

Part - A Accounting for Not-for-Profit Organizations, Partnership Firms and Companies		
	Questions	Marks
1	Land and Building (book value) ₹ 1,60,000 sold for ₹ 3,00,000 through a broker who charged 2% commission on the deal. Journalise the transaction, at the time of dissolution of the firm.	1
2	Why is it necessary to revalue assets and liabilities of a firm in case of admission of a partner?  Or State any two reasons for the preparation of 'Revaluation Account' at time of admission of a partner.	1
3	State the basis of accounting on which 'Receipt and Payment Account' is prepared in case of Not-for Profit Organisation.  Or What will be the treatment of 'Subscription received in advance' during the current year in the Balance Sheet of a Not-For-Profit Organisation?	1
4	One of the partners in a partnership firm has withdrawn ₹ 9,000 at the end of each quarter, throughout the year. Calculate interest on drawings at the rate of 6% per annum.	1
5	A, B and C are partners in a firm sharing profit and losses in the ratio of 3:2:1. B died on 1 <sup>st</sup> April, 2018. C, son of B, is of the opinion that he is the rightful owner of his father's share of profits, and the profits of the firm should be now shared between A and C equally. A does not agree. Settle the dispute between A and C by giving reason.	1

6. The word "Reconstitution of Partnership" is used at the time of: [1]
- a. Retirement/Death of a partner
  - b. Change in existing profit sharing ratio of the partners
  - c. Admission of a partner
  - d. All of the above

7	On April 1, 2018, a firm had assets of ₹1,00,000 excluding stock of ₹20,000. The current liabilities were ₹ 10,000 and the balance constituted Partners' Capital Accounts. If the normal rate of return is 8%, the Goodwill of the firm is valued at ₹60,000 at four years purchase of super profit, find the actual profits of the firm.	3
8.	Vinod, Gaurav and Swami are partners in a firm sharing profits in the ratio of 3/8, 3/8 and 1/4. On 1st April, 2019 they decided to share future profits equally. On that date, there was a balance of General Reserve Rs.48,000. It was decided to maintain the General Reserve Instead of distributing it. Give adjustment entry at the time of change in profit sharing ratio. <span style="float: right;">[3]</span>	
9.	Partnership firm of Vinod and Swami has earned average profit of Rs.4,00,000 during the last few years. The normal rate of return in similar business is 10%. Find out the value of Goodwill by using: <span style="float: right;">[3]</span>	

- I. Capitalization of Super Profit Method and
- II. Super Profit Method (when goodwill is valued at 3 years purchase of super profit) Assets of the business were Rs.40,00,000 and external liabilities were Rs.7,20,000.

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Calculate the amount of sports material to be transferred to Income and Expenditure account of Raman Bhalla Sports Club, Ludhiana, for the year ended 31<sup>st</sup> March, 2018:-

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	Particulars	Amount (₹)
i.	Sports Material sold during the year (Book Value ₹ 50,000)	56,000
ii.	Amount paid to creditors for sports material	91,000
iii.	Cash purchase of sports material	40,000
iv.	Sports material as on 31.3.17	50,000
v.	Sports Material as on 31.3.18	55,000
vi.	Creditors for sports material as on 31.3.17	37,000
vii.	Creditors for sports material as on 31.3.18	45,000

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Bhavya and Sakshi are partners in a firm, sharing profits and losses in the ratio of 3:2. On 31<sup>st</sup> March, 2018 their Balance Sheet was as under:

Balance Sheet of Bhavya and Sakshi  
As at 31<sup>st</sup> March, 2018

Liabilities	Amount (₹)	Assets	Amount (₹)
Sundry Creditors	13,800	Furniture	16,000
General Reserve	23,400	Land and Building	56,000
Investment Fluctuation Fund	20,000	Investments	30,000
Bhavya's Capital	50,000	Trade Receivables	18,500
Sakshi's Capital	40,000	Cash in Hand	26,700
	<b>1,47,200</b>		<b>1,47,200</b>

The partners have decided to change their profit sharing ratio to 1: 1 with immediate effect. For the purpose, they decided that:

- Investments to be valued at ₹ 20,000.
- Goodwill of the firm valued at ₹ 24,000
- General Reserve not to be distributed between the partners.

