

Summer Vacation 2025-26

HOLIDAYS HOMEWORK

CLASS: XII B

Solve the following questions in your Homework Notebook

1. Ishu, Vishu and Nishu are partners in a firm sharing profits and losses in the ratio of 2:3:5. Their fixed capitals were ₹1,50,000, ₹3,00,000 and ₹6,00,000 respectively. After the final accounts have been prepared it was discovered that interest on capital was credited to them @ 12% instead of 10%.

(A) Nishu's Current A/c will be Debited by ₹1,500.

(B) Nishu's Current A/c will be Credited by ₹1,500.

(C) Nishu's Capital A/c will be Credited by ₹1,500.

(D) Nishu's Capital A/c will be Debited by ₹1,500.

2. Given below are two statements, one labelled as Assertion (A) and the other labelled as Reason (R)

Assertion (A): Rent paid to partner is shown in P & L Appropriation A/c. Reason (R): Rent paid to partner is a charge against the profits.

In the context of the above statements, which one of the following is correct?

(A) (A) is correct, but (R) is wrong.

(B) Both (A) and (R) are correct.

(C) (A) is wrong, but (R) is correct.

(D) Both (A) and (R) are wrong.

3. If there exist insufficient profits for appropriations, the available profit is distributed in:

(A) Profit-sharing ratio

(C) Capital ratio

(B) Appropriation ratio

(D) Equally

4. The interest on drawings to be charged from a partner on an amount of 30,000 @ 5% p.a. will be:

(A) ₹15,000

(C) ₹750

(B) ₹1,500

(D) ₹150

5. The journal entry for transfer of profits to reserves will be:

(A)Reserves A/CDr.

To Profit & Loss Appropriation A/C

(B)Reserves A/CDr.

To Profit & Loss A/C

(C)Profit & Loss Appropriation A/CDr.

To Reserves A/C

(D)Profit & Loss A/CDr.

To Reserves A/C

6.Given below are two statements, one labelled as Assertion (A) and the other labelled as Reason (R)

Assertion(A): Goodwill is raised amongst the old partners, in their old ratio and gets written off amongst the partners in their new ratio.

Reason(R): Goodwill is the fruit of partner's past efforts.

In the context of the above statements, which one of the following is correct?

(A) (A) is correct, but (R) is wrong.

(B) Both (A) and (R) are correct.

(C) (A) is wrong, but (R) is correct.

(D) Both (A) and (R) are wrong.

7. A, B, and C are partner's sharing profits in the ratio of 5::3::2. According to the partnership agreement C is to get a minimum amount of ₹ 18,000 as his share of profits every year. .The net profit for the year ended 31st March, 2019 amounted to ₹50,000. .How much amount is contributed?

(A) ₹1,250; ₹3,750

(B) ₹4,000; ₹4,000

(C) ₹2,000; ₹5,000

8. Seeta and Geeta are partners sharing profits and losses in the ratio 4::1. . Meeta was manager who received the salary of ₹ 4,000 p.m. . in addition to a commission of 5% % on net profits after charging such commission. . Profit for the year is ₹ 6,30,000 before charging salary. . Find the total

9. Assertion (A): Number of years purchase is multiplied in the calculation of goodwill of the firm.

Reason (R): It is the measure of firm's reputation out of its past efforts.

A.Both Assertion (A) and Reason (R) are true.

B.Both Assertion (A) and Reason (R) are false.

C.Assertion (A) is true and Reason (R) is false.

D.Assertion (A) is false and Reason (R) is true.

10. A partnership firm earned divisible profit of ₹ 5,00,000, interest on capital is to be provided to partner is ₹3,00,000, interest on loan taken from partner is ₹50,000 and profit-sharing ratio of partners is 5::3. Sequence the following in correct way:

A. Distribute profits between partners

B. Charge interest on loan to Profit and Loss A/c

C. Calculate the net profit Transfer to Profit and Loss appropriation A/C.C.

D. Provide interest on capital

11. P and Q were partners in a firm sharing profits in 3::1 ratio. . Their respective fixed capitals were ₹10,00,000 and ₹6,00,000. . The partnership deed provided interest on capital @ 12 % p.a. . even if it will result into a loss to the firm. . The net profit of the firm for the year ended 31st March, 2023 was ₹1,50,000..

Pass necessary journal entries in the books of the firm allowing interest on capital and division of profit/loss amongst the partners. 3

12. On 01.04.2018 Raheem and Kareem started partnership business. . Raheem contributed for ₹72,00,000 first and increased by ₹3,00,000 after seven months.. Kareem contributed ₹ 3,00,000 first and increased it to ₹4,00,000 after five months and he withdrew out of capital ₹ 2,00,000 after nine months

Calculate interest on capital on 31.03.2019 if rate of interest on capital is 12% p.a.. 3

