

Q. No. 1 (A)

Note : Question 1 is an objective question. In this question, 3 sub-questions of 5 marks each such as select the proper option, match the correct pairs and give appropriate term are given. All sub-questions are compulsory. Students can easily score maximum marks in this question. This question carries 15 marks.

Note : In this sub-question, 5 statements with 3 alternatives each will be given. Read the questions and given options carefully. Then choose the correct answer. Rewrite the complete statement by filling in correct answer. Underline the answer you have filled in. Do not change the order of the statements.

- (1) The Karta in a Joint Hindu family business has unlimited liability.
- (2) Perishable goods are stored in cold storage warehouses.
- (3) The process of contracting a business function to someone else is called outsourcing.
- (4) Businessmen are trustees of the society.
- (5) Government has established Lok Adalat to settle consumers' disputes by compromise.

(Marking Scheme : Each correct answer carries 1 Mark. Total marks : 5)

Q. No. 1 (B)

Note : In this sub-question there will be 2 groups with 5 items in Group 'A' and 10 alternatives in Group 'B'. Each item given in Group 'A' will have usually 2 close options in Group 'B'. Read and understand them carefully and select the correct option from Group 'B' and rewrite the complete pairs. Do not change the order of items given in Group 'A'.

Group 'A'	Group 'B'
(a) Co-operative society	- (3) One member One vote
(b) F. W. Taylor	- (5) Father of scientific management
(c) Directing function	- (1) Manager
(d) A.T.M	- (6) 24 hours service
(e) Rail transport	- (4) Government owned
(Marking Scheme : Each correct pair carries 1 Mark. Total marks : 5)	

1 (C)

Note : In this sub-question, 5 statements from different chapters will be given. Read the statements carefully. Then write correct word/term or phrase for each statement. Do not change the order of statements.

- (1) Nominal partner
- (2) Consumers
- (3) District Forum
- (4) Principle of Division of Work
- (5) Planning

(Marking Scheme : Each correct answer carries 1 Mark. Total marks : 5)

Note : In this Question, 5 sub-questions on distinguish between from different chapters will be asked. Any 3 out of 5 are to be attempted. In the answer to each sub-question, minimum 5 points of distinction with sub-titles and brief explanation are expected. The explanation should be to the point. Avoid writing unnecessary details.

(1)	Sole Trading Concern	Partnership Firm
	<u>1. Meaning :</u>	
	A sole trading concern is a form of business organisations owned, managed and controlled by one individual, called 'sole trader'.	A partnership firm is a form of business organisation owned and managed by two or more persons.
	<u>2. Formation :</u>	
	Sole trading concern can be formed at any time. Formation is easy and quick.	Partnership firm can be formed by an agreement between 2 or more competent persons. Comparatively, formation is difficult and time consuming.
	<u>3. Ownership :</u>	
	A sole trading concern is owned, managed and controlled by a single person, i.e., the proprietor himself.	Partnership firm is owned by partners jointly. The minimum number of members required is 2, while the maximum number is 20 for general business and 10 for banking business. As per the new provisions made in the Companies Act 2013, maximum number of members increased to 100.

4. Registration :

Registration is not at all necessary.

Partnership firm can be registered under the Indian Partnership Act, 1932. However, registration is compulsory only in the state of Maharashtra.

5. Secrecy :

In sole trading concern, maximum business secrecy can be maintained.

The business secret is known to and shared by all the partners.

6. Managerial skills :

In sole trading concern, only one person, i.e. sole trader contributes his own skills.

In a partnership firm, diverse talents, skills and business contacts of all partners are pooled together. Therefore benefits of principle of division of labour and expertise can be well obtained.

(2)

Savings Account

Fixed Deposit Account

1. Meaning :

A savings account is a type of bank account meant for any individual for safe keeping of his money and for encouraging savings.

A Fixed Deposit Account is a type of bank account under which a certain fixed amount is deposited for a definite period.

2. Withdrawals :

Withdrawals are allowed by cheques or withdrawal slips. But there are restrictions on the number of withdrawals and the amount to be withdrawn at a time.

No withdrawal is permitted before the date of maturity. However, a certain amount by way of loan can be granted against the security of the Fixed Deposit Receipt (FDR).

3. Facilities :

Paying-in-slip book, passbook and cheque books are issued to the savings account holder.

No such books are issued. Only Fixed Deposit Receipt is issued.

4. Constraints on operation and withdrawals :

There are certain restrictions on the number of withdrawals and the amount to be withdrawn at a time.

Amount is deposited only once at the time of opening the account. Withdrawal or payment is obtained only on the expiry of the fixed period.

