

**SPECIMEN PAPER - 4 (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) Complete the sentences.****(05)**

- Recruitments are done under \_\_\_\_\_ function.
- The term bank comes from the French word \_\_\_\_\_
- E-business is \_\_\_\_\_ of E-commerce.
- Social responsibility is broader than \_\_\_\_\_ responsibilities.
- National Commission is to be established by \_\_\_\_\_.

**Ans.** 1. Staffing 2. Banco 3. Superset 4. Legal 5. Central

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

**Q.1 (B) Match the pairs.****(05)**

Group A		Group B	
1.	Consumer protection act	(a)	1956
2.	Responsibility towards investor	(b)	Good quality product
3.	Sales of goods act	(c)	No unfair competition
4.	Responsibility towards government	(d)	To serve society
5.	Responsibility towards consumer	(e)	1930
		(f)	Making profit
		(g)	Respecting rules and regulations
		(h)	1945
		(i)	Job security
		(j)	1932

**Ans.** 1. (a) 1986 2. (f) Making profit 3. (e) 1930  
 4. (g) Respecting rules and regulations 5. (b) Good quality product

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

**Q.1 (C) State true or false.****(05)**

- Standards are not set for every performance in controlling function.
- Agro tourism can support agriculture economy.
- Current account is opened by salaried person.
- Media does not play important role in public life.
- Lok adalat can be described as Peoples Court.

**Ans.** 1. False 2. True 3. False 4. False 5. True

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

**Q.1 (D) Answer in one sentence.****(05)**

- When do we observe world consumer rights day?

**Ans.** We observe world consumer rights day on March 15.

Specimen

2. **What do you mean by standardization ?**

**Ans.** The process of making things of the same type have the same basic features.

3. **Who can raise voice against business malpractices ?**

**Ans.** Consumer can raise voice against business malpractices.

4. **What is digital cash ?**

**Ans.** Digital cash can be defined as any electronic system which allows for storage, transfer, and spending of electronic cash.

5. **What is Agro tourism ?**

**Ans.** Agritourism involves any agriculturally based operation or activity that brings visitors to a farm or ranch

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

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

**(08)**

1. **Staffing**

**Ans.** Staffing is the process involved in identifying, assessing, placing, evaluating and directing individual at work. It is that part of the management function which is concerned with people at work and their relationship within the organization.

2. **Start-ups**

**Ans.** Startup is a young company founded by one or more entrepreneurs to develop a unique product or service and bring it to market.

3. **Banking**

**Ans.** Banking is an industry that handles cash, credit, and other financial transactions. Banks provide a safe place to store extra cash and credit.

4. **C2C**

**Ans.** A website following the C2C model helps consumers to sell their assets. Like property, cars, motor cycle etc online on their website. e.g - OLX, 99acres.com

5. **Janhit Yachika**

**Ans.** Public interest Litigation“ or Janhit Yachika in simple words, means, litigation filed in a court of law, for the protection of “Public Interest”, such as Pollution,, Road safety, Constructional hazards etc.

6. **Price**

**Ans.** It refers to the point of sale. Distribution is key element of placement. You have to position and distribute the product in a place that is accessible to potential buyers. In fact the mantra of successful placing of products is 'location, location, location'. That's why, retailers pay a premium for right location.

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

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

**(06)**

1. **Abhay purchases some gift articles online from flipkart.com. At the same time Priya purchased gift from ebay.com.**

**(a) Which website is related to C2C?**

**Ans.** Flipkart

**(b) Which website is related to B2C?**

**Ans.** Ebay.com

**(c) What first step does abhay need to follow?**

**Ans.** Registration

2. Mr. Parag visited a shop to buy a pair of shoes of ₹ 900. The salesman forced him to buy a pair of bigger size shoes of ordinary company claiming this size would be suitable to him. After reaching home, he discovered that shoes are too big for him. He complained about the shoes to the shopkeeper. It was denied by the shopkeeper to replace the shoes despite of availability of stock.

(a) Which right has been violated?

Ans. Right to choose and Right to heard.

(b) Do Mr. Parag have right to complain?

Ans. Yes, as a consumer he has a right to complain under Consumer protection Act, 1986.

(c) Where can Mr. Parag file his complaint?

Ans. Mr. Parag can file his complaint in district consumer forum.

3. In XYZ Company, Mr. Steve gives instructions to the employee working under him, provides guidance and motivates them for their best performance. On the other hand Mr. Smith takes effort to harmonize the work done by the employees of different departments while achieving organizational goal. Mr. Chris is looking after the arrangement of required resources to the business organisation.