You are required to pass necessary journal entries in the books of the firm. Show workings.

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Dinesh, Alvin and Pramod are partners in a firm sharing profits and losses in the ratio of 5:3:2. Their Balance Sheet as at March 31, 2018 was as follows: -

Balance Sheet of Dinesh, Alvin and Pramod  
As at 31<sup>st</sup> March, 2018

Liabilities	Amount (₹)	Assets	Amount (₹)
Sundry Creditors	50,000	Debtors	15,000
General Reserve	40,000	Fixed Assets	67,000
Bills Payable	10,000	Investments	40,000
Dinesh's Capital	30,000	Stock	25,500
Alvin's Capital	40,000	Cash in Hand	36,000
Pramod's Capital	30,000	Deferred Revenue	
		Expenditure	14,000
		Dinesh's Loan Account	2,500
	<b>2,00,000</b>		<b>2,00,000</b>

Dinesh died on July 1, 2018, The executors of Dinesh are entitled to:-

- His share of goodwill. The total goodwill of the firm valued at ₹50,000.
- His share of profit up to his date of death on the basis of actual sales till date of death. Sales for the year ended March 31, 2018 was ₹ 12, 00,000 and profit for

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the same year was ₹ 2,00,000. Sales shows a growth trend of 20% and percentage of profit earning remains the same.

iii. Investments were sold at par. Half of the amount due to Dinesh was paid to his executors and for the balance, they accepted a Bills Payable.

Prepare Dinesh's Capital account to be rendered to his executors.

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Prepare Income and Expenditure Account from the following particulars of Youth Club for the year ended on 31<sup>st</sup> March, 2018:

**Receipts and Payments A/c  
for the year ended on 31<sup>st</sup> March, 2018**

Receipts	Amount (₹)	Payments	Amount (₹)
To Balance b/d	32,500	By Salaries	31,500
To Subscription		By Postage	1,250
2016-17 1,500		By Rent	9,000
2017-18 60,000		By Printing and	
2018-19 <u>1,800</u>	63,300	Stationery	14,000
To Donations		By Sports Material	11,500
(Billiards table)	90,000	By Miscellaneous	
		Expenses	3,100
To Entrance Fees	1,100	By Furniture (1.10.2017)	20,000
To Sale of old		By 10% investment	
magazines	450	(1.10.2017)	70,000
		By Balance c/d (31.3.18)	27,000
	<b>1,87,350</b>		<b>1,87,350</b>

Additional Information:

- i. Subscription outstanding as at March 31<sup>st</sup> 2018 ₹ 16,200
- ii. ₹ 1200 is still in arrears for the year 2016-17 for subscription
- iii. Value of sports material at the beginning and at the end of the year was ₹ 3,000 and ₹ 4,500 respectively.
- iv. Depreciation to be provided @ 10% p.a. on furniture.

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Pradeep and Rajesh were partners in a firm sharing profits and losses in the ratio of 3:2. They decided to dissolve their partnership firm on 31<sup>st</sup> March, 2018. Pradeep was deputed to realize the assets and to pay off the liabilities. He was paid ₹ 1,000 as commission for his services. The financial position of the firm on 31<sup>st</sup> March, 2018 was as follows:

**Balance Sheet  
As at March 31, 2018**

Liabilities	Amount (₹)	Assets	Amount (₹)
Creditors	80,000	Building	1,20,000
Mrs Pradeep's Loan	40,000	Investment	30,600
Rajesh's loan	24,000	Debtors 34,000	
		Less : Provision for	
		Doubtful Debts <u>4,000</u>	30,000
Investment Fluctuation	8,000	Bills Receivable	37,400
Fund		Bank	6,000
Capitals:		Profit and Loss A/c	8,000
Pradeep 42,000		Goodwill	4,000
Rajesh <u>42,000</u>	84,000		
	<b>2,36,000</b>		<b>2,36,000</b>



