

BUSINESS STUDIES

Maximum Marks: 80

Time Allotted: Three Hours

Reading Time: Additional Fifteen Minutes

Instructions to Candidates

- You are allowed **additional fifteen minutes** for **only** reading the question paper.
- You must **NOT** start writing during reading time.
- This question paper has **6** printed pages.
- It is divided into **three sections** and has **13 questions** in all.
- All questions are compulsory. Answer **all** questions.
- **Section A** has **sixteen subparts** which are very short answer questions. Each question carries 1 mark.
- While attempting **Multiple Choice Questions** in Section A, you are required to **write only ONE option as the answer**.
- **Section B** has **eight questions** which are short answer questions. Each question carries 4 marks.
- **Section C** has **four questions** which are long answer questions. Each question carries 8 marks.
- **Internal choices** have been provided in **two questions in Section B** and in **one question in Section C**.
- The intended marks for questions are given in brackets [].

Instruction to Supervising Examiner

- Kindly read **aloud** the Instructions given above to all the candidates present in the examination hall.

SECTION A – 16 MARKS

Question 1

- (i) In order to adapt to changing work dynamics and provide flexibility to its employees, ABC Consulting Pvt. Ltd. decided to allocate a project to a group comprising employees in geographically dispersed settings. [1]
Identify the emerging trend in Human Resources used by the ABC Consulting Pvt. Ltd. (Understanding)
- (ii) Which characteristic of Human Resource Management deals with providing competent employees to an organisation, both now and in the future? [1]
(Recall)
- (iii) Observe the relation between the first two words and then fill in the fourth word. [2]
(Analysis)
- (a) Recruitment: Positive :: Selection: _____.
- (b) Verbal communication : Oral communication :: Non verbal communication: _____.
- (iv) As per Maslow's classification of Human Needs, *safety needs* consist of physical safety and _____ safety. [1]
(Recall)
- (v) The Partnership Act limits the maximum number of partners in a non-banking partnership firm to _____. [1]
(Recall)
- (vi) On the basis of _____, Communication may be classified as internal and external. [1]
(Understanding)
- (vii) _____ method of Performance Appraisal eliminates the subjective bias on the part of raters. [1]
(Understanding)
- (viii) Casual leave is a type of leave granted to an employee that can be availed in an unexpected situation or an unforeseen event. [1]
Select the **MOST APPROPRIATE** instance for casual leave. (Application)
- (a) Mr. Aggarwal avails one week leave to take care of his wife who is in her last week of pregnancy.
- (b) Ms. Khan takes one day leave to take her mother to the hospital as she had slipped and injured herself.
- (c) Mr. D'Mello takes three days leave for his knee replacement surgery.
- (d) Ms. Prabhjot takes four days leave to visit her parents in the village.
- (ix) Mr. Rathi, CEO of a firm, frequently travels for work related to business. [1]
However, he ensures that he is present in office every Monday to monitor business operations. On his arrival, his personal assistant, Mr. Varma has to submit a report on the working of the previous week.
Which one of the following reports does Mr. Varma submit?
(Understanding)
- (a) Routine Report
- (b) Special Report

- (c) Statutory Report
- (d) Public Report
- (x) Staff dismissal involves permanent separation of an employee from the payroll. It is a drastic step and should therefore be resorted to with great care. Which one of the following situations indicates staff dismissal? [1]
(Application)
- (a) When an employee has reached the age of superannuation.
- (b) When an employee fails to work according to the job requirements.
- (c) When there is an acute shortage of raw material to continue work in the factory.
- (d) When the employer relieves certain employees to reduce the cost of production.
- (xi) Read the two statements given below and choose the correct option. [1]
Statement I: In order to ensure effective learning, a teacher must minimise the barriers to communication.
Statement II: Communication is incomplete without feedback.
(Analysis)
- (a) Statement I is true but Statement II is false.
- (b) Statement I is false but Statement II is true.
- (c) Both Statement I and Statement II are true, and Statement II is the correct explanation for Statement I.
- (d) Both Statement I and Statement II are true. But Statement II is not the correct explanation for Statement I.
- (xii) State whether the following are True or False:
- (a) SEBI regulates the prices of the securities listed in the market. [1]
(Understanding)
- (b) A public deposit is a deposit made by public in the nationalised banks. [1]
(Understanding)
- (c) Human Resource Management is significant to an enterprise since it provides psychological satisfaction to people. [1]
(Understanding)
- (d) Venture Capital is one of the primary sources of finance for Start-ups. [1]
(Recall)

SECTION B – 32 MARKS

- Question 2** [4]
- (i) Briefly explain *any two* limitations of e-Recruitment as a source of Staff Recruitment. (Understanding)
- OR**
- (ii) Briefly explain *any two* barriers to Communication. (Understanding)

Question 3

With reference to *staff selection*, explain the significance of the following.