13. D, S and M are partners sharing profits and losses in the ratio of 3:2:1. With effect from 1st April, 2022 they agree to share profits equally. For this purpose, goodwill is to be valued at two year's purchase of the average profit of last four years which were as follows: Year ending on 31st March, 2019 ₹ 50,000 (Profit) Year ending on 31st March, 2020 ₹ 1,20,000 (Profit) Year ending on 31st March, 2021 ₹ 1,80,000 (Profit) Year ending on 31st March, 2022 ₹ 70,000 (Loss) On 1st April, 2021 a Motor Bike costing ₹ 50,000 was purchased and debited to travelling expenses account, on which depreciation is to be charged @ 20% p.a. by Straight Line Method. The firm also paid an annual insurance premium of ₹ 20,000 which had already been charged to Profit and Loss Account for all the years. Calculate the amount of Goodwill. 3

14. The average net profits Expected of the firm in future are ₹ 68,000 per year and capital invested in the business by the firm is ₹ 3,50,000. The rate of interest expected from capital invested in this class of business is 12%. The remuneration of the partners is estimated to be ₹ 8,000 for the year. You are required to find out the value of goodwill on the basis of 2 years purchase of super profits. 3

15. Sanjay, Sudha and Shakti 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 31st March, 2020 distributed amongst the partners was ₹1,00,000, without taking into account the following adjustments:

(a)) Interest on capitals @ 2.5 % p.a..

(b)) Salary to Sanjay ₹18,000 p.a. . and commission to Shakti ₹12,000.

(c)) Sanjay was allowed a commission of 6 % of divisible profit after charging such commission..

Pass a rectifying journal entry in the books of the firm. . Show workings clearly. 4

16 Ajay, Binod and Chandra entered into partnership on 1st April 2019 with a capital of ₹3,00,000, ₹2,00,000 and ₹1,00,000 respectively. In addition to capital Chandra has advanced a loan of ₹1,00,000. Since they had no agreement to guide them, they faced following issues during and at the end of the year.

1. Ajay wanted interest on capital to be provided @8% pa but Binod and Chandra did not agree.
2. Chandra wanted that interest on loan be paid to him @ 10% pa but Ajay and Binod wanted to pay @ 5% pa.
3. Ajay and Binod demanded to share profits in the ratio of their capital contribution, Chandra is not in agreement with this proposal.
4. Binod, being working partner, demands a lump sum payment of ₹40,000 as remuneration for which the other two partners are not in agreement.

You are required to suggest and help them resolve these issues. 4

17 A business has earned average profits of ₹1,00,000 during the last few years and the normal rate of return in similar business is 10%. Find out the value of goodwill by (i) Capitalisation of super profit method. (ii) Super profit method, if the goodwill is valued at 3 years' purchase of super profit. The assets of the business were ₹10,00,000 and its external liabilities ₹1,80,000. 4

18. A, B and Care partners share profits and losses in the ratio of 3:2:1. Their capitals ₹1,00,000, ₹75,000 and ₹50,000 respectively. They agreed to allow interest on capital @ 10 % p.a. and agreed to charge interest on drawings @10% p.a. Their drawings for the year were ₹10,000, ₹8,000 and ₹6,000 respectively. C was very active getting a salary of ₹2,000 per month and in return, he guaranteed that firm's profit would not be less than ₹80,000 before charging or allowing interest and salary payable to C. Actual profit for the year 2011 was ₹75,000. Prepare Profit and Loss Appropriation Account and Partners Capital Account. 6

19. Aman and Chaman are partners sharing profits and losses in the ratio of 2:1. On 1st April, 2011 their capitals were Aman - ₹50,000 and Chaman - ₹40,000.

Prepare the Profit and Loss Appropriation Account and the Partners' Capital Account at the end of the year after considering the following items:

- a) Interest on Capital is to be allowed @ 5% p.a.
- b) Interest on partners' drawings @ 6% p.a. Drawings: Aman – ₹10,000 and Chaman – ₹8,000.
- c) Aman is entitled to get a salary @ ₹500 per month.
- d) 10% of the divisible profit is to be transferred to Reserve.

They earned profit of ₹70,500 for the year ended 31st March, 2012. 6

20 From the following information, calculate value of goodwill of M/s Amrit and Amar :

1. At three years purchase of average profit.
2. At three years purchase of super profit.
3. On the basis of capitalization of super profit.
4. On the basis of capitalization of average profit.

Information:

- a. Average capital employed- ₹10,00,000.
- b. Net profit/loss of the firm for the past years 2021- ₹1,60,000; 2022- ₹1,40,000; 2023- ₹2,70,000
- c. Normal Rate of Return on capital is 11%.
- d. Remuneration to each partner for his service to be treated as a charge on profit ₹2,500/month

Assets excluding goodwill- ₹11,00,000. Liabilities- ₹1,00,000.

21. Ram, Mohan and Sohan were partners sharing profits in the ratio of 2 : 1 : 1. Ram withdrew Rs. 3,000 every month and Mohan withdrew Rs. 4,000 every month. Interest on drawings @ 6% p.a. was charged, whereas the partnership deed was silent about interest on drawings. **Showing your working clearly, pass the necessary adjustment entry to rectify the error.**

22. Yadu, Vidu and Radhu were partners in a firm sharing profits in the ratio of 4 : 3 : 3. Their fixed capitals on 1st April, 2018 were Rs. 9,00,000, Rs. 5,00,000 and Rs. 4,00,000 respectively. On 1st November, 2018, Yadu gave a loan of Rs. 80,000 to the firm. As per the partnership agreement :

- (i) The partners were entitled to an interest on capital @ 6% p.a.
- (ii) Interest on partners' drawings was to be charged @ 8% p.a.