	<p>Following terms and conditions were agreed upon:</p> <ol style="list-style-type: none"> <li>Pradeep agreed to pay off his wife's loan.</li> <li>Half of the debtor's realized ₹ 12,000 and remaining debtors were used to pay off 25% of the creditors.</li> <li>Investment sold to Rajesh for ₹ 27,000</li> <li>Building realized ₹ 1,52,000</li> <li>Remaining creditors were to be paid after two months, they were paid immediately at 10% p.a. discount</li> <li>Bill receivables were settled at a loss of ₹ 1,400</li> <li>Realization expenses amounted to ₹ 2,500</li> </ol> <p>Prepare Realization Account.</p>	
15	<p>Mudit, Sudhir and Uday are partners in a firm sharing profits in the ratio of 3:1:1. Their fixed capital balances are ₹ 4,00,000, ₹ 1,60,000 and ₹ 1,20,000 respectively. Net profit for the year ended 31<sup>st</sup> March, 2018 distributed amongst the partners was ₹ 1,00,000, without taking into account the following adjustments:</p> <ol style="list-style-type: none"> <li>Interest on capitals @ 2.5% p.a.;</li> <li>Salary to Mudit ₹ 18,000 p.a. and commission to Uday ₹ 12,000</li> <li>Mudit was allowed a commission of 6% of divisible profit after charging such commission.</li> </ol> <p>Pass a rectifying journal entry in the books of the firm. Show workings clearly.</p> <p style="text-align: center;">Or</p> <p>The partners of a firm, Alia, Bhanu and Chand distributed the profits for the year ended 31<sup>st</sup> March, 2017, ₹ 80,000 in the ratio of 3:3:2 without providing for the following adjustments:</p> <ol style="list-style-type: none"> <li>Alia and Chand were entitled to a salary of ₹ 1,500 each p.a.</li> <li>Bhanu was entitled for a commission of ₹ 4,000</li> <li>Bhanu and Chand had guaranteed a minimum profit of ₹ 35,000 p.a. to Alia any deficiency to borne equally by Bhanu and Chand.</li> </ol> <p>Pass the necessary Journal entry for the above adjustments in the books of the firm. Show workings clearly.</p>	6

16.

The partnership agreement of Ronald, Madhav and Shaan provides that:

[8]

Profits will be shared in the ratio of 2:2:1.

Interest on capital to be allowed at the rate of 6% per annum.

Interest on drawings to be charged at the rate of 3% per annum.

Madhav to be given a salary of Rs.500 per month.

Madhav Guarantee to the firm that the firm would earn a net profit of at least Rs.80,000 per annum any shortfall in these profits would be personally met by him.

The capitals of the partners on 1st April, 2018 were:

Ronald Rs.1,20,000, Madhav Rs.1,00,000, Shaan Rs.1,00,000

During the financial year 2018-19, all the three partners withdrew Rs.1,000 each at the beginning of every month. The net profit of the firm for the year was Rs.70,000.

You are required to prepare:

- Profit & Loss Appropriation A/c
- Partners Capital A/c

Divya, Yasmin and Fatima are partners in a firm, sharing profits and losses in 11:7:2 respectively. The balance sheet of the firm as on 31<sup>st</sup> March 2018 was as follows:

**Balance Sheet**  
As at 31.3.2018

Liabilities	Amount (₹)	Assets	Amount (₹)
Sundry Creditors	70,000	Factory Building	7,35,000
Public Deposits	1,19,000	Plant and Machinery	1,80,000
Reserve fund	90,000	Furniture	2,60,000
Outstanding Expenses	10,000	Stock	1,45,000
Capital accounts		Debtors	1,50,000
Divya	5,10,000	Less: Provision (30,000)	1,20,000
Yasmin	3,00,000	Cash at bank	1,59,000
Fatima	5,00,000		
	13,10,000		
	15,99,000		15,99,000

On 1.4.2018, Aditya is admitted as a partner for one-fifth share in the profits with a capital of ₹4,50,000 and necessary amount for his share of goodwill on the following terms:

- Furniture of ₹2,40,000 were to be taken over Divya, Yasmin and Fatima equally.
- A creditor of ₹ 7,000 not recorded in books to be taken into account.
- Goodwill of the firm is to be valued at 2.5 years purchase of average profits of last two years. The profit of the last three years were:  
2015-16 ₹6,00,000; 2016-17 ₹2,00,000; 2017-18 ₹6,00,000
- At time of Aditya's admission Yasmin also brought in 50,000 as fresh capital
- Plant and Machinery is re-valued to ₹2,00,000 and expenses outstanding were brought down to ₹ 9,000. Prepare Revaluation Account, Partners Capital Account and the balance sheet of the reconstituted firm.

Or

The Balance Sheet of Adil, Bhavya and Cris as at 31<sup>st</sup> March 2018 was as under:

**Balance Sheet**  
As at 31.3.18

Liabilities	Amount (₹)	Assets	Amount (₹)
Capital Accounts:		Buildings	1,20,000
Adil	40,000	Motor car	18,000
Bhavya	30,000	Stock	20,000
Cris	20,000	Investments	20,000
General Reserve	10,000	Debtors	40,000
Investment		Cash at Bank	12,000
Fluctuation Reserve	7,000		
Sundry creditors	1,23,000		
	2,30,000		2,30,000

The partners share profits in the ratio of 5:3:2. On 1-4-2018, Cris retires from the firm on the following terms and conditions:

- 20% of the General Reserve is to remain as a reserve for bad and doubtful debts
- Motor car is to be reduced by 5%
- Stock is to be revalued at ₹ 17,500 and investment to be re-valued at ₹ 18,000
- Goodwill is to be valued at 3 years' purchase of the average profits of last 4 years. Profits of the last four years were:

2014-15 ₹13,000; 2015-16 ₹11,000; 2016-17 ₹16,000 and 2017-18 ₹24,000

Cris was paid in full. Adil and Bhavya borrowed the necessary amount from the Bank on the security of Building to pay off Cris.

Pass necessary journal entries.

**Part B: Analysis of Financial Statements**

**Option-I**

18	Under which type of activity will you classify 'Rent received' while preparing cash flow statement?	1										
19	State any one advantage of preparing Cash Flow Statement.	1										
20	Under which major heads and subheads of the Balance Sheet of a company, will the following items be shown:- i) Loose Tools ii) Retirement Benefits Payable to employees iii) Patents iv) Interest on Calls in Advance	4										
21	Calculate amount of Opening Trade Receivables and Closing Trade Receivables from the following figures: <table border="1" style="width: 100%; margin-top: 5px;"> <tr> <td style="width: 70%;">Trade Receivable Turnover ratio</td> <td style="width: 30%;">5 times</td> </tr> <tr> <td>Cost of Revenue from Operations</td> <td>₹ 8,00,000</td> </tr> <tr> <td>Gross Profit ratio</td> <td>20%</td> </tr> <tr> <td>Closing Trade Receivables were ₹ 40,000 more than in the beginning</td> <td></td> </tr> <tr> <td>Cash sales being <math>\frac{1}{4}</math> times of Credit sales</td> <td></td> </tr> </table> <p align="center">Or</p>	Trade Receivable Turnover ratio	5 times	Cost of Revenue from Operations	₹ 8,00,000	Gross Profit ratio	20%	Closing Trade Receivables were ₹ 40,000 more than in the beginning		Cash sales being $\frac{1}{4}$ times of Credit sales		4
Trade Receivable Turnover ratio	5 times											
Cost of Revenue from Operations	₹ 8,00,000											
Gross Profit ratio	20%											
Closing Trade Receivables were ₹ 40,000 more than in the beginning												
Cash sales being $\frac{1}{4}$ times of Credit sales												

From the following data, calculate Current ratio and Liquid Ratio	
Liquid Assets	₹ 75,000
Inventories(Includes Loose Tools of ₹20,000)	₹ 35,000
Prepaid expenses	₹10,000
Working Capital	₹ 60,000

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From the following Balance Sheet of R Ltd., Prepare a Common Size Statement  
Balance Sheet As at 31<sup>st</sup> March, 2018.

