

**SPECIMEN PAPER - 2 (With Solution)**

**[Time : 3 Hours]**

**[Maximum Marks : 80]**

**Note:**

- (a) All questions are compulsory.
- (b) Figures to the right indicate full marks.
- (c) Figures to the left indicate question numbers.

**Q.1 (A) Select the correct option from the bracket.**

**(05)**

1. The function of manager starts with \_\_\_\_\_
2. An entrepreneur is a person who starts a \_\_\_\_\_
3. \_\_\_\_\_ Warehouses provides facilities for perishable commodities.
4. E-business is an abbreviation for \_\_\_\_\_
5. Business should earn \_\_\_\_\_ profit.

<b>Ans.</b>	1. Planning	2. Business	3. Cold Storage
	4. Electronic Business	5. reasonable	

**Marking Scheme: 1 mark for each correct answer**

**Q.1 (B) Find the odd one.**

**(05)**

1. Price, People, Promotion, Product
2. Communicator, Innovator, Selt-statrer, Inactive
3. NABARD, RBI, SIDBI, EXIM
4. BPO, RTO, LPO, KPO
5. District Judge, High Court Judge, Commissioner, Supreme Court Judge

<b>Ans.</b>	1. People	2. Inactive	3. RBI	4. RTO	5. Commissioner
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**Marking Scheme: 1 mark for each correct answer**

**Q.1 (C) Give one word /phrase/term.**

**(05)**

1. First function of management.
2. A function of creating something new for an economic activity.
3. The first step in online transaction
4. An activity motivated by profit.
5. One who consumes or uses any commodity or service.

<b>Ans.</b>	1. Planning	2. Entrepreneurship	3. Registration	4. Business	5. Consumer
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**Marking Scheme: 1 mark for each correct answer**

**Q.1 (D) Arrange in proper order.**

**(05)**

1. Directing, Co-ordinating, Staffing

**Ans.** Staffing, Directing, Co-ordinating

2. Claim, Accident, Taking the policy, Compensation

**Ans.** Taking the policy, Accident, Claim, Compensation

3. Placing an order, Cash on delivery, Registration

**Ans.** Registration, Placing order, Cash on delivery

4. National Commission, State Commission, District Commission

**Ans.** District Commission, State Commission, National Commission

5. Grading, Market Planning, Distribution

**Ans.** Market Planning, Grading, Distribution

**Marking Scheme: 1 mark for each correct answer**

**Q.2 Explain the following terms/concepts (Any four)****1. Planning**

**Ans.** Planning is future oriented and determines an organizations direction. It is a rational and systematic way of making decision today that will affect the future of the company.

**2. Insurance**

**Ans.** Insurance is a means of protection from financial loss. It is a contract between Insurer and the insured whereby the insurer agrees to compensate the insured against loss

**3. B2B**

**Ans.** In this Business model, transactions that take lace between business to business Producers and wholesalers operate with this model which improves efficiency of companies.

**4. Labeling**

**Ans.** Labeling is concerned with putting label on the package; attractive package helps to increase sales and brand image of products.

**5. Intrapreneur**

**Ans.** An intrapreneur is an employee who is tasked with developing an innovative idea or project with a company. He has access to the resources and capabilities of an established company.

**6. Consumer**

**Ans.** "Consumer means any person who buys any goods or services for a consideration which has been paid or promised or partly paid".

**Marking Scheme: 2 mark for each correct sentences**

**Q.3 Study the following case/situation and express your opinion (Any Two) (06)**

1. Mr. Rupesh is an entrepreneur and engaged in production of eco-friendly utensils. Both male and female workers are working in his factory. All male employees are directly working on machines whereas female employees are working in packaging department. Mr.Kunal is working as Finance Manager while Mrs.Preeti is working as HR manager who is responsible for recruiting employees in the factory. On this basis:

**(i) Identify any one principle of management in above case.**

**Ans.** Principle of Equity

**(ii) What is the designation of Mrs. Preeti in this organization?**

**Ans.** HR manager

**(iii) Who is responsible for overall planning of organization?**

**Ans.** Mr. Rupesh

2. Mr. Arun is young MBA degree holder. Mr. James is B.Com graduate. Mr. Arun is willing to start dairy farm at his village.Mr.James is willing to work as cashier in private company.

**(i) Find out dreams of Soham and James.**

**Ans.** Soham want to be an entrepreneur and James like to work as an employee.

**(ii) State any feature of Entrepreneur.**

**Ans.** Highly optimistic

(iii) What government initiatives are there to help entrepreneurs?

