

Business Studies

Question Paper 2011

Maximum Marks: 80
Time allowed: Three hours

- Candidates are allowed additional 15 minutes for only reading the paper. They must NOT start writing during this time.
 - Answer Question 1 (Compulsory) from Part I and five questions from Part II, choosing two questions from Section A, two questions from Section B and one question from either Section A or Section B.
 - The intended marks for questions or parts of questions are given in brackets [].
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Part-I **(Answer all questions)**

Question 1.

Answer briefly each of the questions (i) to (xv): [15 × 2]

- (i) Define recruitment.
- (ii) Give two points of distinction between training and development.
- (iii) What is the effect of high morale of staff on productivity ?
- (iv) Money is not the only motivator for staff. Justify this statement.
- (v) Explain two limitations of performance appraisal.
- (vi) What is meant by closed system of promotion ?
- (vii) Give two points of distinction between retrenchment and layoff.
- (viii) Why is communication called a two way process ?
- (ix) Explain how attitude and opinion act as a barrier to effective communication.
- (x) What is a letter of enquiry ? Give the name of the letter that is received in its response.
- (xi) Give two advantages of having an 'Appendix' in a report.
- (xii) State any two prerequisites for passing a special resolution in a meeting.
- (xiii) What is a motion in the context of meetings ? When can it become a counter motion ?
- (xiv) What are Phonograms ?
- (xv) With reference to monthly remuneration of staff, write the expanded form of:
 - (a) CCA
 - (b) DA

Answer:

(i) Recruitment is a process of identification of sources of human forces and motivating them to apply for jobs in the organisation. It is a process to discover the sources of manpower to meet the requirements of the staffing schedule. It helps in faster selection of an efficient working force in an organisation. It is a connecting activity bringing together those offering jobs and their waiting jobs. A good plan and managed security initiative will result in better quality jobs seekers. Recruitment brings happiness in an organizations needs and shapes its future. The object of an organisation rely upon how effectively human resources are managed and utilized.

(ii) Two points of distinction between training and development are :

Training	Development
(a) Training means learning expertise and knowledge for doing a specific job. It enlarges job skills. (b) Training is job centered is nature.	(a) Development means the growth of an employee overall. It forms behavior of the employees. (b) Development is career oriented in nature.

(iii) High morale leads to ardent zeal among the workers for good accomplishment. High morale impels employees to make joint efforts fully with the management for achieving organisational aims. It is admitted as the key to higher productivity.

(iv) Money plays an important role in motivation. But money falls to satisfy needs of a higher level or esteem and self actualization to employees money is not the only criteria to work in an organisation. They work for recognition, freedom, status, job satisfaction, stability of employment, opportunity for promotion, participation in management, job enrichment, healthy competition and post retirement benefits.

(v) Two limitations of performance appraisal are :

(a) Inexperience of evaluator : The evaluation might not be trained and experienced to make a right judgement of job performance.

(b) Opposition from trade unions : Trade unions may oppose performance appraisal on the ground that it entails discrimination among its members.

(vi) A sales message offering goods or services to only a specific consumer group e.g. a hotel offers gateway weekend to special to senior over the age of 65. Retrenched employees are promised legally but they will be recalled on job (Last go first come method) when the conditions of business gets better but in Layoff Employees are terminated without any such promise after paying all their legal.

(vii) 2 points of distinction between retrenchment and layoff are: Retrenchment means any termination which is not a discipline may action inflicted on a workmen or VRS or retirement or superannuation or ending of a fixed term contract or termination of service due to continued ill health. Layoff means failing refusal or inability of employer due to shortage of raw material, coal, power, break down of machinery to provide employment.

(viii) Communication is called a two way process because every action has an equal opposite and simultaneous reaction as per Newton Laws of motion. The same logic applies to communication. It is called a two way process because when you communicate there are two subjects involved here one is

(a) the person who is communicating and

(b) the person is listening. Ex. When you talk to your friend – two people are involved when you are talking to a group two sides are involved.

When you are writing one side is you (you are writing your thoughts) the receiving side is – people who read what you have written (that is second subject here). So it is very important that not only you are sure of what you are talking but also people who are listening to you are sure they understood it is the right way.

(ix) Attitude and opinion act as a heavier to effective communication because the influence of „ attitude which is the predisposition to act or not to act in a certain way it is a mental position involving a fact or state. Clearly, if people have made up their minds they cannot objectively listen to what is said.

(x) A Letter of inquiry also known as a prospecting letter of interest is sent to companies that may be hiring but haven't listed specific job openings. Letter of inquiry should contain information on why the company interest you and why your skills and experience would be an asset to the company. Also provide information on how you will follow up and when you can be reached. Our L.O.E. will receive a prompt response indicating to better or not we are unable to review L.O.E. that are incomplete.