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Particulars	Note no.	31.3.2018 (₹)	31.3.2017 (₹)
<b>I EQUITY AND LIABILITIES</b>			
1. Shareholder's Funds:			
a. Share Capital		2,50,000	2,00,000
b. Reserve and Surplus		80,000	60,000
2. Current Liabilities:			
a. Trade Payable		70,000	40,000
<b>Total</b>		<b>4,00,000</b>	<b>3,00,000</b>
<b>II ASSETS</b>			
1. Non-Current Assets:			
a. Fixed Assets:			
i. Tangible Assets		1,60,000	1,20,000
ii. Intangible Assets		20,000	30,000
2. Current Assets			
a. Inventories		80,000	30,000
b. Trade Receivables		1,20,000	1,00,000
c. Cash and Cash Equivalents		20,000	20,000
<b>Total</b>		<b>4,00,000</b>	<b>3,00,000</b>

Or

From the following Statement of Profit and Loss of the Sakhi Ltd. for the year ended  
31st March 2018, prepare Comparative Statement of Profit & Loss.

**Statement of Profit & Loss for the year ended 31st March, 2018**

Particulars	2016-17 (₹)	2017-18(₹)
Revenue from Operations	25,00,000	40,00,000
Expenses:		
a) Employee benefit expenses	7,00,000	10,00,000
b) Other Expenses	3,00,000	2,00,000
Rate of Tax - 40%		

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From the following Balance Sheets of Vishva Ltd., prepare Cash Flow Statement as per  
AS-3 (revised) for the year ending 31<sup>st</sup> March, 2018

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Particulars	Note No.	31.3.2018 (₹)	31.3.2017 (₹)
<b>I EQUITY AND LIABILITIES</b>			
1. Shareholder's Funds:			
a. Share Capital		1,02,000	84,000
b. Reserve and Surplus	1	36,000	22,560
2. Non-Current Liabilities			

a. Long Term Borrowings	2	60,000	48,000
3. Current Liabilities:			
a. Short term Borrowings	3	10,000	5,000
b. Trade Payable		28,800	36,000
c. Short Term provisions	4	16,800	18,000
<b>Total</b>		<b>253,600</b>	<b>2,13,560</b>
<b>II ASSETS</b>			
1. Non-Current Assets:			
a. Fixed Assets:			
i. Tangible Assets	5	1,18,800	1,32,000
2. Current Assets			
a. Inventories		61,800	45,600
b. Trade Receivables	6	33,600	27,600
c. Cash and Cash Equivalents		39,400	8,360
<b>Total</b>		<b>253,600</b>	<b>2,13,560</b>

**Notes to Accounts**

Note No.	Particulars	31.3.2018(₹)	31.3.2017(₹)
1	<b>Reserve and Surplus</b>		
	Balance in Statement of Profit and Loss	15,600	5,760
	General Reserve	20,400	16,800
		<b>36,000</b>	<b>22,560</b>
2	<b>Long Term Borrowings</b>		
	10% Debentures	60,000	48,000
		<b>60,000</b>	<b>48,000</b>
3	<b>Short-term Borrowings</b>		
	Bank Overdraft	10,000	5,000
		<b>10,000</b>	<b>5,000</b>
4	<b>Short-term Provisions</b>		
	Provision for Income Tax	16,800	18,000
		<b>16,800</b>	<b>18,000</b>
5	<b>Tangible assets</b>		
	Land and Building	96,000	97,200
	Plant and Machinery	22,800	34,800
		<b>1,18,800</b>	<b>1,32,000</b>
6	<b>Trade Receivables</b>		
	Debtors	19,200	24,000
	Bills Receivables	14,400	3,600
		<b>33,600</b>	<b>27,600</b>

**Additional Information:**

- Tax paid during the year 2017-18 ₹14,400
- Depreciation on plant charged during the year 2017-18 was ₹14,400
- Additional debentures were issued on March 31,2018