Mention the name of employee engaged in the following functions:

(1) Organising                      Ans. Organizing – Chris

(2) Direction                      Ans. Direction - Steve

(3) Coordination                      Ans. Coordination – Smith

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

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

**1. Central Bank and Commercial Bank**

(12)

Ans.	Point	Central Bank	Commercial Bank
(i)	<b>Function</b>	The Central Bank regulates the supply of money in the economy and administers the banking system operations in a country.	A Commercial Bank is a financial institution which initiate deposits, provide loans and invest the public's money to earn profits
(ii)	<b>Ownership</b>	Central bank is owned by the State(Public).	Commercial Bank is owned by Public and private parties.
(iii)	<b>Motive or Objective</b>	The objective of the central bank is to promote economic growth of the nation; and create conditions towards a stable monetary system, in the economy.	The primary objective of commercial banks, as the name implies, is to earn profits.
(iv)	<b>Loans</b>	It is Lender of the last resort for commercial banks.	It provides commercial loans, personal loans, housing loans, trade finance, vehicle loans and mortgage loans.
(v)	<b>Issue of currency</b>	It Issues currency and control the supply of money in the Market.	It does not Issue currency, but only adds to the approval of the central bank.

## 2. National Commission and State commission

Ans.	Point	National commission	State commission
(i)	<b>Meaning</b>	It is a consumer dispute redressal forum 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. 20 lakhs 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. Staffing and Organizing

Ans.	Point	Staffing	Organizing
(i)	<b>Meaning</b>	Staffing is the process involved in identifying, assessing, placing, evaluating and directing individual at work.	Organizing in management refer to the relationship between people, work and resources used to achieve the common objectives.
(ii)	<b>Objectives</b>	To appoint right type of people at the right position and right time.	Organizing is to identify and bring together all required resources.
(iii)	<b>Level of Management</b>	Top is concerned with promotion and compensation and middle level is related with recruitment and training.	Top and middle level is related with organizing the resources.
(iv)	<b>Order</b>	It follows organizing function.	It is based on planning.

## 4. Marketing and Selling

Ans.	Point	Marketing	Selling
(i)	<b>Meaning</b>	Marketing refers to the activities of a company associated with buying, advertising, distributing, or selling a product or service.	Selling is a marketing function that involves determining client needs and wants and responding to it.
(ii)	<b>Emphasis</b>	Marketing stresses to satisfy consumer's wants effectively.	Selling emphasizes on the product.
(iii)	<b>Scope</b>	Marketing takes into consideration both the internal and external factors. Its scope is wider.	Selling is concerned with the internal considerations. Its scope is narrower.
(iv)	<b>Order</b>	It is customer first then product.	It is product first then customer

**Marking Scheme:** ½ mark for each correct point. Four main points expected

## 1. Describe any four points of importance of directing.

- Ans. (i) Initiates Action:** Direction is the function which supports to activate the plans with the help of employees. Every action is initiated through timely direction.
- (ii) Provides Stability:** Stability is important for the growth and survival of the organization. Effective leadership, communication, develop co-operation and commitment among the employees.
- (iii) It Ingrates Efforts:** Through direction the superiors are able to guide, inspire and instruct the subordinate to work. It is through direction each department in integrated with others.
- (iv) Provide Stability:** Stability and balance is very important for long-term survival of firm in the market. Proper coordination can bring stability in an organization as it leads to effective communication, supervision and motivation.

## 2. State any four life insurance policy.

- Ans. (i) Term Life Insurance:** It is a type of life insurance that provides a death benefit to the beneficiary only if the insured dies during a specified period. Term insurance is one of the most affordable types of life insurance.
- (ii) Whole Life Policy:** Whole Life Policy covers a policy holder over his life. The main feature of the whole life policy is that the validity of the policy is not defined so that individual enjoys the life cover throughout his life.
- (iii) Endowment Insurance Policy:** Insurance is taken for specific period under this policy. The sum assured with bonus is given on the death of the insured to dependent or on the expiry of specific period, to the insured.
- (iv) ULIP Policy:** ULIP stands for Unit Linked Insurance Policies. ULIP Policy is for those investors which like to reap benefits of life insurance policy with mutual funds.

## 3. What is KPO? Explain in brief.

- Ans.** KPO refer to the function related to knowledge and information outsourced to third party. KPO is a segment of BPO in which the outsource service provider to perform business process but also to provide expertise around it.

**Advantages:** (i) Cost reduction is possible as clients get professional service at effective price. (ii) Business firms can hire skilled workers. (iii) It provides Employment opportunities. (iv) Provide flexibility in Human resource and time Management.

**Disadvantages:** (i) Securities issues can occur. (ii) Reduction is Communication due to Language Barriers. (iii) The Quality of work cannot be assured. (iv) Data protection and privacy issues can occur.

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

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

(08)

## 1. E-business allows users to work across the globe in any field.

- Ans. (i)** E-business means using the internet to connect people and processes. It allows you to work across the globe in any field.
- (ii)** It opens new doors to customers around the world. So also in business and improves efficiency, increase profits and provides better customer services of business.
- (iii)** It connects, adapts and integrates IT system, so companies are able to manage their business efficiently.