(Understanding)

- (i) Application Blank [2]
- (ii) Placement [2]

Question 4

State any four requirements of a sound promotion policy.

(Recall)

[4]

Question 5

- (i) Distinguish between Authoritative and Democratic styles of Leadership on the following basis: (Analysis)

- (a) Effect on motivation and morale
- (b) Development of subordinates
- (c) Speed of work
- (d) Resistance to change

OR

- (ii) Distinguish between Piece rate system and Time rate system of remuneration on the following basis: (Analysis)

- (a) Quality of work
- (b) Wastage of resources
- (c) Attitude of Trade Unions
- (d) Weightage to efficiency

Question 6

What is meant by the following terms with reference to the sources of finance?

(Understanding)

- (i) Peer to peer Funding [2]
- (ii) Factoring [2]

Question 7

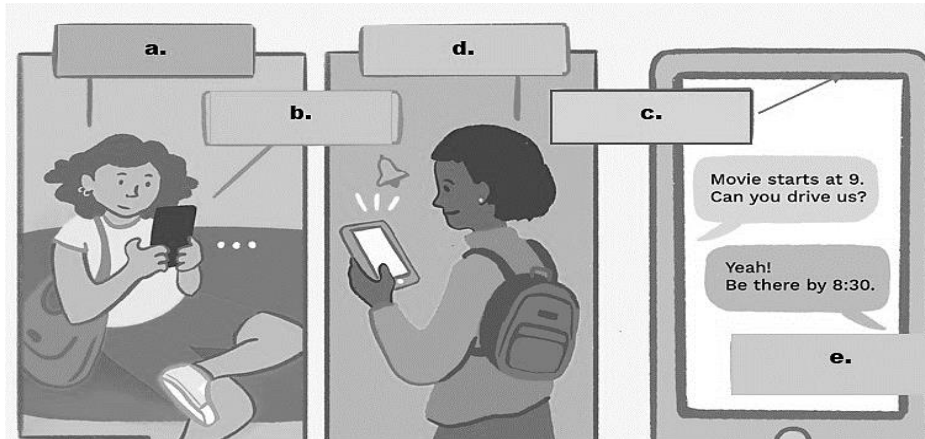
Briefly outline the role of Job Analysis in the following processes.

(Understanding)

- (i) Recruitment and Selection [2]
- (ii) Training and Development [2]

Question 8

Elements of Communication Process



- (i) Identify elements a, b, c and d in the communication process. [2]
(Understanding)
- (ii) Evaluate the significance of element 'e' in the communication process. [2]
(Analysis)

Question 9

ABC Ltd., a well-known IT firm has opened a new branch in Ahmednagar. In order to maintain their standards, the Company is committed to hiring the best brains in the field.

As the HR Manager of ABC Ltd., suggest *any two* strategies that the firm can use to attract suitable candidates. Justify your suggestion. (Evaluate)

SECTION C – 32 MARKS

Question 10

- (i) Name and explain *any two* types of training. [8]
(Understanding)
- (ii) Draw a specimen of a *payslip*. [2]
(Recall)

Question 11

- (i) Briefly explain the following: (Understanding)
- (a) Outsourcing [2]
 - (b) e-business [2]
 - (c) Globalisation [2]
 - (d) Communication [2]

OR

- (ii) Briefly explain the following: **(Understanding)**
- (a) Business Regulators [2]
 - (b) Business Intermediaries [2]
 - (c) Reports [2]
 - (d) Group Insurance [2]

Question 12 [8]

Ms. Chopra has applied for the post of an accountant in a firm in response to its advertisement in a daily newspaper.

Design the letter to be sent by the firm to Ms. Chopra, as she fulfils the criteria for recruitment. **(Application)**

Question 13

Read the passage given below and answer the questions that follow.

IBM's CEO, Arvind Krishna, says, employees' careers could suffer if they work from home. Krishna told Bloomberg in the Monday interview: "In the short term you probably can be equally productive, but your career does suffer. Moving from there to another role is probably less likely because nobody's observing them in another context," he said. "It will be tougher. Not impossible, but probably a lot tougher." He added that remote workers do not acquire skills, such as dealing with difficult clients.

Source (edited): <https://www.businessinsider.in/careers/news/ibm-chief-says-employees-careers-could-suffer-and-promotions-may-be-harder-to-achieve-if-they-work-from-home/articleshow/100013434.cms>

- (i) Identify and explain the type of staff appraisal Arvind Krishna is referring to. [4]
(Understanding)
- (ii) What is meant by *work from home*? [2]
(Understanding)
- (iii) Explain the two ways by which an employee can be moved from one position / department to another in an organisation. [2]
(Understanding)



BUSINESS STUDIES
ANSWER KEY
SECTION A – 16 MARKS

Question 1

In answering Multiple Choice Questions, candidates have to write either the correct option number or the explanation against it. Please note that only ONE correct answer should be written.