## SUMMATIVE ASSESSMENT -1 (2019-20)

CLASS - 11<sup>th</sup>

SUBJECT- Economics

MM: 80

TIME: 3 Hours

### Section (A)

- Q.1 TISCO was incorporated in year-1  
 (a) 1908 (b) 1907 (c) 1948 (d) 1919
- Q.2 Which economic system adopted by India? -1  
 (a) Mixed (b) Socialist (c) capitalist (d) None
- Q.3 Quantitative restrictions on imports of agriculture products removed. -1  
 (a) In 2001 (b) In 1991 (c) In 1951 (d) In 2005
- Q.4 Which programme initiated in the 1970s? -1  
 (a) food for work (b) NAREGA (c) OMRV (d) SJSRY
- Q.5 When 86<sup>th</sup> amendment of constitution made for free & compulsory education? -1  
 (a) 2002 (b) 2005 (c) 2000 (d) 2010
- Q.6 Higher education - A few takers, explain this concept. -3
- Q.7 Is there any relationship between unemployment & poverty. Explain. -3
- Q.8 What is WTO. Explain its functions. -4
- Q.9 Why and How was private sector regulated under the IPR 1956? -4
- Q.10 Explain economic challenges at the time of independence in industry, agriculture. -6
- Q.11 Explain the sources of human capital any 3 sources. -6
- Q.12 What is poverty? Explain the causes of poverty. -6

OR

Explain the growth oriented approach and poverty alleviation programmes.

SECTION B - MACROECONOMICS		
13	Calculate the value of money multiplier if the legal reserve requirements are 20%.	1
14	What is money supply?	1
Or		
	What is meant by Reverse Repo Rate?	
15	..... (choose the correct alternative) is a revenue receipt of the government. a) Funds raised by the government by issuing National Saving Certificates b) Sale of 40% shares of a public sector undertaking to a private enterprise c) Profits of LIC, a public enterprise d) Amount borrowed from Japan for construction of Bullet Train.	1
16	Identify which of the following statements is true? a) Fiscal deficit is difference between planned revenue expenditure and planned revenue receipts b) Fiscal deficit is difference between total planned expenditure and total planned receipts c) Primary deficit is the difference between total planned receipt and interest payments. d) Fiscal deficit is the sum of primary deficit and interest payment.	1
17	Estimate the value of Aggregate Demand in an economy if: a) Autonomous Investment (I) = ₹100 Crore. b) Marginal Propensity to Save = 0.2 c) Level of Income (Y) = ₹4,000 crores. d) Autonomous Consumption Expenditure (c) = ₹50 Crore	3
Or		
	In an economy $C = 200 + 0.5 Y$ is the consumption function where C is the consumption expenditure and Y is the national income. Investment expenditure is ₹ 400 crores. Is the economy in equilibrium at an income level ₹ 1500 crores? Justify your answer.	

18	Explain how the level of effective demand is attained in an economy if, Aggregate Demand is more than the Aggregate Supply.	3
19	What is meant by problem of double counting? How this problem can be avoided?	4
	Or	
	Discuss briefly, the circular flow of income in a two sector economy with the help of a suitable diagram.	
20	Elaborate 'economic growth' as objective of government budget.	4
21	How the following tools can be used for credit control by the central bank in an economy: a) Open Market Operations b) Margin Requirements	4

22	a) State any two precautions that must be taken into consideration while estimating national income by value added method. b) In an economy, following transactions took place. Calculate value of output and value added by Firm B: i. Firm A sold to firm B goods of ₹ 80 crore; to firm C ₹ 50 crore; to household ₹ 30 crore and goods of value ₹ 10 crore remains unsold ii. Firm B sold to firm C goods of ₹ 70 crore; to firm D ₹ 40 crore; goods of value ₹ 30 crore were exported and goods of value ₹ 5 crore was sold to government.	2 4
	Or	
	Differentiate between National Income at Current Prices and National Income at Constant Prices. Which of the two presents a better view of the economic growth of economy and why?	6
23	How an initial increase in investment affects the level of final income of the economy? Show its working with a suitable numerical example.	6
24	a) According to recent media reports: 'USA has accused China of currency devaluation to promote its exports'. In the light of the given media report comment, how exports can be promoted through the Currency devaluation? b) What is meant by Current Account Deficit (CAD) and Current Account Surplus (CAS)? State their significance.	3 3

