

**Class-XII**

**Business Studies(054)**

1. Recruitment is the process of staffing which creates a pool of candidates for vacancies. It is the process of searching for prospective candidates and stimulating them to apply for the vacancy in the organisation. It is a positive process as it creates a pool of job seekers for the firm.

2. Private Placement is the method that is being used by Gujarat Textiles Ltd to raise funds. It is a method of floating new issues where money is raised only from a selected individuals and institutions. It is being done in order to reduce mandatory and non-mandatory expenses.

3. Autocratic style of leadership indicates that only leader has the right to take decisions. And in these type of leadership, leader takes the decision and expects his subordinate to obey their order. One way communication is followed where only leader has communicates and to give orders to subordinates. Leader doesn't wish to be contradicted for his decision.

4. Controlling is the function of management that is being discussed here. Controlling is a process of checking whether the actions in the organisation is performed as the standards and checks where if deviations if any.

It ~~is~~ is a process where manager keeps an ~~close~~ eye on the activities and take ~~corrective~~ steps if any deviation is seen.

5. Vestibule training under the head of off-the-job-training ~~is~~ ~~can~~ be used by the company. Under these training, employees are sent ~~off~~ campus and trained away from their actual workplace. They are trained with the ~~dumby~~ models of the sophisticated equipment so that they can easily handle such type of equipment at their actual workplace. A similar kind of dumby model is prepared away from workplace and employees are meant to train with them.

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6. Three benefits of training to employees are:

- Training will help in increasing the knowledge and skill of the employee.
- These improved skill will result in higher wages and salaries to employees.
- With the help of training, they would be able to handle sophisticated machines, and will result in accident-prone activities.
- It will improve their self-confidence and it acts as an motivation to them, and will boost morale of employees.

7. Three factors affecting dividend decision of company :-

- Amount of earnings :- Dividend is declared on the bases of current and past earnings of the company.
- Stability of earnings :- Company having stable earnings are likely to declare higher dividend.
- Taxation Policy :- If the tax rate is higher, then company would be providing lesser dividend as the and - vice - versa.
- Growth prospectus :- Companies those who are having growth prospectus in future, are likely to retain their earnings for future and thus providing lesser dividend.

# CONTROLLING

(8) • Efficient use of resources : Controlling sets up standards against which actual performance is measured and due to pre-planned standards there will be less wastage of resources. As all the activities are already planned, it will help in optimum utilisation of resources.

• Improving Employee Motivation : As employee already have an idea of how to proceed and what to achieve due to set up standards, they work accordingly. Controlling measures the performance of the employee and compare it with the standards and provide them feedback or appraise for their work.

Q.

i) Right to safety :- According to these right the consumers have the right to be protected against harmful and hazardous goods in the market. In these particular right their health and safety is protected. Such rights are useful specially when any electronic item gets broken and there is a risk of shock to the consumers or it is even useful for such products that are harmful for the health of the consumers.

ii) Right to Consumer education :- According to these right the consumers have the right to educate themselves about various information like risks and remedies that are available. It even implies that consumer have can learn



about various rights and importance of such rights that can protect them from such <sup>various</sup> malpractices. Consumers can even educate other people who are unaware of the various rights, remedies and reliefs that are available.

Q10. Financial Market is a market which facilitates exchange and creation of financial assets.

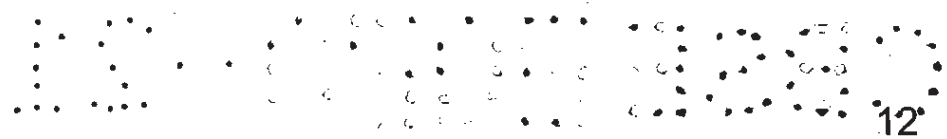
Four functions of financial market are :-

- Mobilisation of savings and channelling them into productive uses :- These determines

that the financial market acts as a link between savers and investors, where they can allot savings to the firms for their best productive uses.

• Facilitates price discovery :- Depending upon the demand and supply of the financial asset price is being fixed. Household acts as suppliers and firms acts as demand.

• Providing liquidity :- There is enough liquidity in such markets which facilitates the the investors to sell and convert it into the cash easily. Financial assets can be a easily converted into cash whenever required.



- Reducing the cost of transactions :-  
Financial Market provides various information related to price, demand, to the investors and the suppliers. Due to these it helps in reducing the time <sup>and money</sup> spent by the both the parties to in searching for various information.



ii) 'Employee's Recommendations' is a type of external source that is being discussed here.

ii) Four advantages of external sources of recruitment are :-

- Qualified Personnel :- External sources provides employees or candidates with sufficient knowledge and qualifications and new skills that existing employee may not have.
- Wider choice :- External sources provides a wider choice for the organization to choose from. It provides a wide range of different candidates.
- Competitive Spirit :- Due to the arrival of new employees, the spirit or sense of competitiveness increases to a larger extent and existing employees work harder for better performance.

• Fresh Talent :- Due to external sources there is induction of new blood in organisation and it along with arrival of new employees, fresh talent in the firm is also included.

12. i) Financing Decision ~~is~~ has to be taken by Finance Manager. It is

ii) Four factors affecting financing decision are:-

• Cost :- Amount of cost that would be incurred during procurement of finance is a major factor affecting the decision. For ex: debentures are less costly than equity. less costly option should be selected.

- Risk Involved :- Amount of risk associated with the source also has to be seen before choosing the source of funds. For ex/ debentures are more riskier than equity. Less risky option should be selected.
- Flotation Cost :- Higher the flotation cost, less attractive the source will become.
- Fixed Operating expenses :- If company is having higher fixed operating expenses, then they should go for equity i.e. less riskier option.
- Cash Flow Position :- If the company wants a stronger cash flow then they should go for debentures.