



B.K. BIRLA CENTRE FOR EDUCATION

SARALA BIRLA GROUP OF SCHOOLS
A CBSE DAY-CUM-BOYS' RESIDENTIAL SCHOOL

TERM-1 EXAMINATION, 2025-26

BUSINESS STUDIES 054

MARKING SCHEME

Class: XII

Date: 12.09.2025

Admission no:

Time: 3 Hrs.

Max Marks: 80

Roll no:

1) Read the following statements of Assertion (A) and Reason(R). Choose the correct alternative from those given below: 1

Assertion (A): Coordination is an all pervasive function.

Reason(R): Coordination is required at all levels of management due to the interdependent nature of activities of.

Find the correct option

(a) Both A and R are true and R is the correct explanation of A

(b) Both A and R are true and R is not the correct explanation of A

(c) A is true but R is false

(d) A is false but R is true

2) Ravi works as a production manager in Rosy private Limited. He has been given the task of getting 10000 units of hand woven table mats manufactured at the cost of 150 per unit, within 100 days. In order to be acknowledged as an effective manager, he must ensure that -

(a) The cost of production does not exceed 150 per unit

(b) The work is completed within 100 days even at higher cost per unit

(c) The cost of production is less than 150 per unit

(d) All of the above 1

3) Suraj was engaged in the business of carpet making. Since company was making handmade carpet as well as machine made carpet. There were lot of overlapping of activities, so the Production manager advised there should be two separate division for both of them. Where in each division should have its own incharge plans and execution. Identify the principle of management insisted by production Manager.

(a) Unity of command

(b) Unity of direction

(c) order

(d) Equity 1

4) Sanak and Gagan started their career in Wales Limited (a printing press) after going through a rigorous recruitment process. Since they had no prior work experience, the firm decided to give them one year to prove themselves. The principle of management followed by Wales Limited is -

(a) Authority and Responsibility

(b) Discipline

(c) Equity

(d) Stability of Personnel 1

5) Introduction of mobile phones have negatively affected the business of cameras and watches it is related to:

(a) **Technological environment**

(b) Political environment

(c) Legal environment

(d) Social environment

1

6) Assertion (A) : Demand for sarees may be fairly high in India whereas it may be almost non-existent in America.

Reason (R) : Business environment consists of numerous inter-related and dynamic conditions of forces which arise from different sources.

Alternatives:

(a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).

(b) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A)

(c) Assertion (A) is true but Reason (R) is False

(d) Assertion (A) is False but Reason (R) is True

1

7) Saurabh decided to start a chocolates manufacturing business. He set the target of earning 10% profit on sales in the first year. As a good businessman, he was concerned about the future of the business, which was uncertain. He gathered information that the demand for chocolates is increasing day by day. He used this information as the base for future planning and shared it with his team. On the basis of the gathered information, he scheduled a meeting in the following week to find innovative ways to achieve the objectives. Identify one out of the two steps, which have been followed by Saurabh that are related to the process of one of the functions of management.

(a) Follow up action

(b) Selecting an alternative

(c) Developing Premises

(d) Evaluating alternative courses

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8) Sales Forecasting is the basis on which a business firm prepares its annual plan for production and sales. Which feature of planning is highlighted in the above case?

(a) Planning focuses on achieving objectives.

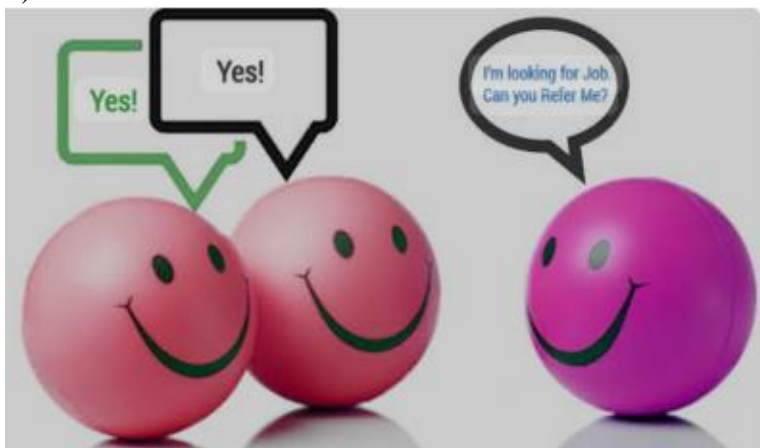
(b) Planning is continuous.