Ans. Start-up India, Stand up India, Agro Tourism

3. Vineet purchases watch from Titan shop and his friend Deepak purchases from online shopping site.

(i) Which shopping is from traditional business?

Ans. Vineet's shopping from Titan shop

(ii) Which shopping is from E-business?

Ans. Deepak's shopping.

(iii) Which business involved high risk?

Ans. Business of Online shopping as there is no direct contact between parties.

**Marking Scheme:** 1 mark for each correct sentence

**Q.4 Distinguish between (Any 3)**

(12)

**1. Fire Insurance and Marine Insurance**

Ans.	Point	Fire Insurance	Marine Insurance
(i)	<b>Meaning</b>	In this type insurance, the insurance company covers the damage to the property or assets caused by the fire.	In this type of insurance, the damage to the ships and the cargo is covered by the insurance company.
(ii)	<b>Objective</b>	Its objective is to cover the fire risk.	Its objective is to cover the sea perils.
(iii)	<b>Insurable interest</b>	Insurable interest must exist both while taking the policy and on the occurrence of loss.	Insurable interest must exist when the loss takes place.
(iv)	<b>Policy amount</b>	Policy amount is not more than the value of the property.	Policy amount may be equal to the market value of the cargo or ship.
(v)	<b>Moral responsibility of insured</b>	The moral responsibility of the insured is an important condition.	It does not have any clause related to the moral responsibility of cargo owner.

**2. National commission and state commission**

Ans.	Point	National commission	State commission
(i)	<b>Meaning</b>	It is a consumer dispute redressal forms working at National level.	It is a consumer dispute redressal forum working at state level.
(ii)	<b>President</b>	A person who is or has been or is qualified to be Judge of Supreme Court may be its President.	A person who is or has been a Judge of High Court may be its President.
(iii)	<b>Complaints</b>	It can entertain complaints claiming exceeding Rs one crore.	It can entertain complaints claiming more than Rs. 20lakhs but not exceeding rupees one crore.
(iv)	<b>Members</b>	Other than president it has minimum four members.	Other than president it has minimum two members.

## 3. Planning and Controlling

Ans.	Point	Planning	Controlling
(i)	Meaning	Planning is deciding in advance what to do, how to do it, when to do it and who is to do it.	Control is the process of bringing about conformity of performance with planned action.
(ii)	Objectives	Planning is done to set goals and choosing the means to achieve goals	Controlling is to ensure the objectives are achieved to plan.
(iii)	Level of Management	Top level is concerned with planning activities.	Top and middle level is related with Controlling the resources.
(iv)	Order	It is the first and foremost function of management.	It is based on planning.

## 4. BPO and KPO

Ans.	Point	BPO	KPO
(i)	Meaning	BPO refers to the outsourcing of non-primary activities of the organization to an external organization to minimize cost and increase efficiency.	KPO is another kind of outsourcing whereby, functions related to knowledge and information are outsourced to third party service providers.
(ii)	Service	BPOs provide low-end services.	KPOs are hired to take care of the high-end services of their clients.
(iii)	Educational qualifications	Employees generally do not possess high educational qualifications.	KPO companies hire the expertise and skills of knowledgeable employees with high educational qualifications only.
(iv)	Degree of complexity	BPO is less complex in nature.	KPO is more complex nature.
(v)	Relies on	BPO relies on cost arbitrage.	KPO relies on knowledge arbitrage.

**Marking Scheme:**  $\frac{1}{2}$  mark for each correct point. Four main points expected

## Q.5 Answer in brief (Any 2)

(08)

## 1. Define entrepreneur. Explain characteristics of entrepreneur.

Ans. "Entrepreneurship is the pursuit of opportunity beyond resources controlled".  
– Howard Sterenson

**Characteristics of Entrepreneur**

- (i) **Highly optimistic:** An entrepreneur has to always think positively. He should be always hopeful and confident about the market situation even in tough times.
- (ii) **Take risk:** Successful entrepreneur know that sometimes it's important to take risk playing it safe almost never lead to success as a business owner. Entrepreneur should be open to take calculated risk.
- (iii) **Flexible:** Entrepreneur should be having a flexible mindset. He should be willing to change as per the situation.
- (iv) **Creative:** Entrepreneurship starts with an idea. To be successful, you need to always be thinking of new ideas and better ways of doing things.

(v) **Future-oriented:** Entrepreneur should be focused on moving forward, they should always be looking towards future. Entrepreneurs are very goal oriented and know exactly what they want.