The firm earned profits of Rs. 2,53,000 (after interest on Yadu's loan) during the year 2018 – 19. Partners' drawings for the year amounted to Yadu : Rs. 80,000, Vidu : Rs. 70,000 and Radhu : Rs. 50,000.

Prepare Profit and Loss Appropriation Account for the year ending 31st March, 2019

Direction Read the following hypothetical situation and answer Q. No. 23 and 24

Pia, Tia and Sia were partners in a firm trading in electrical appliances. They were sharing profits in the ratio of 5: 3 :2. Their fixed capitals on 1st April, 2022 were Rs. 6,00,000 Rs. 8,00,000 and Rs.16,00,000 respectively. After the flood in Uttarakhand, all partners decided to help the flood victims personally. For this, Pia withdrew Rs. 40,000 from the firm on 15th September, 2022. On the same date, Tia instead of withdrawing cash from the firm, took some appliances amounting to Rs. 48,000 from the firm and distributed those to the flood victims. On the other hand, Sia withdrew Rs. 4,00,000 from her capital on 1st January, 2023 and provided a mobile medical van in the flood affected area. The partnership deed provides for charging interest on drawings @ 6% per annum. Interest on capital was allowed @ 10%

23 Interest on Sia's capital will be:

- (a) Rs. 60,000 (b) Rs. 80,000 (c) Rs. 1,00,000 (d) Rs. 1,50,000

24. Interest on Tia's drawings will be:

- (a) Rs. 1300 (b) Rs. 1560 (c) Rs. 2880 (d) Rs. 1440

25. The capital of the firm of Anuj and Benu is Rs. 10,00,000 and the market rate of interest is 15%. Annual salary to the partners is Rs. 60,000 each. The profit for the last three years were Rs. 3,00,000, Rs. 3,60,000 and Rs. 4,20,000. Goodwill of the firm is to be valued on the basis of two years purchase of last three years average super profits. Calculate the goodwill of the firm.

- (a)Rs.1,50,000 (b) Rs.1,80,000 (c) Rs.2,00,000 (d) Rs. 1,90,000

26.

The goodwill of a firm is valued at 3 years' purchase of the average profits of last 3 years. The profits of the last three years were :

Year	Profit (Rs.)
2015 – 16	Rs.4,00,000 (including an abnormal gain of Rs. 50,000)
:	
2016 – 17	Rs.5,00,000 (after charging an abnormal loss of Rs. 1,00,000)

:	
2017 – 18	Rs.2,50,000
:	

Calculate the amount of the goodwill.

27. Sudha, Naresh and Geeta were partners in a firm sharing profits in the ratio of 5 : 3 : 2. Their fixed capitals were Rs.6,00,000; Rs.4,00,000 and Rs.2,00,000 respectively. Besides her capital Geeta had given a loan of Rs.75,000 to the firm. Their partnership deed provided for the following :

- (i) Interest on capital @ 9% p.a.
- (ii) Interest on partners' drawings @ 12% p.a.
- (iii) Salary to Sudha Rs.30,000 per month and to Naresh Rs.40,000 per quarter.
- (iv) Interest on Geeta's loan @ 9% p.a.

During the year Sudha withdrew Rs.50,000 at the end of each quarter; Naresh withdrew Rs.50,000 in the beginning of each half year and Geeta withdrew Rs.70,000 at the end of each half year. The profit of the firm for the year ended 31-3-2019 before allowing interest on Geeta's loan was Rs.7,06,750.

Prepare Profit and Loss Appropriation Account.

28. Naveen, Qadir and Rajesh were partners doing an electronic goods business in Uttarakhand. After the accounts of partnership were drawn up and closed, it was discovered that interest on capital has been allowed to partners @ 6% p.a. for the years ending 31st March, 2017 and 2018, although there is no provision for interest on capital in the partnership deed. On the other hand, Naveen and Qadir were entitled to a salary of Rs.3,500 and Rs.4,000 per quarter respectively, which has not been taken into consideration. Their fixed capitals were Rs.4,00,000, Rs.3,60,000 and Rs.2,40,000 respectively. During the last two years they had shared the profits and losses as follows :

Year Ended Ratio 31st March, 2017 3 : 2 : 1

Year Ended Ratio 31st March, 2018 5 : 3 : 2

Pass necessary adjusting entry for the above adjustments in the books of the firm on 1st April, 2018. Show your workings clearly.

29. Find the value of the goodwill of a firm on the basis of two years' purchase of last 4 years average profits. The profits of the last 4 years were: Rs.30,000, Rs.45,000, Rs. 40,000, and Rs.43,000. The profits of first year includes theft of goods Rs.3, 000, profit of second year includes abnormal gain of Rs.3,000 while profits of fourth year includes speculative profit of Rs.2,000.

- (a).Goodwill Rs.39,000 of the firm.
- (b).Goodwill Rs.75,000 of the firm.
- (c).Goodwill Rs.76,000 of the firm.
- (d).Goodwill Rs.78,000 of the firm.