(c) Planning is the primary function of management.

(d) Planning is futuristic

1

9)



Identify the incorrect statement about the type of source of recruitment depicted above.

(a) Management can attract qualified people to apply for vacant positions in the organisation.

(b) It may lead to dissatisfaction and frustration among existing employees.

(c) Such employees are not likely to be good employees as their background is not sufficiently known.

(d) Management has a wider choice while selecting people for employment. 1

10) **Read the following statements carefully:**

Statement- I Values are basic truths or guidelines for behaviour which are formed after research in work situations.

Statement- II While practising Principles of Management, values cannot be neglected as business organisations have to fulfil social and ethical responsibility towards society.

In the light of given statements , choose the correct alternative from the following:

(a) Both the statements are true.

(b) Both the statements are false.

(c) Statement I is true, Statement II is false.

(d) Statement II is true, Statement I is false 1

11) When Jaskaran Singh applied for the post of Computer teacher in a school in Bhubaneswar, he was asked to prepare a PowerPoint presentation on a particular topic during the selection procedure. Identify the type of selection test being mentioned in the above lines.

(a) Trade test

(b) Intelligence test

(c) Personality test

(d) Interest test 1

12) Identify the correct sequence of the steps involved in the staffing process.

(a) Recruitment, Estimating the Manpower Requirements, Placement, and Orientation, Selection

(b) Estimating the Manpower Requirements, Selection, Placement, and Orientation, Recruitment

(c) Selection, Estimating the Manpower Requirements, Recruitment, Placement, and Orientation

(d) Estimating the Manpower Requirements, Recruitment, Selection, Placement, and Orientation 1

13) Lateral communication takes place from _____.

(a) First to the second division of the same organisation

(b) Superior to subordinate

(c) Subordinate to superior

(d) All of the above 1

14) Identify the correct sequence of steps involved in the communication process.

(a) Sender, Message, Encoding, Media, Decoding, Feedback, Receiver

(b) Sender, Decoding, Receiver, Feedback, Message, Encoding, Media

(c) Sender, Message, Encoding, Media, Decoding, Receiver, Feedback

(d) Sender, Media, Decoding, Receiver, Message, Encoding, Feedback

15) Controlling is known as a backward-looking function because _____.

(a) It relates to a future course of action.

(b) It is like a post-mortem of the past activities

(c) To find out deviation, it aims at improving future performance.

(d) All of the above 1

16) Identify the correct sequence of the steps involved in the controlling process.

(a) Measurement of actual performance, taking corrective action, Setting performance standards, Comparison of actual performance with standards, Analysing deviations

(b) Comparison of actual performance with standards, Setting performance standards. Measurement of actual performance, Analysing deviations, Taking corrective action

(c) Setting performance standards, Measurement of actual performance, Comparison of actual performance with standards, Analysing deviations, Taking corrective action

(d) Taking corrective action, Measurement of actual performance, Comparison of actual

performance with standards, Analysing deviations, Setting performance standards 1

17) “She/he keeps machines, materials, tools etc., ready for operations by concerned workers’. Whose work is described by this sentence under functional foremanship?

- (a) Route Clerk
- (b) Repair Boss
- (c) Gang Boss**
- (d) Instruction Card Clerk

1

18) Mr Gun Amroha, the General Manager of Welworth Textiles scans the business environment and adapts the organisation to the changes taking place in different dimensions of the business environment. However, it is still difficult for him to accurately assess the future trends. Identify the limitation of planning related to the above.

- (a) Planning leads to rigidity
- (b) Planning may not work in a dynamic environment.
- (c) Planning does not guarantee success.
- (d) Planning reduces creativity.

Ans) b) Planning does not work in a dynamic environment

1

19) Choose the correct statement about the controlling function of management.

- (a) No corrective action is required when the deviation goes beyond the acceptable range in important areas
- (b) Deviations should be analysed for their causes
- (c) Measurement of actual performance should be done only after the task is complete
- (d) Managers must keep a check on each and every activity, otherwise the entire organisation may suffer

Ans) b) Deviations should be analysed to find out the causes

1

20) In a marketing firm, the Financial Manager pays more attention towards an increase of 3% in the marketing cost as compared to a 15% increase in the courier expenses. Identify the concept being used by the manager.