## SUMMATIVE ASSESSMENT -1 (2019-20)

CLASS- 12 SUBJECT - BUSINESS STUDIES

Time allowed : 3 hours

Maximum Marks : 80

### General Instructions :

- (ii) Section A contains questions 1 to 8 carrying **one** mark each.
- (iii) Section B contains questions 9 to 13 carrying **three** marks each.
- (iv) Section C contains questions 14 to 19 carrying **four** marks each.
- (v) Section D contains questions 20 to 22 carrying **five** marks each.
- (vi) Section E contains questions 23 to 25 carrying **six** marks each.

### SECTION A

1. Give the meaning of functional structure.
2. Distinguish between 'Principles of Management' and 'Techniques of Management'.

OR

Distinguish between 'Time study' and 'Motion study'.

3. Name the method of training in which the trainee works under the guidance of a master worker.

OR

Name the type of barrier of communication which refers to problems and obstructions in the process of encoding and decoding of message into words or impressions.

4. Volvo Ltd.'s target is to produce 10,000 shirts per month at a cost of Rs.100/- per shirt. The Production Manager achieved this target at a cost of Rs. 90/- per shirt. Do you think the production Manager is effective? Give reasons in support of your answer.
5. What is included in 'Legal Environment' of Business? State.
6. "Technological Upgradation' affects one of the types of capital requirement of an organisation. *Identify the type of capital affected with reference to the above statement.*
7. Raj and Riya are working in different departments of Leo Infocom. One day at lunch time Riya told Raj that due to recession many people are going to be retrenched soon from the organisation. *Name the type of communication that took place between Raj and Riya.*
8. Raj Auto Ltd. was engaged in manufacturing motor cycles. Its long term objective was to capture the market by increasing sales every year. For this it analysed the pricing policy of the competitors. To achieve this objective it decided to offer a discount of < 3,000 and free insurance on purchase of every motor cycle. This attracted the customers and the sales increased. *Identify the type of plan being followed by Raj Auto Ltd.*

### SECTION B

9. State any three limitations of Planning.

OR

State any three points of importance of Organising.

10. In a company, the marketing department's objective is to increase sales by 10 per cent by offering discounts. But the finance department does not approve such discounts as it means loss of revenue.

These kinds of conflict arise in organisations because of the lack of one of the concepts of management.

(a) Identify and explain the concept of management highlighted above.

(b) State the characteristic of management the company is violating.

11. Explain the following as features of planning:

a. Planning is continuous

b. Planning is futuristic.

12. Explain any three points of importance of decentralisation.

13 Sun flag Iron Ltd. is manufacturing steel at its plant in India. It is enjoying increased demand for its steel as economic growth of the country is about 8%. It is planning to set up a new plant to avail the benefits of increased demand. It is estimated that it will require about < 4,000 crore for setting up of plant and about < 600 crore for other expenses to start the new plant. To collect the above mentioned funds, the sources to be used and the quantity to be collected from different sources had to be considered.

(a) Identify the above discussed concept and give its meaning.

(b) Explain any two factors that affect the concept identified in above.

### SECTION C

14. 'Express Tours Ltd.' is a travel agency which books air tickets on commission basis. It takes two days for Express Tours to get the tickets from airport reservation counter and deliver the same to customers. During the last one year, there has been drastic decrease in its business as most of the customers have shifted to another travel agency, 'Shiva Tours and Travels', which provides tickets within half-an-hour through internet.

(a) Name and explain the dimension of business environment that is being overlooked by 'Express Tours Ltd.'.

(b) Explain another dimension of business environment other than that identified in (a) above.

15 Mr. Murthy is the Human Resource Manager of Jai Hind Hospital in Vellore. He has to appoint nurses for the hospital. Since patients in the hospital are of different types, he wants to find out the candidates' maturity and emotions in dealing with the patients. He also wants to know about the candidates' ability to make decisions.