30. The profits of the firm for last 5 years were as follows:

2010- Rs. 19,000,2011- Rs. 25,000, 2012- Rs.27,000,2013- Rs.30,000, 2014- Rs.33,000. Calculate goodwill on the basis of 2 years' purchase of weighted average profits. The weights were 1,2,3,4 and 5 respectively.

- (a) Goodwill Rs.38,000 of the firm.
- (b) Goodwill Rs.58,000 of the firm.
- (c) Goodwill Rs.48,000 of the firm.
- (d) Goodwill Rs.68,000 of the firm.

31.

A, B and C were partners in a firm sharing profits and losses in the ratio of 3 : 3 : 4. On 1.4.2017 the balances in their Capital and Current Accounts were as follows :

Particulars	Capital Account	Current account
A	4,00,000 Cr.	20,000 Dr.
B	5,00,000 Cr.	10,000 Dr.
C	6,00,000 Cr.	15,000 Dr.

Their partnership deed provided for the following :

- (i) Interest on Capital @ 9% p.a.
- (ii) Salary to A @ Rs. 50,000 per quarter On 1.1.2016 C had given a loan of Rs. 2,00,000 to the firm at 6% per annum interest.

During the year their drawings were A Rs. 40,000, B Rs. 75,000 and C Rs. 55,000. On 1.1.2018, A introduced further capital Rs. 2,00,000.

The net profit of the firm before allowing interest on C's loan was Rs. 4,00,000.

Prepare Profit and Loss Appropriation Account of the firm for the year ending 31.3.2018 and the Current Accounts of the partners.

32. A, B and C were partners. Their fixed capitals were Rs. 60,000, Rs. 40,000 and Rs. 20,000 respectively. Their profit sharing ratio was 2 : 2 : 1. According to the partnership deed, they were entitled to interest on capital @ 5% p.a. In addition, B was also entitled to draw a salary of Rs. 1,500 per month. C was entitled to a commission of 5% on the profits after charging the interest on capital, but before charging the salary payable to B. The net profits for the year, Rs. 80,000, were distributed in the ratio of their capitals without providing for any of the above adjustments. Showing your workings clearly, **pass the necessary adjustment entry.**

HOLIDAYS HOMEWORK
CLASS: XII COMMERCE
SUBJECT: BUSINESS STUDIES

1. Prepare a power point presentation on the topics assigned below and it will presentation in the class by student concerned after summer vacation.

Roll No	Student's Name	Topic Assigned	Roll No	Student's Name	Topic Assigned
1	Aarkity Singh	Management: Meaning and Features	9	Bangkong Perme	Management Principles: Meaning, features and importance
2	Ochin Tararng	Importance Of Management	10	Nasim Khan	Techniques of Scientific Management
3	Osinam Sibo	Objectives of Management	11	Raj Sah	First Seven Principles of Henry Fayol
4	Pushpa Sonar	Levels of Management	12	Shivraj Kumar	Last Seven Principles of Henry Fayol
5	Sikha Upadhyaya	Coordination: meaning, features and importance	13	Sukrit Sah	Principles of Scientific Management
6	Ujen Doima	Management As An Art?	14	Vishal Yadav	Dimensions of Business Environment
7	Abhishek Mahato	Management as Science?	15	Kumkum Yadav	Demonetisation: meaning and features
8	Amal B	Management as Profession?	16	Tushmi Das	Functions of Management

2. Solve the questions given below in Home Work Note Book

Chapter 1

Match the concept of management in column I with their respective definition in column II:

Column I	Column II
A. Process	(i) Doing the task correctly and with minimum cost.
B. Efficiency	(ii) Finishing the giving task on time
C. Effectiveness	(iii) The primary functions or activities that management performs to get things done.

a. (i), (ii), (iii)

c. (iii), (ii), (i)

b. (iii), (i), (ii)

d. (i), (iii), (ii)

2. Hero Ltd.' s target is to produce 10,000 shirts per month at a cost of ₹ 150 per shirt. The Production Manager was able to produce 10,000 shirts at a cost of ₹ 140 per shirt but not within the stipulated time. As a result, there was loss of revenue. In this case the Production Manager is:

- a. effective but not efficient
- b. efficient but not effective
- c. Neither effective nor efficient
- d. All of these

3. 'In an organization employees are happy and satisfied, there is no chaos and the effect of management is noticeable.' Which characteristic of management is highlighted by this statement?

- a. Management is an intangible force
- b. Management is a dynamic function
- c. It is a continuous process
- d. All of the above

4. Assertion (A): Management is a goal oriented process.

Reason (R): Different organisations have different goals. Management integrates the efforts of all members towards achieving these goals.

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

5. Das is the Managing Director of 'Drap Ltd.' , manufacturing different varieties of cheese. He has an efficient team working under him consisting of Mohit - the Production manager, Vikram - the Marketing Manager and Diwakar - the Finance Manager. They understand and interpret the policies made by Das, ensure that their departments have adequate manpower, assign them the necessary duties and motivate them to achieve the desired objectives. Identify the level of management they are working.