- (a) Management by exception
- (b) Critical point control**
- (c) Corrective action
- (d) None of the above

1

21) Ashutosh Goenka was working in ‘Axe Ltd.’, a company manufacturing air purifiers. He found that the profit has started declining from the last six months. Profit has an implication for the survival of the firm, so he analysed the business environment to find out the reasons for this decline.

- (a) Identify the level of management at which Ashutosh Goenka was working.
- (b) State three other functions being performed by Ashutosh Goenka.

3

Ans) (a) The level of management at which Ashutosh Gupta was working is the top level.

(b) Functions of the top level of management:

1. To co-ordinate the activities of different departments.
2. To be responsible for welfare and survival of the organisation.
3. To formulate overall organisational goals and strategies for their achievement.
4. To be responsible for all the activities of the business and for its impact on the society

22) Naman and Govind after finishing their graduation under vocational stream decided to start their own travel agency which will book Rail Tickets and Air Tickets on commission basis. They also thought of providing tickets within ten minutes through the use of internet. They discussed the idea with their Professor Mr. Mehta who liked the idea and suggested them to first analyse the business environment which consists of investors’, competitors and other forces like social, political etc. that may affect their business directly or indirectly. He further told them about the technological

improvements and shifts in consumer preferences that were taking place and hence they should be aware of the environmental trends and changes which may hinder their business performance. He emphasised on making plans keeping in mind the threat posed by the competitors, so that they can deal with the situation effectively. This alignment of business operations with the business environment will result in better performance.

1. State and explain the component of business environment highlighted in the above Para.
 2. State and explain any two features of business environment as discussed by Professor Mehta with Naman and Govind. 3
- 1) Ans) **Technological Environment** is the component of business environment highlighted in the above Para. Technological Environment includes forces relating to scientific improvements and innovations which provide new ways of producing goods and services and new methods and techniques of operating a business.
- 2) **The two features of business environment as discussed by Professor Mehta with Naman and Govind are as follows:**
Dynamic nature: It is dynamic in nature and keeps on changing due to technological upgradations, shifts in consumer preferences or increase in competition in the market.
Inter-relatedness: All the elements of business environment are closely interrelated. Therefore, any change in one element may necessitate corresponding changes in the other elements as well.

23) Explain the Features of Functional Structure. 3

OR

Explain the advantages of Formal Organisation

- Ans) A functional structure is an organisational design that groups similar or related jobs together on the basis of functions like production, finance etc.
- Each department has a functional manager responsible for performance and who has authority over the department.
- All departments are under the charge of a coordinating head.
- These departments may be further divided into sections.

OR

- It is easier to fix responsibility since reporting relationships are clearly specified.
- The role and duties of each employee are clearly defined.
- Unity of command is maintained through an ^ established chain of command.
- It leads to effective accomplishment of goals by providing a framework for the efficient operations.
- It provides stability to the organisation as the behaviour of the employees is guided by rules and regulations of the organisation.

24) A) State any three points of significance of decentralization.

OR

B) State any three limitations of formal organisation. 3

Ans) A) (i) Develops initiative among subordinates: Decentralisation Helps to promote self-reliance and confidence amongst the subordinates. This is because when lower managerial levels are given freedom to make their own decisions they learn to depend on their own judgement.
(ii) Develops managerial talent for the future: Decentralisation gives them a chance to prove their abilities and creates a reservoir of qualified manpower who can be considered to fill up more challenging positions through promotions.
(iii) Quick decision making: In a decentralised organisation, since decisions are taken at levels which are nearest to the points of action and there is no requirement for approval from many levels, the process is much faster. There are also less chances of information getting distorted because it doesn't have to go through long channels.
(iv) Relief to top management: Decentralisation diminishes the amount of direct supervision exercised by a superior over the activities of a subordinate because they are given the freedom to

act and decide albeit within the limits set by the superior. Decentralisation also leaves the top management with more time which they can devote to important policy decisions rather than occupying their time with both policy as well as operational decisions

(v) **Facilitates growth:** Decentralisation awards greater autonomy to the lower levels of management as well as divisional or departmental heads. With each department doing its best in a bid to outdo the other, the productivity levels increase and the organisation is able to generate more returns which can be used for expansion purposes.

