent. Minor has liability and is not liable for losses.
- 5. Partnership in Profits only:** He can share the profits of the firm. But his liability is unlimited like other partners. He must give public notice of his retirement. Such partners have no right to take part in the daily work.
- 6. Limited Partners:** A person whose liability of the firm is limited to the extent of his investment is called limited partner. He has no right to take part in day to day work. But such a partnership must have at least one partner having unlimited liability.

7. **Partner by Holding out:** A person who is not a partner in the firm but he represents himself to be a partner by word spoken or written or by his conduct is called a partner by holding out. If the other person acting on the faith of such representation and have given loan to the firm, then he will be liable to discharge debts in the same manner as other partners will be.
8. **Secret Partner:** When the relation of the partner with the firm is unknown to the general public is known as secret partner. Secret partners have all the features like other partners. His liability is unlimited and he has to invest capital into firm and also get the shares in profit. He also takes part in daily working or management.

2. Advantages of E-Business.

Ans. Advantages of e-business:

- i. **Flexible Business Hours:** The internet is accessible 24 x 7. This means that buyers and sellers can conduct transactions at any time as opposed to the regular trading hours of traditional business models.
- ii. **Availability of Wide Range of Products:** Consumers have access to a broader range of products and services from which they can select the products as per their choice.
For e.g.: filpkart.com, amazon.in etc. offer a wide range of services and products to select from.
- iii. **Very Low Start Up Cost:** The initial investment for starting an e-business is generally lower than the cost associated with starting the same business using a traditional model.
- iv. **Quick and Easy Communication:** Through e – business, it is easier and faster for the business organizations to communicate with their suppliers and their customers as there is no face – to – face interaction.
- v. **No Physical Space:** E-business does not require physical space for operation. It requires highly qualified technical professionals.
- vi. **Government Support:** E-business gets a lot of support from the government.
- vii. **Establishes Strong Relationship:** E-business enables strong relationships building between suppliers and consumers as there is direct contact between both the parties.
- viii. **Renders a Global Platform:** E-business provides the business organizations with the opportunity to transact with buyers across the globe. It connects the consumers and the business organizations anywhere from the world through internet.
- ix. **Easy Set Up:** It is very easy to set up e-business as compared to traditional business.
- x. **Sound Communication:** E-business provides a platform for sound and direct communication between suppliers and consumers.

3. District forum explain.

Ans. It is the consumer redressal forum at each district to be established by the State Government.

Composition of the District Forum.

- a. President: A person who is or has been or is qualified to be a District Judge.
- b. Members: Two other members, one of whom shall be a woman. These two members shall have the following qualifications:
 - They should not be less than 35 years of age.
 - They should possess a Bachelors Degree from a recognized university.
 - They should be persons of ability, integrity and standing and have adequate knowledge and experience of at least 10 years in dealing with problems related to economics, law, commerce, accountancy, industries, public affairs or administration.

The appointment of the President and the Members is made by the State government at the recommendation of the Selection Committee. Every member of the District Forum shall hold the office for a term of 5 years or up to the age of 65, whichever is earlier. If recommended by the Selection Committee, the members are eligible for reappointment up to the age of 65 years. Establishment of District Forum in each district is a mandatory provision, particularly when the workload exceeds minimum monthly 150 cases for 6 months.

Jurisdiction of the District Forum:

1. It can entertain those cases in which the value of the goods or services and the compensation if any, does not exceed Rs.20 lakh.
2. It can exercise its jurisdiction within the limits of its district.

4. Features of principles of management.

Ans.1. Management principles are universal: Management principles are universally applicable. They can be applied everywhere and all situations of business. Not only that, they are applicable to all types of business organizations, irrespective of size of business, nature of business, etc. Similarly they are applicable to all level of management.

2. Management principles are flexible: Management principles are flexible in nature. It means they can be changed or modified according to the situation. Managers can bend these principles to suit the requirement. The situations in a business organization keep on changing continuously. No two circumstances are same. Management principles can be adjusted or modified and used in the organization according to its needs.

3. Cause and effect relationship: Principles of management are the base for taking decisions. They determine the cause or reason for a particular effect e.g. Payment of good wages and incentives helps in increasing the output of workers or makings effective advertisement increased the sale of a product.

4. **Management principles are aimed at influencing human behavior:** Management is a group activity. Management aims at achieving certain goal through a group of human beings. Management principles are designed to influence human beings. These principles control a group of persons and direct them to achieve the objective.
5. **All principles are of equal importance:** All the principles of management are equally important. All are to be practiced simultaneously to get a perfect result. No one principle is more important than other. If any single principle is not practiced or followed by the manager, it affects the working of the organization.
6. **Management principles are relative in nature:** Management principles are the principles of social science. They are no absolute like principles of science. It means these principles are applied in different ways in different situations. They are to be changed or modified according to the situation to get the correct and desired result.

Q.6. Answer in detail [Any 1]

(10 Marks)

1. Define cooperative society and explain its features.

Ans. Indian Co-operative societies Act, 1912, "Co-operative society is a society which has its objectives for the promotion of economic interests of its members in accordance with co-operative principles".