- a. Top Level Management
- b. Middle Level Management
- c. Operational Management
- d. All of these

6. In which two functions of management do managers at the top level spend more time than managers at lower level of the organisations?

- a. Planning and Organising
- b. Planning and Controlling
- c. Planning and Directing
- d. Planning and Staffing

7. Assertion (A): There is restricted entry in the case of management.

Reason (R): Management consists of systematic knowledge of concepts, theories and principles.

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

8. Management of Alpha Ltd. has installed a special recycling plant to recycle the waste instead of dumping the waste in ground. It is also providing employment opportunities to local residents. Identify the objectives of management the company is fulfilling.

- a. Organizational objectives
- b. Social objectives

c. Personal objectives

d. None of these

9. “Anyone can be called a manager irrespective of the educational qualification possessed.” Identify the characteristic of the profession in that management does not fulfil in the statement being discussed above.

a. Ethical code of conduct

c. Restricted entry

b. Professional association

d. Service motive

10. Assertion (A): Coordination is not an exclusive function of the top management.

Reason (R): Coordination is the responsibility of all managers of top, middle and operational levels.

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

11. “The main objective of any organization should be to utilise human and material resources to the maximum possible, i.e., to fulfill the economic objectives of a business.” Comment.

12. Why is management considered to be a multi-dimensional/multi-faceted concept?

13. Do you think management has the characteristics of a full-fledged profession?

14. Whether the following statements are true/false:

Coordination is one time function.

b. Coordination is the function of the top management.

c. Planning cannot prevent problems.

15. Arvind and Amar are managers at the same level of management in a company. Arvind says that management is an ‘art’ whereas Amar says that management is a ‘science’. As the director of the company, explain the true nature of management to Arvind and Amar.

16. “Coordination is the essence of management.” Do you agree? Give reasons.

17. Nishtha is a manager of a company selling laptops. She plans the target sale of 2000 laptops per month. She allocates necessary resources to carry out the plan. She has six salesmen working under her. She works with them guiding and motivating them to achieve the target sales. At the end of the month a comparison of actual sales with the target sales she found that actual sales exceeded the target sales.

Identify, by quoting the lines from the above paragraph, the functions of management, Nishtha is performing.

Explain these functions by quoting the lines.

18. The Hockey team want to play whole heartedly. To win the game is their only objective. But their captain does not tell them timely what each one of them is to do. There is no division of work.

The captain of another hockey team divides the work properly at the right time. The work is handed over to all the members of team in accordance with each individual’s skill. But the majority of the team members want to see the captain losing the game. Defeat of such a team is almost definite.

“But their captain does not is to do.” What is lacking as per this line?

Explain the concept discussed above why it is so necessary?

19. Sanjana is the branch manager of ABC Handicrafts Pvt. Ltd. The company’s objective is to promote the sales of Indian handloom and handicraft products. It sells fabrics, furnishings, readymade and household items made out of traditional Indian fabrics. Sanjana decides quantities, variety, color and texture of all the above items and then allocates resources for their

purchase from different suppliers. She appoints a team of designers and crafts people in the company, who developed some prints for bad covers in bright colors on silk. Although they looked very impressive, they were more expensive than they had planned to sell. Average customer could not afford to buy it. Praising their effort Sanjana suggested that they should keep the silk bed covers for special occasions like Diwali and Christmas and offer the cotton bed covers on a regular basis to keep cost under control.

Identify and state the functions of management which Sanjana performs by quoting the lines from the above para.

20. Amar Akbar and Anthony are partners in a firm engaged in the distribution of dairy products in Gujarat state. Amar is a holder of senior secondary school certificate from CBSE with business studies as one of his elective subjects. Akbar had done his post-graduation in history and Anthony in dairy farming. One day there was a serious discussion between Akbar and Anthony regarding the nature of management. Akbar argued that management was a profession whereas Anthony argued against it saying that the legal and medical professions are the only professions because they fulfill all the conditions of profession.

Amar on the basis of his knowledge of business studies explained the nature of management as a profession to Akbar and Anthony.

Explain how Amar would have satisfied both Akbar and Anthony. Q. NO

Chapter 2

1. Which is not the objective of scientific management?

- a. Mental change
- b. Proper selection
- c. Best method of doing work
- d. Reduce labor turnover

2. Science not rule of thumb means:

- a. To replace old methods of doing work
- b. Mutual corporation
- c. Discipline
- d. None of the above

3. From the set of statements given in column one and column two choose the correct pair of statements:

	Column I		Column II
A.	Order	i	Employee turnover should be minimized to maintain organizational efficiency
B.	Stability of Personnel	ii	Management should promote a team spirit of unity and harmony among employees
C.	Harmony not discord	iii	There should be a place for everything and everyone

- a. A-iii, B-i, C-ii
- b. A-i, B-ii, C-iii
- c. A-ii, B-iii, C-i
- d. A-i, B-iii, C-ii

4. One _____ and one _____ for a group of activities having the objective is principle of unity of direction.

- a. Men, Money
- b. Boss, Subordinate
- c. Money, Material
- d. Head, Plan

5. 'The principle of order' is concerned with:

- a. Justice and kindness
- b. Gang plank
- c. A place for everything and everything at its place

d. One boss and one subordinate

6. Scientific management:

a. Adopting hit and trial method

b. Eliminates rule of thumb approach

c. Both (a) and (b)

d. None (a) and (b)

7. After finishing her BBA degree course, Tanya gets a job of Assistant Manager in a retail company through the reference of her cousin Taruna who works in the same company as a senior manager. Taruna decided to guide Tanya through the experience by making her aware of the important facts about management in practice. She tells her that the principles of management does not provide any ready-made solution to all management problems rather it only guides them in taking decision.