- | | |
|---|-----|
| (i) Virtual Teams | [1] |
| (ii) Future-oriented | [1] |
| (iii) (a) Negative | [1] |
| (b) visual communication | [1] |
| (iv) economic | [1] |
| (v) fifty / 50 | [1] |
| (vi) area of operation | [1] |
| (vii) Merit grading | [1] |
| (viii) (b) Ms. Khan takes one day leave to take her mother to the hospital as she had slipped and injured herself. | [1] |
| (ix) (a) Routine Report | [1] |
| (x) (b) When an employee fails to work according to the job requirements. | [1] |
| (xi) (d) Both Statement I and Statement II are true. But Statement II is not the correct explanation for Statement I. | [1] |
| (xii) | |
| (a) False | [1] |
| (b) False | [1] |
| (c) False | [1] |
| (d) True | [1] |

SECTION B – 32 MARKS

Question 2

[4]

- (i) Limitations of e-recruitment
- Both, the employer and the prospective employees must have access to the internet.
 - Both parties must have the required competence to use the internet.
 - Creation of websites involves money.
 - There is no human/personal touch in the process.

(Candidates are required to explain in brief any two limitations of e-Recruitment. Headings are not mandatory. Explanation MUST include key phrases.)

OR

- (ii) Barriers to Communication
- Semantic Barriers
 - Physical and Mechanical Barriers
 - Organisational Barriers
 - Socio-psychological Barriers

(Candidates have to name any two barriers to communication and explain each in brief.)

Question 3

- (i) Application Blank [2]
- Helps in weeding out unsuitable candidates
 - Helps in formulating questions for interview
 - Data can be stored for future reference

(Candidates are required to explain any two relevance of 'filling an application blank' as a step in the selection procedure. They should discuss its significance and not write what it means.)

- (ii) Placement [2]
- Helps to increase work efficiency
 - Satisfaction of employees is ensured
 - Helps in matching the skills of employee and job requirements
 - Reduction in employee turnover

(Candidates are required to explain any two relevance of 'placement' in the selection procedure. They should only focus on its significance and not write what it means or implies.)

Question 4

[4]

Requirements of a sound promotion policy

- Clear Criteria and Eligibility
- Basis of promotion
- Transparency
- Equitable and Non-Discriminatory
- Appeal Mechanism for employees who are not promoted
- Employee Development Programs
- Regular policy review.

(Candidates have to state any four requirements of a sound promotion policy. Each requirement must be written in a sentence or two.)

Question 5

[4]

- (i) *Candidates are required to bring out the difference clearly between Authoritative and Democratic styles of Leadership as per the given basis of distinction. The differences should not be given as one word, rather should be explained in a sentence. Both the concepts have to be explained on the given basis to bring out the difference. Explaining only one concept correctly will not be considered a distinction.*

OR

- (ii) *Candidates have to distinguish between Piece rate system and Time rate system of remuneration as per the given basis. The differences should not be given as one word, rather should be explained in a sentence. Both the concepts have to be explained on the given basis to bring out the difference. Explaining only one concept will not be considered a distinction.*

Question 6

[2]

- (i) Peer to peer Funding
- Peer-to-peer funding involves direct lending and borrowing between individuals without traditional financial institutions.
 - Operates through online platforms connecting borrowers with individual lenders.
 - Participants include borrowers (individuals or small businesses seeking loans) and lenders (individual investors or people willing to lend money for returns).
 - Lenders assume risk and earn returns through interest payments from borrowers.
 - Interest rates are often determined by the borrower's creditworthiness.
 - Connects individuals in need with a community of lenders, potentially benefiting those who may not meet traditional lending criteria.

[2]

(ii) Factoring

- Factoring involves selling accounts receivable (invoices) to a third party, known as a factor.
- Businesses use factoring to receive immediate cash flow by converting invoices into cash.
- This financial strategy transfers the risk of non-payment by customers to the factor, which takes on the responsibility of collecting payment.
- Factors charge fees for their services, usually based on a percentage of the total invoice value, with the discount subtracted from the face value of the invoices.
- Factoring is commonly used in industries with extended payment terms, providing immediate cash flow for businesses in manufacturing, distribution, and services.

(Candidates have to explain the meaning of (i) Peer to Peer Funding and (ii) Factoring by writing at least two distinctive features of each.)

Question 7

(i) Recruitment and Selection

[2]

- Serves as a realistic basis for hiring employees.
- Guides as to what an employee is expected to do on the job.
- A basis for meaningful forecast of job performance.
- Helps in creating job related interview questions and tests that are tailored to evaluate candidates based on the specific requirements of the job.
- Aligns actual demands and expectations of the job roles within an organisation.