(xi) (i) (a) It contains statistical data or tables, graph list of persons or witnesses etc.

(b) It helps to explain and support the contents and conditions of the report.

(ii) An amendment may be moved with or without any previous notice. It need not be in writing or seconded. But it should not in whole change the motion, otherwise it will become a counter motion.

(xii) 2 Prerequisites for passing a special resolution in a meeting are :

(a) A notice of intention to move the resolution should be given to the company at last 14 days before the date of the meeting.

(b) On receipt of the notice, the company immediately give notice of such resolution to its worker's in the same as the notice of any general body is given to the members.

(xii) A motion is a proposal or proposition raised at a meeting and submitted for consideration, debate, vote, discussion and decision.

(xiv) A phonograms is a spelling pattern or word family. There are 37 most frequently used patterns. From these patterns a child carmaster.

(xv) (a) CCA – Compensatory City Allowances

(b) DA-Dearness Allowance

Part-II **(Answer any five questions)**

Question 2.

(i) Explain any four important steps that may be adopted by an organization in its staff selection procedure. [8]

(ii) Write a note on advertisement as a source of recruitment. [6]

Answer:

(i) Four Important steps that may be adopted by an organisation in its staff selection procedure are:
Preliminary Interview: The preliminary interview is usually brief and it helps in deleting the totally unsuitable candidates. If an applicant is eliminated at this stage the organisation will be saved from the skill of processing him through the remaining steps of selection procedure. It may take place across the counter in the organisation employment office. It may be carried out primarily to determine whether it is worthwhile for the applicant to fill in an application form. However, some organizations follow the practice of holding preliminary interviews after receiving applications from the candidates. The job seekers will be called for the employment tests and interviews only if they get through the preliminary interview.

Receiving Applications: An application form is designed to get a written record of the candidates qualifications, experience and any other specialty. There is a high degree of similarity between the application form of different organisation. The data obtained from the application form is useful is determining the suitability of the candidate.

Group Discussion : Group discussion can also be conducted for selecting candidates. In this method four or five candidates are brought around a conference table and are asked to discuss on a given issue or topic. The candidates discuss and the selection panel observes them carefully and ranks them according to merit.

Reference Check: The persons named in the application form by the candidate are contacted for cross-checking the candidate's character, behavior, initial background, etc. Some organizations send the details of the candidates to local police station for verifying his character.

(ii) Advertisement as a source of recruitment are as follows :

Mass Reach: Through the medium of advertisement, the information can be sent to a large number of people. The people are made aware by the manufacturer about his product. For example, an advertisement in the newspaper gives information to lakhs of people. Similarly, an advertisement given by the manufacturer in a TV channel gives information about the product in every corner of the country.

Enhancing customer satisfaction and confidence: Advertising creates confidence amongst prospective buyers as they feel more comfortable and assured about the quality of the product and hence feel more satisfied.

Expressiveness: With the development in arts, computer designs advertising has developed into one of the most forceful medium of communication. The information with special effects make it very attractive which stimulates the potential buyer to buy the product.

Economy : Advertising is a very economical means of communication because it reaches a very large number of people. So it is an economical technique as compared to other promotional techniques. Its cost per customer is very low.

Question 3.

(a) Explain any four types of staff training. [8]

(b) 'Post-training activities are an important part of a training programme'. Explain post training activities. Why are they important ? [6]

Answer:

(a) Four types of staff training are :

On the job training :

This method of training enables workers to be trained under the same working conditions with the same process and devices used to perform the jobs. Here, workers are trained on the job and at their work place. Workers are trained on the same machines while doing the same work expected of them. It is learning practically. Some of the major techniques on the job methods of training are :

- Coaching
- Job rotation
- Temporary promotion

- Special committees
- Assistant to position

Off the Job Training:

This method of training is designed to impart training to personnel by providing them the required knowledge and skills away from the job and work place. It provides an opportunity to their employees for meeting people from other departments or organisations. Here, employees are exposed to new ideas and experiences. Some of the major techniques off the job methods of training and listed as follows:

- Lectures
- Conferences
- Seminars and workshops
- Sensitivity training

Orientation Training:

This method of training is designed to help a new entrant to adapt himself to the new environment. It consists of familiarizing new employees with their jobs introduction to their colleagues, organisational policies etc. It helps newly recruited staff to adapt themselves with the new work environment. This training creates self confidence among new workers. It promotes a feeling of belonging and loyalty among new employees. Hence employee is given a full description of the job which he is expected to do.

Refresher training:

This method is designed to help existing staff with training in the latest development in their jobs and technology. It has become necessary for the workers to bring back and refresh the knowledge and to take to a higher point of skills in order to manage fast changes in technology. Such training helps in refreshing the memory of employees. It replaces old knowledge with current work aptitudes.