Identify the features of principles of management mentioned in the above paragraph.

a. General guidelines

b. Universal applicability

c. Flexible

d. All of these

8. Mental revolution means:

a. Cooperation

b. Harmony

c. Integration

d. All of the above

9. Which principle is being highlighted?

a. Esprit de corps

b. Discipline

c. Order

d. Unity of command

10 Assertion (A): Management principles have to be modified as per the changes in the business environment.

Reason (R): Principles of management are rigid like pure sciences principles.

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

11. Vaibhav Sharma was working as the Production Manager in Crescent Pharmaceuticals Pvt. Ltd. To get his son admitted in school, he wanted to take leave from the office, but on the same day, an important meeting with the Chief Executive Officer (CEO) of the company was scheduled to discuss about some new medicines to be manufactured. Considering the significance of the meeting, he did not take leave. The CEO appreciated his exemplary behavior as he gave priority to the organizational interest over his personal interest.

Name the principle of management being followed by Vaibhav Sharma.

Explain the principle in detail.

12. “There should be an almost equal division of work and responsibility between workers and management.” Do you agree? Give reasons in support of your answer.

13. Explain, giving reasons, whether the following statements are true/false:

A. To motivate the workers ‘Differential Piece Wage System’ should be implemented.

B. Management principles are rigid as principles of pure science.

14. “Principles of management are mainly behavioral in nature.” Do you agree? Give reasons.

15. Ritika Kapoor, the CEO of Mobilo limited firmly believes in providing fair wages to the employees, superior value to the customer, care for the environment and honest dealings with business associates. She also believes that for greater productivity, work should be divided into small tasks and each employee should be trained to perform his/her specialised job. This principle is applicable to a government office where there is a dairy/dispatch clerk whose job is to receive and send mail or documents, a data entry operator whose task is to input data on the computer, a peon and officer etc. This principle is also applicable to a limited company where there are separate departments like production, finance, marketing and research and development(R&D) etc.

A. “...believes in providing fair wages to the employees, superior value to the customer, care for the environment and honest dealings with business associates.” Identify the general principle of management followed here.

- a. Discipline
- b. Initiative
- c. Order
- d. Equity

B. Identify the point of importance of management principles highlighted above.

- a. Principles of management provide the manager with useful insights into real world situations.
- b. Principles of management help in optimum utilization of resources.
- c. Principles of management help managers in scientific/thoughtful decision making.
- d. Principles of management help in fulfilling social responsibility.

C. “... For greater productivity, work should be divided into small tasks and each employee should be trained to perform his/her specialized job.” Identify the principle of management highlighted here.

- a. Unity of command.
- b. Unity of direction.
- c. Division of work.
- d. Esprit de corps.

D. Identify the characteristics of principles of management highlighted in the above para.

- a. General guidelines
- b. Universal applicability
- c. Flexible
- d. Contingent

16. Define principles of management. Explain any three points highlighted the significance of principles of management.

17. What contradiction do you find in the principle of ‘Unity of Command and the technique of ‘Functional Foremanship’ and why?

18. 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 analyzing 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.

19. Explain the technique of “Functional Foremanship and the concept of “Mental Revolution” as enunciated by Taylor.

20. Vignesh completed his MBA at a reputed Business School in Lucknow. He was impressed by the principles and techniques of scientific management developed by FW Taylor. On completing his MBA, he wanted to apply scientific management in his family's business of fast food chain of restaurants named ‘Burger Mania’ .

His main goal was to reduce costs which increased output. To begin with, he wanted to develop a standard method which would be followed throughout the organisation. He investigated traditional methods through work study and unified the best practices. The standard method, i.e. the best way of doing the job was then developed taking into account all parameters right from the procurement of raw materials till the delivery of the final product to the customer. Vignesh also believed that each person should not only be scientifically selected but should also be given the required training to increase efficiency. For this, he set up a special training unit called 'Hamburger' in Bengaluru where the workers were given the required training to increase efficiency. At 'Hamburger' workers were given the required training to learn the best method. At the factory, the ingredients making up a burger were strategically placed to reduce the time taken for excess movements. The Standard Time and other parameters were determined on the basis of work study and Vignesh rewarded the workers for meeting the standard output.

Now, 'Burger Mania' has standardized process, raw material, time, machinery, product and working conditions that ensured the food they send out to their customers as the same high standards of excellence and level of quality in every chain of franchisee.

A. The application of scientific management to every aspect of restaurant operations led to 'Burger Mania' s widespread success.

B. Quoting the lines from the above, explain the principles and techniques of scientific management used by 'Burger Mania' .