(vi) **Better control:** Decentralisation makes it possible to evaluate performance at each level and the departments can be individually accountable for their results.

OR

B) (a) The formal communication may lead to procedural delays as the established chain of command has to be followed which increases the time taken for decision making.

(b) Poor organisational practices may not provide adequate recognition to creative talent, since it does not allow any deviations from rigidly laid down policies.

(c) It is difficult to understand all human relationships in an enterprise as it places more emphasis on structure and work. Hence, the formal organisation does not provide a complete picture of how an organisation works.

25) What are the problems faced by the organisation in implementing an effective control system?

OR

Explain the various steps involved in the process of control.

4

Ans) Control is an indispensable function of management. Without control the best of plans can go away.

Although controlling is an important function of management. It suffers from the following limitations also

(i) **Difficulty in Setting Quantitative Standards** Control system loses some of its effectiveness when standards cannot be defined in quantitative terms. This makes measurement of performance and their comparison with standards a difficult task. Employee morale, job satisfaction and human behaviour are such areas where this problem might arise.

(ii) **Little Control on External Factors** Generally an enterprise cannot control external factors such as government policies, technological changes competition etc.

(iii) **Resistance from Employees** Control is often resisted by employees. They see it as a restriction on their freedom. For instance, employees might object when they are kept under a strict watch with the help of Closed Circuit Televisions (CCTVs).

(iv) **Costly Affair** Control is a costly affair as it involves a lot of expenditure, time and effort. A small enterprise cannot afford to install an expensive control system. It cannot justify the expenses involved. Managers must ensure that the costs of installing and operating a control system should not exceed the benefits derived from it.

OR

The following are the steps involved in the control process:

1. Establishing standards and methods or ways to measure performance
2. Measuring actual performance

3. Determining if the performance matches with the standard

4. Taking corrective action and re-evaluating the standard

26) Explain in detail the following techniques of scientific work-study.

- (a) Time study
- (b) Motion study
- (c) Fatigue study
- (d) Method study
- (e) Simplification and standardisation of work

OR

Explain the principle of 'Scalar Chain' and gang plank.

Ans) Techniques of Taylor's scientific management

- (i) Time Study: It determines the standard time taken to perform a well-defined job. Time measuring devices were used to conduct this study. This type of study is helpful in deciding the time required to perform a job.
- (ii) Motion Study: Motion study refers to an in-depth study of the movements of a worker while doing a task. Taylor recognised three types of movements:
 - (a) Productive
 - (b) Unproductive
 - (c) IncidentalThe objective of motion study is to eliminate unproductive movements in doing a task to achieve efficiency and reduce the time required to do the task.
- (iii) Fatigue Study: Fatigue study seeks to find out the amount and frequency of rest intervals to be given to workers in completing a task. This would help the worker to regain his stamina and work with the same efficiency again.
- (iv) Method Study: This technique of scientific management is conducted to find out the 'one best method or way' of performing a particular task. The objective of this study is to minimise the cost of production and maximise the quality and satisfaction of the customer.
- (v) Simplification and Standardisation of Work: Standardisation is the process of setting standards for every business activity, process, raw materials, time machinery, and methods, to achieve efficiency. Simplification means eliminating superfluous sizes, varieties, and dimensions, Its aim is to.
 - (a) Eliminate unnecessary diversity of products and thereby reduce costs.
 - (b) Help in achieving economy in the use of required machines and tools.

OR

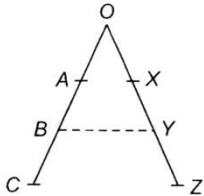
Principle of Scalar Chain and Gang plank

The formal lines of authority from highest to lowest ranks are known as scalar chain. According to Fayol,

“Organisation should have a chain of authority and communication that runs from top to bottom and should be followed by managers and subordinates.”