Apprenticeship training:

This method of training is used to prepare employees for a variety of skilled occupation and crafts. Here, a junior worker is attached to an experienced worker. The worker learns while observing his senior and helping him in the task.

Vestibule training:

This training is conducted away from the actual work place. Guidance are provided to workers on special machines in a separate classroom. The working environment of the classroom is artificial but it is just like the actual conditions. In this way the employees recover from their starting nervousness before going into an actual work setting.

(b) Post training :

They are important because the learner is put at ease and he is taught and trained. He is bold of the result of the outcome of the total work, the necessity for each place in the job, the relationship of the job to the total work. The instructions should be clear. The trainee is trained to do the job and even though he might make mistake. Besides this, in the training programme the feedback through followup helps to rectify mistake. This makes the training process effective.

Post training activities include presentation (action plan of training). Performance tryout and follow up. In all these places of training the trainee demonstrates and illustrates each step of job. He is made to do job several times so that his mistakes are corrected. The effectiveness of the training programme is evaluated and wherever necessary correction can be done. Later training programme can be designed.

Question 4.

(a) What is meant by staff transfer in an organisation ? Explain any three types of staff transfers. [8]

(b) Performance appraisal of an employee can be conducted by his immediate superior. Give three advantages of conducting this type of performance appraisal. [6]

Answer:

(a) Staff transfer is the movement of an employee from one job to another (or from one organisation to another) without any increase in pay, status or responsibilities. Usually, transfer takes between jobs (or offices) paying slightly the same salaries. A slight change in responsibilities, duties and pay increasing may also occur. Transfer is an important source for internal recruitment. A transfer may take place at either at the intention of the employer or at the request of the employee concerned. "A transfer involves the shifting of an employee from one job to another without special reference to change in responsibilities (or compensation)" Dale Yoder, "A transfer involves a change of jobs without any significant increase in responsibility or income."

Three types of staff transfers are :

Production transfer: Production transfer arises when there is need for more workers in one factory (or plant) and surplus workers in another factory (or plant). In such a situation workers are transferred from the over staffed factory to the under staffed factory. It helps to establish the employment in the organisation and prevents layoff of workers.

Replacement transfer: Replacement transfer arises when an employee with a long service is transferred in other department to replace an employee with shorter service. Such a replacement is also known as bumping. This transfer helps to retain the long service employees as long as possible during a period when there is high pressure of work.

Versatility transfer: Versatility transfer arises for the purpose of preparing the employees for production transfer as well as replacement transfer. This transfer helps to develop all around proficiency among the employees. It is a tool in the hands of management to have a more versatile group of employees. The necessity of such a transfer can be increasingly felt as part of a continued re-training programme.

(b) Performance appraisal of an employee can be conducted by his superior. Three advantages of conducting this type of performance appraisal are :
A confidential report is prepared by the employees immediate superior. This report covers a range of aspects of an employee (such as strength, weakness, major achievement, failure, personal traits etc.). It is an elaborate appraisal mainly used for promotion and transfer purposes.

This type of performance appraisal is found in most Government organisation.

This appraisal involves a lot of subjectivity because it is based on impressions rather than on data.

Question 5.

(a) Write short notes on :

(i) Dictaphone

(ii) Telefax

(iii) Public address system. [12]

(b) What are cellular phones ? Mention two basic services provided by cellular phones :
[2]

Answer:

(a) Dictating machine is a machine which is used to take dictation from the higher authorities. It is used for transmitting oral messages and operates just like a audio tape recorder. There are two parts of a dictating machine namely Dictaphone and Ediphone. Notes are dictated to the Dictaphone through a mouthpiece and the uttered words are transcribed on a moving disc made of wax. The message so recorded is played back by the typist to help him to type the message

Telefax : This is a device for transmitting drawings sketches diagrams from one place to . another. It transmits copies of important documents from one place to another at the speed of a telephone call.

Public Address system : The system of communication is useful for calling staff and give information (or instructions). This system is usually installed in railway stations, airports, factories, offices etc. Under this system a loudspeaker is used to broadcast the appeal intended for the very noisy system and disturbs every employee.

(b) Cellular phones are devices which facilitates transmission of messages while moving the two basic services provided by cellular phones are :

- A person can make a call directly with his mobile phone from any place in the city.
- Calls can be received directly from any place. It is a very convenient system of communication but it is very costly.

Question 6.

(a) Discuss the advantages of written communication. [8]

(b) Explain the following with the help of examples :

(i) Routine and Special Reports.

(ii) Informational and Interpretative Reports. [6]

Answer:

(a) The advantages of written communication are :

- It may be transmitted to various persons simultaneously.
- It provides a permanent record for future references.
- It is more operative than verbal communications.
- It is an ideal way of conveying lengthy messages.
- It is a methodical communication and it carries more weight.
- It can be cited as legal evidence in the case of controversy.