Chapter 3

1. The increase in the demand for many Ayurvedic medicines, Health products and services in the past few months, is related to the need for building immunity and an increased awareness for health care due to the spread of Corona virus. || Identify the feature of Business Environment being described above:

- a. Specific and General forces
- b. Interrelatedness
- c. Relativity
- d. None of the above

2. The court issued the order that for vehicles to be smokeless was most essential and that any one violating this order shall have to pay a heavy fine. Identify the dimension of Business environment?

- (a) Economic environment
- (b) Political environment
- (c) Legal environment
- (d) Social environment

3. Entry of new players in the market led Mr. Vivek , the general manager of Clean Purifiers Ltd. to think afresh how to deal with the pandemic situation. Identify the significance of business environment in above case.

- (A) It helps in coping with rapid changes
- (B) It helps the firm to identify threats and early warning signals
- (C) It helps in assisting in planning and policy formulation
- (D) It helps in improving the performance

4. Dino Industries is facing a lot of opposition as it pays salary to women workers as compared to men workers. Which dimension of environment is being violated by the company?

- (a) Social Environment
- (b) Technological Environment
- (c) Legal Environment
- (d) Political Environment

5. Two Big Banner movies were scheduled to be released on the same date, however at the last moment release of one movie had to be postponed due to opposition by a group of people because of some unethical content in the movie. The loss suffered by movie postponed, provided opportunity for the released movie to earn huge amount of revenue. Which feature of business environment is highlighted in the given case?

- a. Dynamic factor
- b. Complexity

- c. Specific and general forces
- d. Relativity

6. Government of India banned several Chinese apps due to face off between China and India on the Line of Actual Control, it created fear in the mind of Chinese investors. Which of the following component of business environment is responsible for the decision?

- (A) Legal Environment
- (B) Social Environment
- (C) Technological Environment
- (D) Political Environment

7. Assertion: Business environment includes both specific and general forces. However, manager should be careful for both forces but give priority or more focus to specific force.

Reason: If work force of Techvia Pvt. Ltd. is not satisfied due to unequal distribution of remuneration, it will affect smooth functioning of the entire

industry and will not affect the functioning of Techvia Pvt. Ltd.

- (a) Both Assertion and reason are true and reason is correct explanation of assertion.
- (b) Assertion and reason both are true but reason is not the correct explanation of assertion.
- (c) Assertion is true, reason is false.
- (d) Assertion is false, reason is true.

8. “According to the Weights and Measures Act, every eatable product should explicitly bear a green dot for vegetarian contents and Red dot for non-vegetarian ingredient “ which key component of the business environment is discussed in the given case.

- a. Social environment
- b. Political environment
- c. Legal environment
- d. Economic environment

9. Maruti was the first company to recognise the need for small cars in an environment of rising petrol prices and large middle class population in India so they become the leader in the small car market. Which importance of business environment is highlighted here.

- a. First mover advantage
- b. Identify the early threat
- c. Adjust with change
- d. None of the above

10. Android mobile was the first unique application for mobile market. After few years this mobile is replaced by some other variants. Which nature of Business Environment is highlighted here.

- (a) Dynamic
- (b) Uncertain
- (c) Complex
- (d) Inter relatedness

11. Miss. Rosy after completing her studies from Canada

comes to India to start a new business under the banner New Bloomer Ltd. She launches a new product in gleaming for Senior Secondary School students in Commerce stream, which already has an established market in Canada but not in India. Her business starts flourishing in India. Now more Indian companies entered into the market with other subjects also.

Identify and quote the lines from above para which highlight the significance of understanding business environment.

12. Read the passage given below and answer the following questions:

SILKY Ltd. is a company which deals in hair products. It has its branches in all the parts of the world. However, the requirements of hair products are different in different parts of the world. This is due to the change in climate and lifestyles of people in the different countries. The market in which it is dealing is known for awareness of health. The more the awareness the more is the demand for such products. Company knows that the demand for these products is unpredictable as new products keep on coming and the industry keeps on changing frequently. There is a research and development department which keeps on updating the latest changes.

1.This is due to the change in climate and lifestyles of people in the different countries.” Which feature of business environment is being highlighted here?

- A. Relativity
- B. Dynamic Nature
- C. Uncertainty
- D. None of these

2.Company knows that the demand for these products is unpredictable as new products keep on coming and the industry keeps on changing frequently.

Identify the feature of business environment, which is being highlighted here?

- A. Complexity
- B. Relativity
- C. Interrelatedness
- D. Uncertainty

3. The requirements of hair products are different in different parts of the world. This is due to the change in climate and lifestyles of people in the different countries. Identify the the business environment dimension which is being highlighted here?

- A.Social Environment
- B.Technological Environment
- C.Economic Environment
- D.Legal Environment

13.The government of India announced Demonetization of ₹ 500 and ₹ 1,000 currency notes with effect from the midnight of November 8, 2016. As a result, the existing ₹ 500 and ₹ 1,000 currency notes ceased to be legal tender from that date. New currency notes of the denomination of ₹ 500 and ₹ 2,000 were issued by Reserve Bank of India after the announcement. The step resulted in a substantial increases in the awareness about and use of Point of Sale machines, e-wallets, digital cash and other modes of cashless transactions. Also, increased transparency in monetary transactions and disclosure led to a rise in government revenue in the form of tax collection.

a. Enumerate the dimensions of business environment highlighted above.