In the diagram, O is heading 2 teams where A and X are at the same level, B and Y are at the same level and C and Z are at the same level. The line of communication is clearly defined A to B to C and X to Y to Z. Authority responsibility relationship is also very clear. But C and Z cannot directly contact each other. This some times may take lot of time during an emergency to communicate as per the prescribed flow to avoid this problem a system known as 'Gang Plank' was introduced where in C

or Z could contact each other and same way B and Y could contact each other.



27) Lately many companies have planned for significant investment in organised retailing in India. Several factors have prompted their decision in this regard.

Customers income is rising. People have developed a taste for better quality products even though they may have to pay more. The aspiration levels have increased. The government has also liberalised its economic policies in this regard and permitted even cent per cent foreign direct investment in some sectors of retailing.

Identify changes in business environment under different heads – economic, social, technological, political and legal that have facilitated the company's decisions to plan significant investments in organised retailing.

4

Ans) (a) Changes, which have taken place in various areas are as follows:

Economic changes

- (i) Increase in disposable income of the people.
- (ii) Liberalisation of economic policies.
- (iii) Increase in demand for branded products.
- (iv) Increased globalisation and integration of world economics.

Social changes

- (i) Increased aspiration levels due to an increase in incomes.
- (ii) Changes in consumption habits.
- (iii) Changes in lifestyle.
- (iv) Increase in the number of nuclear families.

Technological changes

- (i) Advances in food packaging and processing technologies.
- (ii) Advancements in supply chain management.
- (iii) Use of more flexible and customised manufacturing process.

Political changes

- (i) Acceptance of organised retailing by a decisive number of political parties.
- (ii) Favorable attitudes of Indian corporate sector towards competition from foreign companies in organised retailing.

Legal changes

- (i) Abolition of license, permit, and quotas.
- (ii) Liberalisation of foreign investment laws with regard to organised retailing.
- (iii) Changes in existing economic legislations permitting investment in organised retailing.
- (b) Due to globalisation and privatisation, more retailers from India and abroad are encouraged to make investments in organised retailing. The competition has increased, the consumers are more demanding and expert working force is required in order to cope up with the changes, which have taken place and are further changing.

28) What do you mean by "on the job training"? Explain any three methods of 'on the job' training. 4

Ans) i) Induction Training: Induction training means to acquaint the newly appointed employees with their job and the organisation. Under this, new employees are introduced both to their superior and subordinates so that they can work with them as a team. Apart from this, he/she is informed about the objectives and policies of the organisation. He/She is also informed about their own authorities and responsibilities. In short, the purpose of induction is to accommodate new employees in the new environment expeditiously.

ii) Apprenticeship Programme: This method is used in those cases where longterm training is required to attain complete proficiency to perform a particular job. The trainee is required to work with an expert for a specific period of time. The period of training may often vary from two to seven years.

During the course of training, the expert imparts complete knowledge of both theoretical and practical aspects of the job.

iii. Internship Training: Under internship training, technical institutions and business organisations jointly impart training to their members. The objective of this training is to strike a balance between theoretical and practical knowledge. Educational institutions impart theoretical knowledge to their students but for practical knowledge they are sent to business organisations. Likewise, employees already working in business organisations are sent to educational institutions from time-to-time to get latest theoretical knowledge. In this way, both kinds of institutions render mutual help to each other.

29) Neha was a regional sales manager in 'Good Luck Garments Ltd' for the last ten years. During the retirement of the marketing manager, Neha applied for the same job, because she was extremely talented and had devoted all her hard work to the position of marketing manager. However, the company's top executives decided to complete this post by choosing the best person outside the company. As a result, Neha was devastated and had to lose her job. When a new marketing manager joined, one of his biggest problems was how to motivate Neha to her previous level of performance? What are non-financial benefits? Suggest any three non-financial benefits a new marketing manager could use to promote Neha. 4

Ans) The non-financial incentives that the new marketing manager may use are: • Status: In the organizational context, status means a ranking of positions. A person with status means a person holding a high position with increased responsibilities and other benefits.

- Job Enrichment: Job enrichment is concerned with designing jobs that include a greater variety of work content and require higher knowledge and skill
- Job security: Employees want job security and stability about future income, as well as their job so that they don't have to worry about these aspects and they can work with greater zeal.