5. Rate of interest :

Interest at a low rate is paid periodically on the minimum balance in this account.

Interest at a high rate is paid periodically or at the expiry of period along with principal sum.

6. Nature of account :

Savings account is semi-running account.

Fixed deposit account is a blocked account.

(3)

District Forum

National Commission

1. Meaning :

A consumer disputes redressal agency at the district level established by the state government is known as District Forum.

A consumer disputes redressal agency at the national level established by Central Government is known as National Commission.

2. Monetary jurisdiction :

It has the jurisdiction to entertain complaints where the value of goods and services, including compensation, if any, does not exceed ₹ 20 lakh.

It has the jurisdiction to entertain complaints where the value of goods and services, including compensation, if any, exceeds ₹ 1 crore.

3. Duration :

Every member of District Forum shall hold office for a term of 5 years or up to the age of 65 years whichever is earlier.

Every member of National Commission shall hold office for a term of 5 years or up to the age of 70 years whichever is earlier.

4. Nature of complaint :

It can entertain only original cases which are within the local limits of the district.

It can entertain original cases as well as appeals against the order of State Commission which are within the geographical limits of the entire nation.

5. Area covered :

It has jurisdiction over a particular district.

It has a jurisdiction over the entire nation except the state of Jammu and Kashmir.

6. President :

A person who is or has been a judge of a district court is eligible to be appointed as President of the District Forum.

A person who is or has been a judge of a Supreme Court is eligible to be appointed as President of National Commission.

(4)

Organising

Directing

1. Meaning :

Organising refers to the process of putting together various resources and activities of the organisation into a system.

Directing means instructing, guiding, inspiring and motivating the subordinate employees so that their efforts result in the achievement of goals.

2. Objective :

The main aim of organising is to identify and bring together all the resources of function.

The main objective of directing is to ensure that the employees at different levels accomplish their tasks according to plans.

3. Area of function :

Organising involves identifying the activities and grouping of relative activities of the organisation.

Directing involves guiding, instructing, inspiring, motivating and communicating the subordinates.

4. Order :

Organising function follows the function of planning as resources are required to be arranged as per the planning.

Direction function follows organising and staffing as direction is needed to guide and inspire the employees.

5. Nature :

Organising function continues till the time all the needed resources are collected.

Direction function continues till the time the given targets are achieved.

6. Levels of management :

Usually the function of organising is undertaken by the top level management and middle level management.

Usually the function of directing is undertaken by the middle level management.

(5)

Co-operative Society

* Joint Hindu Family Firm

1. Meaning :

A business organisation which is managed and controlled by an incorporated voluntary association of many persons, usually of limited means to conduct business to achieve common economic objectives is called a co-operative organisation.

A business organisation which is owned and managed by the members of a Hindu undivided family jointly under the direction and control of the seniormost member of the family called Karta for earning profit is called 'Joint Hindu Family Firm'.

2. Membership :

Minimum 10 members are required to form a co-operative society. However, there is no maximum limit for the membership in a co-operative society.

The minimum or maximum number of members (coparceners) is not regulated by Hindu Law. It changes with the number of births and deaths in the family.

3. Ownership :

A co-operative society is jointly owned by its members. The owners of the co-operative society need not be members of the same family.

A joint Hindu Family business is jointly owned by the family members with the head being the Karta. The owners must be members of a joint family.

4. Liability :

The liability of the members of a co-operative society is limited because the society is a distinct legal unity.

The liability of each member (coparcener) is limited to the extent of his share in the coparcenary. However, the liability of the Karta is unlimited.

5. Formation :

Formation of Co-operative Society is relatively lengthy and complicated involving a number of legal formalities.

Formation of Joint Hindu Family Firm is very easy. No legal formalities are required to be completed for its formation.

6. Management :

The business of a co-operative society is managed and controlled by the managing committee consisting of the elected representatives of the members. It is managed on the principle of democracy.

The business of a Joint Hindu Family Firm is managed and controlled by the Karta who is the head of the family. Other members may assist him but they have no right of participating in the management.

(Marking Scheme : 1 Mark for each point with correct explanation in brief. Each sub-question carries : 5 marks. Total marks : 15)

Note : Question 3 is a Short Note type question. Any 3 out of 5 are to be attempted. In the answer to each sub-question minimum 5 points with sub-titles and to the point explanation are expected. Underline the sub-titles so given.

(1) Disadvantages of e-business are explained as follows :

(1) Lack of face to face interaction : In e-business system, there is lack of face to face interaction between suppliers and buyers. Because of this reason, many buyers are not willing to carryout online dealings.