(ii) Training and Development

[2]

- Identification of Training Needs
- Content and Curriculum Designing of the training programme
- Targeted Training Programmes
- Helps in evaluation of training programme and further modifications

(The meaning of Job Analysis or Recruitment and Selection or Training and Development is not to be given. The answer should pertain to the role played by Job Analysis in the given processes, clearly establishing how Job Analysis serves as a basis to perform the given functions effectively.)

Question 8

[2]

(i)

- a. Source (sender)
- b. Encoding (message)
- c. Channel & Medium
- d. Receiver

- (ii) Significance of Feedback [2]
- Judges the effectiveness of the message
 - Two-Way Communication
 - Enhanced Relationship Building
 - Conflict Resolution
 - Adaptation to Audience
 - Mutual Understanding
- (Element 'e' in the communication process is Feedback. Candidates have to explain its relevance, and not write its meaning, by explaining any two of the above.)*

Question 9 [4]

- Advertisements
- Campus recruitment
- Placement agencies
- e-Recruitment

(Candidates should write any two strategic ways of recruiting suitable candidates in the light of the situation given in the question. They must justify those two strategies with the reasons or benefits.)

SECTION C – 32 MARKS

Question 10

- (i) [4]
- Orientation/Induction training
 - Job training,
 - Remedial training
 - Safety training
 - Refresher training

(Candidates have to name and briefly explain any two types of training with its distinctive features. Care should be taken to ensure that methods of training are not explained.)

- (ii) [4]
- Candidates have to draw a specimen payslip that incorporates all its elements such as name of the organisation, employee details (name, designation, department, bank account number, etc.), monthly earnings (basic pay, D.A., HRA, etc.) and deductions (P.F., TDS, contribution to staff fund, etc.) and totals.*

Question 11

(Candidates have to explain the meaning of given concepts with the help of their main features in a paragraph.)

- (i) (a) Outsourcing [2]
- Contracting out of certain business functions
 - To an outside/third party
 - Benefits of the third party's expertise
 - Three parties in outsourcing
- (b) e-business [2]
- Business through electronic or telecommunication networks
 - Wider than e-Commerce
 - Can be carried over open networks or closed networks with a gateway to open networks
 - Order is placed electronically and goods/services delivered in tangible or electronic form
- (c) Globalisation [2]
- Entire world as one market
 - Integration of a country's economy with the world economy
 - Economic activities crossing national boundaries
 - Has brought a transformation in the way business is conducted
- (d) Communication [2]
- It is an exchange
 - Facts, ideas, opinions or emotions
 - Between two parties
 - To create mutual understanding

OR

- (ii) (a) Business Regulators [2]
- Constituted or appointed by the government
 - To ensure the functioning of specified individuals and organisations
 - To safeguard the interests of certain sections of the society
- E.g., RBI, SEBI, IRDA FSSAI, ISI
- (b) Business Intermediaries [2]
- Individuals and organisations
 - They act as the middlemen between two different groups of economy.
 - Multiple intermediaries associated with one regulator.
- E.g., Stock brokers, merchant bankers, depositories, mutual funds, etc.
- (c) Reports [2]
- Organised statement of facts
 - It is relating to a particular subject.
 - It is prepared after an inquiry or investigation.
 - It is presented to the interested persons.

- It can be prepared with or without recommendations.

(d) Group Insurance [2]

- Insurance coverage for a group of employees
- Often paid by the employer
- Cost effective
- Tailored plans to meet specific requirements
- Valid only till the employee is working for the employer

Question 12 [8]

As Ms. Chopra, fulfils the criteria for recruitment, an **interview letter** is to be written by the firm to Ms. Chopra. The letter should be written on the **firm's letterhead** comprising all the components of an interview letter and duly signed by the firm's authorised signatory. The alignment of the letter (left-aligned or centre-aligned) should be maintained throughout.

Question 13

(i) Potential Appraisal [4]

It is the process of assessing an employee's future capabilities and suitability for higher level roles within an organisation.

(As IBM's CEO uses the words "career does suffer", it clearly indicates that the type of staff appraisal being referred to is Potential Appraisal.)

(ii) Work from home is a work arrangement where employees perform their job duties remotely, typically from their homes or other non-office locations. It heavily relies on technology such as internet connectivity, digital collaboration tools, etc. [2]

(iii) The two ways by which an employee can be moved from one position/department to another in an organisation are: [2]

Promotion

It is an advancement of an employee's salary, status and responsibilities.

Transfer:

The movement of an employee from one department, or location to another within the same organisation, without any significant change in salary, status and responsibilities is called transfer.