30) Kapil and Kamal and Company is a large manufacturing unit. Recently the company had conducted time and motion studies and concluded that on an average, a worker could produce 300 units per day. However, it has been noticed that the average daily production of a worker is in the range of 200-225 units.

(i) 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 the worker is less than the set target.

(ii) To complete the process of function identified in question (a) and to ensure the performance as per time and motion studies, explain what further steps a manager has to take. 4

Ans) (i) The management function considered in the case is 'Controlling' and the step in the process of this function is measuring the actual performance of workers in Kapil and Kamal and Company. In this step the efforts of the workers measured in terms of performance of workers and the equipment tools used and the actual resulting performance of the workers.

(ii) The results of the workers with the ideal production will be compared and then deviations will be analysed. As the workers produce 200-225 units instead of 300 units, the company should focus their attention on determining areas of improvement and take corrective actions.

31) Define Organising. What are the steps in the process of organising? 6

OR

What is a divisional structure? Discuss its advantages and limitations

Ans) Organising is defined as a process that initiates implementation of plans by clarifying jobs, working relationships and effectively deploying resources for attainment of identified and desired results.

Organising involves following steps that need to be taken in series

(i) Identification and Division of Work Organising process begins with identifying and division of total work into small units.

(ii) **Departmentalisation** After dividing the work, related and similar jobs are grouped together and put under one department.

(iii) **Assignment of Duties** After departmentalisation, the work is assigned according to the ability of individuals.

(iv) **Establishing Reporting Relationship** Assigning duties is not enough. Each individual should also know, who he has to take orders and to whom he is accountable. Thus, reporting relationship helps in co-ordination among various departments.

OR

A divisional structure comprises of separate business units or divisions. Each unit has a divisional manager responsible for performance and who has authority over the unit. Generally, manpower is grouped on the basis of different products manufactured.

Merits

(i) **Skill Development** Product specialisation helps in the development of varied skills in a divisional head and this prepares him for higher positions as he gains experience in all functions.

(ii) **Accountability** Divisional heads are accountable for profits, as revenues and costs related to different departments, can be easily identified and assigned to them. This provides proper basis for performance measurement.

(iii) **Quick Decision Making** It promotes flexibility and initiative because each division functions as an autonomous unit which leads to faster decision making.

(iv) **Facilitates Expansion** It facilitates growth as new divisions can be added without interrupting the existing operations, by merely adding another divisional head and staff for the new product line.

Demerits

The divisional structure has certain disadvantages

(i) **Conflicts** Conflicts may arise among different divisions with reference to allocation of funds.

(ii) **Higher Cost** Providing each division with separate set of similar functions increases expenditure.

(iii) **Ignoring Organisational Goals** It provides managers with the authority to supervise all activities related to a particular division. In course of time, such a manager may gain power and in a bid to assert his independence may ignore organisational interests.

32) Describe briefly the steps involved in the process of staffing.

OR

Explain the procedure for selection of employees

6

Ans) Steps in Staffing Process

Staffing is a complicated process, and it involves various steps, It starts with workforce planning, and ends with the proper recruitment of the employees. It also checks the performance of the employees effectively. For successful staffing in an organisation, a manager has to perform various steps of staffing that are as follows:

1. **Planning the Manpower Requirements:** The very first steps of staffing are to evaluate the manpower requirement of an organisation to match the job and positions available in the organisation. It also helps in determining the skills and qualifications required for a specific job in the organisation.
2. **Recruitment of Employees:** Once the requirement is evaluated, the next step involves the searching of prospective persons that are eligible for the job and inviting applicants to apply for the positions. In this process, the employer advertises about the openings in the organisation through various media, which makes it easy for the applicants to get to know about the job vacancy and the required skills.
3. **Selection of Employees:** The selection process helps in screening the employees and identifying the deserving candidate who will be suitable for a specified job. Therefore, it can be said that the main objective of selection is to identify the right employee for the right job
Orientation and Placement: Once the right candidates are selected, the organization makes the employees familiar with the working units and working environments through various orientation programs. Then, the placement is done by putting the right candidate at the right place which helps in the proper functioning of the organisation.