(2) No personal touch : As sellers or suppliers selling the products or services are at great distance from the buyers the personal touch of sellers or business firms is missing completely. This makes the buyer insecure and hence he does not feel happy to purchase products online.

(3) Physical inspection of products not possible : Before buying the products most of the customers want to see, handle, touch, inspect or test the products which is not possible in e-business system. Because of this reason most of the customers do not look for online purchase of products on the internet.

(4) Government monitoring : Many a time the government monitors, interferes and controls the e-business system. This may put a great hurdle on its growth and prosperity.

(5) Transaction risk : In e-business system, transaction risks such as supply of inferior quality of goods, supplied products do not match with the sample expected, high prices, defects in products, cheating, etc. cannot be denied.

(6) Need of technical skill : In e-business system, giving information of the available products to customers, accepting orders and payments from customers, keeping regular contacts with customers, etc. are

done by using internet services. To carryout e-business successfully, qualified and trained personnel are to be hired on high remuneration. All these factors increase the cost of running e-business. Many a times, services of internet and computers are not available due to technical breakdown in server and computers. Thus, there are many limitations to e-business.

(2) Henry Fayol developed 14 principles of management. From these, 5 principles of management are explained as follows :

(1) Principle of Division of Work : According to this principle, the whole job should be divided into small parts and each part should be assigned to different employees according to their capabilities, qualifications and experiences, instead of assigning the whole job to a single employee. Fayol said that not only the production work but technical, managerial and skilled jobs should also be divided into small parts to derive the benefits of specialisation.

(2) Principle of Authority and Responsibility : According to this principle, there must be balance (parity) between the authority and responsibility. Excess of authority without matching responsibility may bring negative results. Similarly, excess responsibility without matching authority will not allow the worker to complete his job on time. The manager should be given required authority to get the work completed from subordinates.

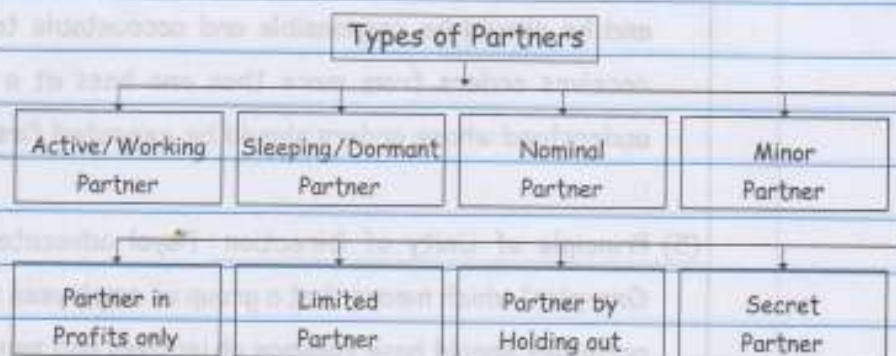
(3) Principle of Discipline : Fayol insists that discipline is essential for smooth working of an organisation and helps to achieve the goals set in the organisation. In relation to organisation, discipline means strictly obeying instructions of the superiors. Following the rules and maintaining discipline lead to consistency in the action, growth and prosperity of the organisation.

(4) Principle of Unity of Command : According to this principle, every employee should receive orders and instructions from one boss only and he should be responsible and accountable to him only. If he receives orders from more than one boss at a time he will not understand whose orders should be executed first.

(5) Principle of Unity of Direction : Fayol advocates "One-head for One-plan" which means that a group of employees working on similar activities should have common objectives and must work under one head (senior). All the objectives of the different groups should be in line with the objectives of the organisation. If this principle is followed there will be an effective co-ordination of the individual efforts and energies.

(6) Principle of Subordination of individual interest to general interest : According to this principle, the interest of the organisation must be given greater importance than the interest of an individual or a group of employees. While taking decision, the manager should always consider the interest of whole group rather than the interest of an individual employee. Similarly, employees should surrender their personal goals or interests before the goal or interest of the organisation. This is because if the organisation prospers, automatically employees will benefit.

(3) The different types of Partners are shown in the following chart :



The different types of Partners are explained as follows :

(1) Active or Working Partner : An active or working partner is one who takes an active part in the day-to-day conduct of the business. He has a full voice in the management. He acts as an agent of the firm as well as contributes capital, shares the profits or losses, manages the firm and has unlimited liabilities for the debts of the firm. He is required to give public notice of his retirement.

(2) Sleeping or Dormant Partner : The partner who does not take any active part in the working of the firm is called a sleeping or dormant partner. However, he contributes capital and shares the profits or losses of the firm like any other partner. He is also fully liable for the debts of the firm.