## 2. Explain nature of principles of management.

**Ans.** The following points explain the nature of the principle of management:

- (i) **Universal applicability:** The principles of management are intended to apply to all types of organisation business as well as non business, small as well as large public sector as well as private sector manufacturing as well as the services sector. Universality refer to that truth which is equally applicable everywhere.
- (ii) **Formed by practice and Experimentation:** Principles of management are the result of various problems faced by the professional people. First of all problems appeared and then through careful research work solution were found.
- (iii) **Flexibility:** The principles of management do not exist in form of final truth. As and when social, political, economic, Technological changes take place, new kinds of problem arise, old principles are altered and new principles are formed.
- (iv) **General guidelines:** Management principles provide general guidelines in tackling the organizational problem wisely. They are not rigid, principles are to be applied depending on situations.
- (v) **Mainly behavioral:** Management principles aim at influencing the behavior of human beings. Therefore the principles of management are behavioral in Nature.

## 3. Explain 3Ps of marketing of services.

- Ans.** (i) **People:** All the companies depends on the people who run them from front line sales to managing director having the right people is essential because they are much a part of your business offering as the product / services you are dealing in.
- (ii) **Process:** The Processes are the steps which are required to deliver the service to a customer, by making sure your business has a good process you will save time and money due to greater efficiency and your standard of service to customer will remain consistent physical.
- (iii) **Physical evidence:** It refers to everything your customers sees or hears when interacting with your business. This includes branding, packaging, a physical space such as a shop and even the way your staff and sales representatives act and dress. It is not all about the product. It is also how you portray your brand which has a great impact in the mind of consumer.

**Marking Scheme:** 1 mark for each point, four points expected

## Q.6 Justify the following statements (Any 2)

(08)

### 1. Principle of equity is important.

- Ans.** (i) Equity means combination of fairness, kindness & justice. The employees should be treated with kindness & equity if devotion is expected of them.
- (ii) Employee must be in the right place to do things and manager should supervise and treat everyone fairly and impartially.
- (iii) It will bring loyalty and devotion in the behaviour of employees and they will put their best to achieve the targets.
- (iv) Management should not be unduly harsh towards the employees but their problems should be considered and solutions based on justice should be evolved.

### 2. Business should allow workers participation in management.

- Ans.** (i) The worker must be encouraged to take part in management by forming workers committee, Profit Sharing, Suggestion schemes etc.

- (ii) Workers participation gives employees the mental and psychological satisfaction and thereby increase their involvement in the affairs of the organization.
- (iii) Workers' participation in industry improves relationship between workers and management and establishes better human relations.
- (iv) Workers' participation in management increases the worker's status in society. He is considered as a respectable member of the society.

**3. With creativity, farmers can expand their Agro- tourism business.**

- Ans.**
- (i) Agro tourism involves any agriculturally based operation or activity that brings visitors to farm.
  - (ii) Agro tourism is to experience the real rural life taste the local food and get familiar with the various farming tasks Agriculture is the backbone of Indian economy.
  - (iii) This can be a significant source of income but at the same time can open an avenue of more government spending in agriculture.
  - (iv) Furthermore, tourists may provide market to farmers products their by giving them direct income.

**4. Marketing is significant to consumer.**

- Ans.**
- (i) Marketing informs customers about the products or services company is offering them.
  - (ii) Through marketing, the customers get to know about the value of the products, their usage and additional info that might be helpful to the customers.
  - (iii) It creates brand awareness and makes the business stand out.
  - (iv) Considering customer importance at all stages of the marketing process helps your company to ensure greater customer satisfaction and increase its long-term goal of repeat business.

**Marking Scheme:** 1 mark for each point, four points expected

**Q.7 Attempt the following (Any 2)**

**(10)**

**1. State the role of NGO and Consumer protection.**

**Ans.** The role of consumer organisation and NGOS in protecting and promoting consumer welfare are:

- (i) Educating consumer of their rights.
- (ii) Encouraging consumer to take legal action against fraudulent.
- (iii) Conducting Periodic test to check the quality of consumer products.
- (iv) Publishing consumer related materials.
- (v) Filing complaint on behalf of consumer.
- (vi) Providing legal advice and help.
- (vii) Protecting against various consumer issues
- (viii) Extending support to government.

**2. Explain functions of warehouse.**

**Ans.** Functions of warehouse are as follows:

- (i) **Storage:** This is the basic function of warehousing. Surplus commodities which are not needed immediately can be stored in warehouse.
- (ii) **Price Stabilization:** It plays an important role in the process of the price Business Services 7 stabilization. It helps in creating time utility.
- (iii) **Loan Facility:** The businessman can avail short term finance from the lenders on the security of goods stored in warehouse.