4. **Training and Development:** Once the placement is done, the next step involves the training and development of employees. Training is an integral part of the staffing process, and it helps the employees to develop their skills and knowledge.
5. **Remuneration to Employees:** It is the compensation given to the employees in monetary terms in exchange for the work they do for the organization. It is given according to work done by the employees.
6. **Performance Evaluation:** It is an assessment done to evaluate the attitude, behavior, and performance of an employee. These steps of staffing also help in determining the success of the whole recruitment process. It gives the management a clear picture of the success rate of the entire recruitment procedure. This step includes elements like appraisal, promotion, and transfer. The performance of the employee is assessed comparatively to the other employees and also to his own previous performance. Based on these criteria, the employee gets a hike on his pay or a promotion. Sometimes, employees are transferred to another location of the same company and are generally attached with a level up in his position or given certain benefits.

Promotion of Employees: Promotion in simple words means the shifting of an employee to a higher post demanding a more significant responsibility. It not only makes the employee responsible but also keeps him motivated to do his work efficiently. With the promotion, the monetary benefits that the employee receives are also increased, which makes him more efficient to complete the work on time

33) Roshan is the chief chef of 'Khidmat7 restaurant located in the city of Bangaluru. The place is known for its exquisite Mughlai cuisine especially mutton biryani and kababs. All the food is prepared under Roshan's purview. The various activities in the kitchen are initiated in accordance to his instructions. He is very clear and specific in issuing instructions to his subordinates in order to ensure smooth working of the department. He personally oversees the method followed by the chefs for preparation of each dish. He misses no opportunity to praise his subordinates for their good work. All his team members feel very happy and satisfied under his direction. He provides constant guidance to them in order to improve upon its taste and presentation and also encourages them to innovate and be more creative in their work.

In the above context:

1. Identify the various elements of directing mentioned in the above paragraph by quoting lines from the paragraph.
2. Describe briefly any two points to highlight the importance of directing as a function of management

6

1. Ans) The various elements of directing mentioned in the above paragraph are as follows:
 - **Communication:** "He is very clear and specific in issuing instructions to his subordinates in order to ensure smooth working of the department."
 - **Supervision-** "He personally oversees the method followed by the chefs for preparation of each dish."
 - **Leadership:** "He provides constant guidance to them in order to improve upon its taste and presentation and also encourages them to innovate and be more creative in their work."
 - **Motivation:** "He misses no opportunity to praise his subordinates for their good work."
2. The importance of directing as a function of management is described below:
 - **Initiates action:** Directing helps to initiate action by people in the organisation towards attainment of desired objectives. It is the first execution function of management.
 - **Integrates employees' efforts:** Directing seeks to integrate the individual efforts of employees in the organisation towards the realisation of the organisational goals.
 - **Helps to realise their potential:** Directing provides effective guidance, motivation and leadership to the employees so as to enable them to realise their potential and capabilities, (any two)

34) Raghav started a take away eating joint in a nearby market. His business was doing well. He ensured that the food was properly cooked, a standard taste was maintained, packing of food was done effectively and the orders were executed on time. But unfortunately he met with an accident and was advised three months bed rest. In his absence, his cousin Rohit took charge of his business. When he resumed his work after three months, he realised that his clientele had dropped. The people were not happy with the services as the quality of food had deteriorated and the delivery time for orders had increased considerably. All this was happening because most of his previous staff had left as Rohit used to adopt a very strict and authoritative approach towards them.

In context of the above case:

1. List any two aspects about his business that Raghav was controlling in order to make it successful.
2. Explain briefly any two points to highlight the importance of the controlling function.
3. Name and explain the style of leadership adopted by Rohit

6

Ans) 1. The two aspects about his business that Raghav was controlling in order to make it successful are listed below:

- A standard taste was maintained.
- The orders were executed on time.
- 2. The two points that highlight the importance of the controlling function are listed below:
 - **Judging accuracy of standards:** The controlling function helps the business managers to judge the objectivity and accuracy of the current standards. It also assists in reviewing and revising the standards keeping in view the forthcoming changes in both the internal and external environment of the business.
 - **Improving employee motivation:** The controlling function seeks to motivate the employees and helps them to give better performance. This is because it makes them aware well in advance about what they are expected to do and what the standards of performance are on the basis of which they will be judged.

Rohit had adopted an autocratic style of leadership. An autocratic leader expects strict compliance from his subordinates with regard to the orders and instructions