## 2. **Expectations of society towards business are changing.**

- Ans.** (i) Society expectations from business firm have undergone a drastic change over the years. Today, Society expect business to be responsible towards society.
- (ii) The society expect the business organization should make proper use of the available resources in the larger interest of the society.
- (iii) The society requires that the business organization should be started in backward areas. It will help to create employment opportunities and increase purchasing power of people.
- (iv) The society expects donation and financial assistance for various social issues like poverty, diseases, illiteracy, developmental activities etc.

## 3. **Cash can be withdrawn from ATM at any time.**

- Ans.** (i) 24/7 access to cash as the customer can withdraw cash from own account at any ATM at any time.
- (ii) ATMs are electronic machines which can be operated by customer on his own to withdraw or deposit money.
- (iii) It can also be used for Balance Enquiry, Request Cheque Book, Bank Statement etc.

## 4. **Entrepreneurship is the best source of self-employment.**

- Ans.** (i) Self-employment is the state of working for oneself rather than an employer.
- (ii) Entrepreneurship is the process of discovering new ways to combining resources.
- (iii) Self-employment is the first step to become an entrepreneur. Self-employment leads to entrepreneurship.
- (iv) In entrepreneurship, taking risk is included because an entrepreneur tries to innovate his products, production and marketing.

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

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

(10)

### 1. **Explain importance of marketing to firm.**

#### **Ans. Importance of Marketing to firm:**

- (i) **Goodwill:** Marketing activities helps to create a good image for the business in the mind of consumer through quality products innovative marketing campaigns, which leads to bring goodwill to the company.
- (ii) **Increase sales:** Marketing activities helps in creating awareness and pass information to the customers; satisfied customers will always be loyal to a particular brand. It helps in increase of sale of a particular product.
- (iii) **To counter competition effectively:** Quality products with great marketing strategy can help the firms to counter its competition well. It is because of the brand image and goodwill of firms will always retain its loyal customers.
- (iv) **Awareness:** Companies can use various marketing tools to bring awareness about their product, services, firm among its present and potential customers.

### 2. **State the rights of consumer.**

- Ans.** (i) **Right to safety:** Means right to be protected against the marketing of goods and services, which are hazardous to life and property. The purchased goods and services availed of should not only meet their immediate needs but also fulfil long term interests. They should preferably purchase quality marked products such as ISI ISI, AGMARK etc.

- (ii) **Right to Information:** This right mentions the need for consumers to be informed about the quality and quantity of goods being sold. They must also be informed about the price of the product and have access to other information related to product.
- (iii) **Right to choice:** According to this right every consumer has the right to choose the goods or services of his / her liking. The right to choose means an assurance of availability, ability and access to variety of products and services at competitive price.
- (iv) **Right to be heard:** Every consumer has the right to be heard after being exploited. It means that consumer interest will receive due consideration at appropriate forums. It also includes right to be represented in various forums formed to consider the consumer welfare.

### 3. What are the disadvantages of outsourcing?

**Ans. Disadvantages of Outsourcing:**

- (i) Outsourcing may lead to threat to security and confidentiality.
- (ii) The service provided by outsourcing company may be dissatisfactory
- (iii) Lack of proper communication.
- (iv) Poor Quality and Delayed Services.
- (v) Less customer focus.

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

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

(08)

#### 1. Explain the 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 schemes.
- (iv) **Training Promotion and Welfare Schemes:** Proper training and development should be provided to employee's welfare facilities like transport facility should be provided to employees.
- (v) **Proper Grievance:** There should be Proper grievance procedure to handle employee's 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.
- (vii) **Health and Safety Measures:** The organization should take adequate measures to protect health of the employees. They should provide safety equipments if required, medical; clean working environment and other facilities.

## 2. Explain in detail 7Ps of marketing.

**Ans.** The Marketing mix refers to the set of actions or tactics that a company uses to promote its brand or product in the market. It is the way in which you take a product or service to market. The Marketing mix is a crucial tool to help us to understand, what the products or service can offer and how to plan for a successful product offering.

- (i) **Product:** A product is an item that is produced to satisfy the needs of a certain group of people. The product can be tangible or intangible. The product must deliver a minimum level of performance and should be in demand otherwise even the best work on the other elements of the marketing mix won't do any good.
- (ii) **Price:** It refers to the value that is put for a product. Pricing always helps to shape the perception of your product in consumer's eyes. It depends on cost of production, segment targeted demand and supply, competition etc. The product should be sold at a price which the target audience deems to be good value- for- money.
- (iii) **Place:** It refers to the point of sale. Distribution is key element of placement. You have to position and distribute the product in a place that is accessible to potential buyers. In fact the mantra of successful placing of products is 'location, location, location'. That's why, retailers pay a premium for right location.
- (iv) **Promotion:** The product should be promoted. To the appropriate audience via appropriate channels, using advertising methods which resonate with that audience. Promotion is a very important component of marketing as it can boost brand recognition and sales.
- (v) **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.
- (vi) **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.
- (vii) **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:** 2 marks for meaning and definition

1 mark for each point, six points expected

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