(b) Routine and Special Reports : These reports are required to be prepared and submitted periodically on matters required by the organisation so as to help the management of the organization to take decision in the matters relating to day to day affairs. The main objectives of R/R are to let the management know as to what is happening in the organisation, what is its progress, where the deviation is, what measures have been taken in solving the problems and what to do so that the organisation may run smoothly and efficiently. R/R are generally brief giving facts. Generally forms are prescribed for preparation submission of such report.

Special reports : Such a type of report is specially required to be prepared and submitted on matters of special nature. Due to an accident occurred the foreman has accused in a factory. The factory manager may ask for a detail report from the head foreman. Such a report is classified as special reports.

Informational and Interpretative Reports: An informal report presents the data collected or facts observed an organised form e.g. a report containing only the data on deposits and advances of a branches at the year end.

An interpretative report is a report which not only contains facts but also interpretation or conclusions. It may also contain recommendations for action, e.g. if causes for dissatisfied position of advances and deposits and suggestions for betterment of the position are included in the informational report mentioned above the report would become an interpretative report.

Question 7.

- (a) Explain four important powers and four important duties of a Chairman presiding over a meeting. [8]
- (b) With reference to a Statutory Meeting, answer the following questions : [6]
- (i) When can it be called ?
 - (ii) Why is it called ?
 - (iii) What is the frequency of this meeting ?
 - (iv) List any two contents of statutory report.
 - (v) Name the two types of companies that need not hold such a meeting.
 - (vi) Name the two types of companies that 'must' hold such a meeting, as per the Indian Companies Act 1956.

Answer:

(a) Four powers of a chairman presiding over a meeting are :

- To conduct the proceeding of the meeting according to the rules and regulations.
- To expel any unruly and adamant members and get him ejected.
- To decide on the priority of speakers.
- To decide points of order regarding validity of the procedure and give his ruling which is final.

Four duties of a chairman presiding over a meeting are :

1. He must make it certain that the meeting is summoned and constituted in the right way.
2. He must make it certain that the business done at the meetings are properly managed.
3. He must make it certain that the provision of the Act and Articles are followed.
4. He must ensure that the meeting is not unruly.

(b) A statutory meeting is called after one month but before 6 months from the date of commencement of business. A statutory meeting is called once in the life time of a public company.

It is called to familiarize shareholders with all important matters relating to a new company.

It is held only once in the life time of a public company.

Two contents of statutory reports are :

- The total number of shares allotted, amount paid up thereon and the consideration for which they have been allotted.
- As summary of cash received and paid and the amount in hand.

Two types of companies that need not hold such a meeting are :

- private company
- a company limited by guarantee and not having a share capital.

Two types of companies that 'must' hold such a meeting as per Indian Companies Act 1956 are

1. Public limited companies limited by shares
2. Public limited companies limited by guarantee and having a share capital.

Question 8.

(a) Draft a letter of appointment for a school teacher offering her the job of an English teacher in a primary school. [8]

(b) What are the advantages of a centralized mailing department in an organization ? [6]

Answer:

(a)

144 AJC Bose Road
Kolkata – 700014
24th April 2011

To,

Mrs Jqnes
166/A Rafi Ahmed Kidwai Load
Kolkata 700016

Dear Madam,

Re : Appointment for the post of school teacher.

This letter is to bring to your attention that is reference to your interview attended on 23rd March 2011 at the Principal's office in our school. We are pleased to appoint you

as an English teacher in our primary school. You shall be informed your scale of pay, leave entitlement, house rent allowance and other perks later on upon the receipt of your confirmation.

Hope you are eager to join us.

Thanking you,

Yours faithfully
Alisa Mitra
(Principal)

(b) The advantages of a centralized mailing department are :

(i) High degree of specialization: It makes certain that specialization in the mailing service is ensured. Specialization enables precision and rapidly in the work.

(ii) Uniformity in standard: It maintains consistency in the standard of quality and approach. This system ensures standardization of all correspondence made by the business hours.

(iii) Better quality of work: It increases efficiency of work in their entails good output. As a consequence the degree of work become better and the organisation attains a good reputation.

(iv) Better supervision and coordination : A well trained and expert supervision may be appointed to lead the dispatching department. Better supervision would ensure an ever and quick performance of mailing operations.

(v) Saving time and money: Mailing operations can be methodical under this system. Proper methods can be set forth and brought into union with mailing operations. This would make for savings in time and money.

(vi) Increase in efficiency: It increases efficiency of employees as they specialize in looking after the correspondence only.

(vii) Keeping away duplication of work: All types of corresponding (inward, outward and inter department are changed to the central mailing department. As a result duplication of endeavor is stopped.

(viii) Use of modern equipment: The mechanization of the mailing dept, is possible under this system. Various labor-saving devices (folding and sealing machines, fracking machines can be used in the best way.