FEATURES OF CO-OPERATIVE SOCIETY

1. **Voluntary Association and Open Membership:** Co-operative organization is a voluntary association of individuals. In other words the membership of a co-operative society is voluntary i.e. the membership is open to all. Because co-operative society is managed and controlled on democratic principles, there is a common goal for all the members which is to work together for the benefits of all the members and any person of any caste, creed or religion can join the organization.
2. **Equal Voting rights:** There is equality in voting rights. The principle of voting is 'one member one vote' unlike a company which follows the principles of 'one share one vote'. Thus the co-operative society members having a very large capital cannot dictate their terms. Similarly, while providing services, all members are treated.
3. **Service Motive:** Co-operative organization differs from other forms of organization in the sense that the main purpose of co-operative organization is not to maximize profit but to provide services to its members. Its main motto is not to accumulate wealth and exploit consumers but to work in the interests of members and provide goods and services to them by treating every member at par with others. Moreover, there is no distinction among members based upon the number of shares held by them.
4. **Limited Liability:** The liability of a member in a co-operative organization is limited to the extent of the unpaid amount of shares held by him i.e. if the business assets are not sufficient to pay off its debts, the personal property of members cannot be utilized for the purpose.

5. **Democratic Management:** The management of a co-operative organization is based on democratic principles. Each member is given an opportunity to express his opinion. The principles of voting is "One member One Vote". Decisions are taken by majority of votes. Managing committee is an elected body of representatives of members of a co-operative organization for its day to day administration.
6. **Independent Existence:** According to the Co-operative Societies Act, 1912, a co-operative society has an independent legal status different from its members. Therefore, it enjoys a stable and continuous life.
7. **Registration:** The registration of a co-operative society is compulsory as per the relevant act in the concerned state e.g. A Co-operative organization in the state of Maharashtra has to be registered under Maharashtra State Co-operative Societies Act, 1960.
8. **Surplus Profit:** After payment of dividend and bonus, a part of the profit is transferred to the statutory reserve and remaining is utilized for the welfare of the locality where the co-operative society is situated.
9. **State control:** Every co-operative organization must be compulsorily registered as per the relevant act of the state according to the Co-operative Societies Act, 1960. The co-operative societies are subjected to state control and supervision. At the same time, they are given various concessions and facilities by the Government.
10. **Separate Legal Status:** The co-operative society has a separate legal status according to the co-operative societies Act, 1912. In the eyes of law, the co-operative society and its members are not considered one and the same.

OR

2. Define controlling and explain its importance.

Ans. DEFINITION

Philip Kotler: "Control is the process of taking steps to bring actual results and desired results closer together."

Importance of Controlling is as follows:

1. **Fulfilling Organizational goal:** Controlling function helps to measure the progress towards the organizational goals and points out the deviations, if any and then suggests the corrective action towards the fulfillment of the organizational goals. In this way controlling helps to achieve the goals of the organization.
2. **Accuracy of Standards:** A good control system helps management to verify the standards set are accurate or not. An efficient control system keeps a careful check on the changes taking place in the organization and helps to review the standards in light of such changes.
3. **Efficient Use of Resources:** By using control techniques, a manager helps to reduce wastage and spoilage of resources. This ensures that resources are used in the most efficient and effective manner so as to achieve organisational objectives.

4. **Improving Employee Motivation:** A good control system ensures that employees know well in advance what they are expected to do and what are the standards of performance. Once the organizational objectives are achieved then they are rewarded with monetary and non-monetary incentives. This motivation helps the employees to perform more better in future.
5. **Ensures Order and Discipline:** Controlling function brings about order and discipline in an organization. It helps to reduce the bad behavior on the part of the employees. Under this system, regular checking is done by the authorities concerned and preventive actions are taken to avoid any deviations in already set targets.
6. **Facilitates Co-ordination:** Control systems are designed in such a way that they focus not only on operating responsibilities of a manager but also on his ultimate responsibility. All the departments in the organization are interdependent on each other. There is always a possibility of having good relationship between all the department managers. Co-ordination between the heads of departments can help to find out any deviations in their respective departments and use the remedial measure so that desired results can be achieved.
7. **Psychological Pressure:** Control pressure puts a psychological pressure on the individuals to perform better. Their performance is evaluated with the targets set for them. Everyone is likely to put on their best performance as they are aware that it will be evaluated. They may also have a pressure to achieve the results according to the standards fixed for them.
8. **Organizational Efficiency and Effectiveness:** Proper control ensures organization efficiency and effectiveness. Factors of control like making managers responsible, motivating them for higher performance and achieving co-ordination in their performance ensures that the organization works efficiently. An organization is effective if it is able to achieve its desired objectives.
9. **Corporate Image:** Controlling function helps to improve the overall performance of the organization. Progress in the business is measured in terms of planned standards and actual performance, if there is any deviation then corrective measures are applied and desired results can be achieved. This builds a good corporate image and brings goodwill for the business.
10. **Managerial Responsibility:** Managerial responsibility is created through assignment of activities to various individuals. This process starts at the top level and goes to the lower level. A manager assigns some activities to his subordinates and control them.