Explain two types to tests that Mr. Murthy can use to meet his requirements.

16. In an organisation all the employees take things easy and are free to approach anyone for minor queries and problems. This has resulted in everyone talking to each other and thus resulting in



inefficiency in the office. It has also resulted in loss of secrecy and confidential information being leaked out.

- (a) Identify the type of communication discussed above.
  - (b) State any two negative aspects of the type of communication identified in part(a).
  - (c) What system of communication do you think the manager should adopt to improve communication.
17. Differentiate between 'formal' and 'informal' communication on any four basis.

18. The Managing Director of 'Verma Chemicals Pvt. Ltd.' held a meeting of all the departmental managers. In the meeting, the managing director said that besides doing their current work efficiently, they also had to make themselves capable of shouldering more responsibility in future as the company is going to add an additional product to its existing product line. For the realisation of this objective he invited suggestions from all departmental heads. The Managing Director proposed a plan on the basis of the suggestions received. All the departmental heads carried out the plan.

- (a) Identify and give the meaning of the style of leadership referred in the above para.
- (b) Explain the other two styles of leadership.

19. Babita Ltd. is engaged in manufacturing machine components. The target production is 250 units per day per worker. The company had been successfully attaining this target until two months ago. Over the last two months it has been observed that daily production varies between 200-210 units per worker.

- (a) Name the function of management and identify the step in the process of this function which helped in finding out that the actual production of a worker is less than the set target.
- (b) To complete the process of the function identified in (a) and to ensure the performance as per set targets, explain what further steps a manager has to take.

#### SECTION D

20. Sudha is an enterprising business woman who has been running a poultry farm for the past ten years. She has saved Rs. 4,00,000 from her business. She shared with her family her desire to utilise this money to expand her business. Her family member gave her different suggestions like buying new machinery to replace the existing one, acquiring altogether new equipments with latest technology, opening a new branch of the poultry farm in another city and so on. Since these decisions are crucial for her business, involve a huge amount of money and are irreversible except at a huge cost, Sudha wants to analyse all aspects of the decisions, before taking any final decision.

- (a) Identify and explain the financial decision to be taken by Sudha.
- (b) Also, explain the briefly the factors that will affect this decision.

21 State any five impacts of government policy changes on Business and Industry.

**OR**

State any five points that highlight the importance of 'Management'.

22 Each employee of 'Bhoomika Ltd.' should manufacture 10 tables per day as per the terms of employment. All the employees met the said target except a few who manufactured between 4 - 6 tables per day. The management look a decision to install Closed Circuit Television (CCTV's) in the factory for monitoring the activities of the employees.

- (a) Identify the managerial function discussed above.
- (b) Explain the steps in the process of the function identified in (a) above.

### SECTION E

23. Explain any four characteristics of planning.

OR

Explain the steps in the process of organising function of management.

24. Mohan is working as a vice-president in Ashoka Ltd. He performs a separate and specialised function having many aspects of human relations. His job is closely linked with organising since after the structure and positions have been decided, people are required to work in these positions. His function is seen as a generic function of management. When he performs his duties, his role is slightly limited.

(a) *Identify and explain the meaning of the function being performed by Mohan as the vice-president of Ashoka Ltd.*

(b) *The function performed by Mohan benefits the organisation in many ways. State any five such benefits.*

25 Fayol and Taylor both have contributed immensely to the knowledge of management, which has become a basis for further practice by managers. Taylor thought that by scientifically analysing work it would be possible to find 'one best way' to do it. He is most remembered for his time and motion studies and functional foremanship. He said that the best result would come from the partnership between a trained and qualified management and a cooperative and innovative workforce. Fayol explained what amounts to a manager's work and what principles should be followed in doing this work. In the light of the above discussion, differentiate between the contribution of Taylor and Fayol on the following basis :

- (a) Perspective
- (b) Unity of command
- (c) Focus
- (d) Expression
- (e) Applicability
- (f) Basis of formation