- (iv) **Risk Bearing:** Risk bearing is an important function of warehousing when the goods are handed over to the warehouse keeper by businessman, the risk of damage of goods is passed to warehouse keeper.
- (v) **Helpful to Importers and Exporters:** As it creates place and time utility importers-exporters can take advantage of warehousing facilities and can release goods when required.
- (vi) **Grading and Packing:** Now-a days warehouse also provide functions like packing, processing and grading of goods.

### 3. Explain the social responsibility of business towards employees?

**Ans.** The success of an organization depends on employees to very large extent. The management should do all possible measure to improve employee morale and maintain good employer employee relationship.

- (i) **Fair Remuneration and Allowance:** Company must pay adequate salary/ wages and other incentives like bonus, P.F, overtime, Allowance etc. Remuneration should be fixed according to nature and importance of work.
- (ii) **Proper Work Condition:** The employees should be provided with good working conditions such as adequate lightning, washroom, drinking water etc. It helps to increase the efficiency of the employees.
- (iii) **Participation in Management:** The worker must be encouraged to take part in management by forming workers committee, Profit Sharing, Suggestion Social Responsibility of Business 3 Scheme, etc.
- (iv) **Training Promotion and Welfare Schemes:** Proper training and development should be provided to employees' welfare facilities like transport facility should be provided to employees.
- (v) **Proper Grievance:** There should be Proper grievance procedure to handle employees complaints. All Queries should be sorted quickly and employees must feel satisfied.
- (vi) **Recognition of Union:** Organization should recognize workers right in forming union. It will help in maintaining industrial peace.

**Marking Scheme:** 1 mark for each point, five points expected

### Q.8 Attempt the following (Any 1)

(08)

#### 1. Explain the importance of marketing to the society and consumers.

**Ans.** Marketing is important because, it helps business to sell their product or service. The bottom line of any business is to make money and marketing is an essential channel to reach the end goal.

#### **Importance of Marketing to society is as follows:**

- (i) **Employment:** Marketing offers many exciting, interesting and challenging careers like personal selling, advertising, packaging, market research etc.
- (ii) **Availability of various products:** Society would have no choice in the absence of marketing. Today, there are hundreds of new products and ten of variants of every product are available only because of marketing.
- (iii) **Consumer Awareness:** Marketing helps the society by informing and educating consumer. The function of marketing is to fulfill the needs of the consumer.
- (iv) **Increase in National Income:** A well organized marketing activities help in the economic development of the country. Effective marketing of products and services creates industrialization which leads to strong and stable economy.
- (v) **Increase Standard of Living:** The main objective of marketing is to provide goods and services to the customers. Quality products, Job creations, increase in purchasing power leads to better standard of living of people.

**2. What is organizing? Explain the importance of organizing.**

**Ans.** Organizing is the function of management which follows planning. Organizing in management refer to the relationship between people, work and resources used to achieve the common objectives. It is the process of establishing orderly uses for all resources within the management system of the organization.

*“Organization is the form of every human association for the attainment of a common purpose”.*  
**- Mooney and Railey**

**Importances of Organizing are as follows:**

- (i) **Efficient Administration:** Organizing is an important and the only tool a achieve enterprise goal. A sound organizing help the management in many ways. It defines various activity and their Authority relationship in organizational structure.
- (ii) **Specialization:** Under organizing, the whole work is systematically allocated and divided into different roots. Right man is put at the right job. It increases the efficiency of worker and motivates them to put their best into the work.
- (iii) **Optimum Utilization of Resources:** Organizing provides fuller and efficient use of all human, physical and financial resources. It helps in avoiding over lapping of work and ensures full use of resources without any wastage.
- (iv) **Better co-ordination and communication:** Organizing is an important means of creating coordination and communication among different departments of the enterprise. It also specifies the channels of communication among different members of the enterprise.
- (v) **Training and Development:** A sound organizing provides a good scope for the development of managers’ ability through proper delegation of Authority. It provides responsibility, sufficient freedom to the supervision and creative thinking in different levels.
- (vi) **Adaptation to Changes:** Organizing helps business enterprise to adjust to the environment changes. In order to ensure smooth functioning of the enterprise, organizing suitably modifies the organization structure in timely manner to develop talent and flourish the knowledge.
- (vii) **Create Sense of Security:** Organizational structure classifies the job position. It clearly defines the role and responsibilities of every employee. Clarity in job brings mental satisfaction and it creates sense of security.

**Marking Scheme:** 2 marks for meaning and definition  
1 mark for each point, six points expected