(3) Nominal Partners : The partners who neither contribute capital nor participate in the management of the partnership firm, but allow the firm to use their names and business reputation for the benefits of the firm, are called "Nominal partners". They have no direct involvement or attachment with the firm and not answerable to any other party.

(4) Minor Partner : According to the provisions made in the Indian Contract Act, 1872, a person below the age of 18 years is called a minor. A minor is not legally competent to enter into a contract. Therefore, he cannot become a partner. But if all the partners agree, a minor can be admitted to the benefits of a partnership. During his minority he is not considered as a full-fledged partner. He shares profits or losses of the firm. He cannot participate in the management of the firm. However, he can have access to all records and accounts of the firm and can take copy of any transaction. His liability is limited to his share in profits and property of the firm.

(5) Partner-in-profits only : A person who becomes a partner of a firm with a specific agreement that he is entitled to profits only and not for losses is called 'partner-in-profits only'. He is not permitted to take any active part in the day-to-day conduct of the business. However, his liability is unlimited as like other partners.

(6) Limited Partner : Limited partner is a partner whose liability in the firm is limited to the extent of his investment in the firm. He cannot participate in the management of the firm. Limited partners are found in limited partnership. Such partnership firm must have at least one partner having unlimited liability.

(4) The importance (significance) of staffing is explained as follows :

(1) Effective managerial function : Human resource is considered as the most important and vital asset of the organisation. This is because human resource makes other resources active. Therefore, staffing is considered an effective managerial function as it deals with human resource. Employees appointed in the organisation through staffing function perform various activities in different areas of the organisation such as production, marketing, finance, etc.

(2) Builds relationship : A sound staffing policy creates a team spirit in the employees. Due to team spirit a sense of belongingness among the employees is developed. It helps to build proper human relationships in the organisation. This in turn leads to better communication and co-ordination of managerial efforts in an organisation.

(3) Human Resource Development : A well organised staffing department discovers the talented, skilful, experienced and qualified staff. It helps to instill by forceful repetition the corporate culture into the staff which in turn ensures smooth functioning of all the managerial areas of the organisation.

(4) Long term effect : The main aim of staffing is to achieve higher productivity and efficiency. Sub-functions of staffing, namely, proper selection, training, development, motivation, etc. help to achieve long-term benefits such as increase in productivity and efficiency, development of corporate image (goodwill), increase in market share, loyalty of customers and employees, etc.

(5) Essential contribution : The selection of employees should be based on the ability of the prospective candidates to meet the future challenges the business enterprise is going to face. Therefore, in staff selection, the selectors should take into account the contribution of the employees in their future roles.

(6) Improve efficiency : Through proper selection the organisation gets talented and quality employees. Proper placement and timely confirmation of the staff in their posts, regular payment of salaries, provision of medical and other facilities, timely promotions, etc., motivate the employees to put in their best efforts. Regular training and orientation provided to employees also help to improve their performance levels.

(5) The role of transport in modern times is explained as follows :

(1) Helps in production : Transport carries required raw materials and other requirements from the place of their origin or market to the place of their production to facilitate large scale production. It also carries labour from their houses to place of factory. It carries finished products from the place of production to the places of consumption or markets.

(2) Expanding markets : Producers and consumers are separated by geographical distance. Transport bridges this gap and facilitates distribution. It makes goods available wherever they are demanded. This helps to widen the market. With the development and growth of transport, the domestic and international markets for both agricultural and industrial products expand, bringing prosperity to the country. It helps the producers to get a better price for their produce.

(3) Creates place utility : Transport is a public utility service which creates time and place utilities. Transport mainly creates place utility by carrying goods from the place of plenty to places where they are in more demand but not available, e.g. Apples which are produced on large quantity in Haryana are brought over to Mumbai and other places throughout the country by transport to get high prices. Transport indirectly creates time utility by supplying goods at a time when they are most needed.

(4) Stability of prices : Transport carries goods from the areas of plenty to the areas of scarcity. It helps to regulate and balance the supply of goods and services in relation to demand and thereby helps to stabilise the prices of goods. The shortage or scarcity of goods at any place can be easily removed by efficient transport system.

(5) Creates employment : Transport creates job opportunities directly for transport owners, drivers, conductors, cleaners, mechanics, helpers, etc. It helps to move labour and goods from the place of abundance to the place of scarcity. This movement of goods and labour creates indirect employment. Transport an industry by itself has provided job opportunities to millions of people all over the world.

(6) Improves standard of living : By generating employment, transport leads to increased purchasing power with people. Further, transport makes products of their choice from different regions available in local markets. This results in higher standard of living.

(Marking Scheme : Each sub-question carries 5 marks. Total marks : 15)