14. The Government encouraged foreign companies to invest in some sectors of retailing. The argument is:

- i Customers can purchase the products of these companies as their income is rising.
- ii It will increase innovations which will provide new ways of producing goods .

This will ultimately improve the quality of life. Identify and explain the Business Environment under four different dimensions quoting the Lines from the above description.

15. CREA is an award winning, innovation led carry solutions Company .When the first lockdown was announced in March,2020, to restrict the spread of the novel coronavirus, the company had its game plan ready. The firm, which designs and manufactures bags for a diverse clientele, spans across cosmetics ,fashion, travel, health and fitness and apparel, quickly pivoted its business. The moment they saw that global lockdowns are in process, they understood that it is going to be a while before the business flourishes again. They immediately acted and started manufacturing PPE kits, masks, etc. during these tough times. They spent five months making PPE kits for the healthcare heroes. Many businesses changed track during the lockdown to meet the consumer demand .But the demand curve again undergoing a shift, post the various unlock phases, it might mean fight or flight for various MSME’ s in the country.

1. Which forces have been covered by CREA in the above case?

- (A) Specific Forces
- (B) General Forces
- (C) Both Specific and General Forces
- (D) None of the above

2. Name the related feature of business environment which has influenced the business of CREA?

- (A) Totality of external forces
- (B) Dynamic nature
- (C) Interrelatedness
- (D)Uncertainty

3. The above case highlights one of the points related to the importance of business environment and its understanding which led the managers to do well even in lockdown , Identify it

- (A) It helps in coping with rapid changes.
- (B) It helps in improving performance.

- (C) It helps the firm to identify threats and early warning
- (D) It enables the firm to identify opportunities and getting the first mover advantage.

4. Identify the related dimensions of business environment which led to the sudden spur in demand for masks and PPE kits?

- (A) Social dimension
- (B) Technological dimension
- (C) Economic dimension
- (D) Legal dimension

16. Deepa and Saniya after finishing their BCOM degree decide to start their own travel agency which will book rail tickets and air tickets on commission basis. They also

thought of providing tickets within 5 minutes through the use of internet. They discussed the idea with their teacher Arbind Kumar who liked the idea and suggested them to first analyze the business environment which consist 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 customer preferences that were taking place and hence, they should be aware of the environmental trends and changes which may hinder their business performance. He emphasized on making plans keeping in mind the threats 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. Identify the components of business environment highlighted in the above paragraph

- (a) economic environment
- (b) social environment
- (c) technological environment
- (d) political environment.

2. Identify the features of business environment as discussed by Arbind Kumar with Deepa and Saniya:

- (a) specific and general forces
- (b) inter-relatedness
- (c) dynamic nature
- (d) uncertainty

3. Identify the points of importance of business environment as stated by Arbind Kumar in the above situation.

- (a) It enables the firm to identify opportunities and getting the first mover advantage
- (b) It helps the form to identify threats and early warning signals
- (c) It helps in tapping useful resources
- (d) The it helps in assisting in planning and policy formulation.

4. Deepa and Saniya after finishing their BCOM decided to start their own travel agency which will book rail tickets and air tickets on commission basis

Which dimension of business environment highlighted here.

- (a) Economical
- (b) Political
- (c) Legal.
- (d) social

17. As per the directions issued by Supreme court, the government passed an order to ban the sale of tobacco products within the area of 200 meters of all educational institutions as :

- (a) it's consumption is injurious to health.
- (b) People are becoming more conscious about health and fitness.

It is indicating the government 's attitude towards this business. Identify the ' Business Environment ' under four different dimensions quoting the lines from the above paragraph.

18. 1. With the election of a new government the senssex drops by 748 points.

2. A particular channel refrains from showing the advertisement of a particular product as it is banned by the government.
3. A software is in high demand among the industrial buyers as it can connect all the branches of a company as a single integrated unit.
4. At the time of holi a large number of manufacturing firms get involved in making colours which are used in the celebration of this colourful festival.
5. It is not advisable to open a luxury car showroom in the middle of an economy where per capita income is very low.

19. 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 analyze 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 emphasized 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.

- (i) Identify and state the component of business environment highlighted in the above Paragraph
- (ii) State any two features of business environment as discussed by Professor Mehta with Naman and Govind.
- (iii) Also state two points of importance of business environment as stated by Professor Mehta in the above situation.

20. India's craft heritage is surviving because of its customs and traditions. Craft products made by craftsmen of Rajasthan, Gujarat, Assam ,etc. are not only used in the country but are also exported to Canada,UK, Australia, Germany and other countries of the world. The volume of exports of these gives India an advantage in balance of payments and the much needed foreign exchange. The prime minister desires that the handicraft industry should be expanded by linking it with technology. Focus should be on changing the manufacturing process, ensuring durability and adopting innovations

Quoting the lines from the above paragraph , explain dimension of business environment.