



$A = \frac{m}{(m^2 + c)^2}$



NIOS PYQ's SOLUTIONS

$\sqrt{a} = bc^2$ $\sqrt{r-x^2}$

PREVIOUS YEARS' QUESTIONS & ANSWERS



APRIL-2025

Your Path to Success



SECTION - A



Q 1 Which factor is included in the economic environment?

- (A) Tax policies (B) Cultural values
(C) Demographic changes (D) Social trends

Answer – (A) Tax policies

Q 2 Which of the following is not a step in the planning process?

- (A) Setting objectives (B) Developing premises
(C) Staffing employees (D) Implementing the plan

Answer – (C) Staffing employees

Q 3 'India selling spices to the USA' is an example of:

- (A) import trade (B) retail trade
(C) export trade (D) internal trade

Answer – (C) export trade

Q 4 The full form of B2C in E-commerce is:

- (A) Business-to-Consumer (B) Business-to-Company
(C) Buyer-to-Company (D) Buyer-to-Consumer

Answer – (A) Business-to-Consumer



Q 5 The market where already issued securities are traded is called:

(A) primary market

(B) secondary market

(C) money market

(D) capital market

Answer – (B) secondary market

Q 6 Entrepot trade refers to:

(A) importing goods for local consumption

(B) exporting goods to another country

(C) importing goods and then re-exporting them without using them

(D) trading within the same country

Answer – (C) importing goods and then re-exporting them without using them

Q 7 Which of the following best describes a private company?

(A) Can issue shares to the public

(B) Must have at least 7 members

(C) Restricts transfer of shares

(D) Requires a minimum capital of 1 crore

Answer – (C) Restricts transfer of shares



Q 8 A self-employed person earns money through:

- (A) monthly salary (B) profits from business or services
(C) government pension (D) daily wages

Answer – (B) profits from business or services

Q 9 Which source of finance does not require repayment?

- (A) Loans (B) Equity shares
(C) Debentures (D) Bonds

Answer – (B) Equity shares

Q 10 Which form of advertising allows direct interaction with the audience?

- (A) Television (B) Radio
(C) Internet advertising (D) Newspaper

Answer – (C) Internet advertising

Q 11 The main purpose of performance appraisal is to:

- (A) fire employees (B) evaluate employee's performance
(C) reduce workload (D) increase competition among employees

Answer – (B) evaluate employee's performance



Q 12 The document that contains rules and regulations for the internal management of a company is:

(A) Articles of Association

(B) Memorandum of Association

(C) Prospectus

(D) Balance Sheet

Answer – (A) Articles of Association

Q 13 Debentures are a type of:

(A) equity financing

(B) debt financing

(C) short-term financing

(D) government subsidy

Answer – (B) debt financing

Q 14 Which of the following is not a type of internal trade?

(A) Wholesale trade

(B) Retail trade

(C) Import trade

(D) Local trade

Answer – (C) Import trade

Q 15 The first step in the controlling process is:

(A) taking corrective actions

(B) setting performance standards

(C) comparing actual performance

(D) identifying deviations

Answer – (B) setting performance standards



Q 16 Which of the following is a component of financial planning?

- (A) Determining capital requirements (B) Making business policies
(C) Managing human resources (D) Selling goods to customers

Answer – (A) Determining capital requirements

Q 17 Which of the following is an example of the legal environment?

- (A) Banking policies (B) The Consumer Protection Act
(C) Inflation rate (D) Population growth

Answer – (B) The Consumer Protection Act

Q 18 Which of the following is not a financial market instrument?

- (A) Commercial paper (B) Certificate of deposit
(C) Treasury bills (D) Consumer goods

Answer – (D) Consumer goods

Q 19 Which of the following government schemes supports self-employment in India?

- (A) Pradhan Mantri Awas Yojana (B) MUDRA Loan Scheme
(C) Mid-day Meal Scheme (D) Sarva Shiksha Abhiyan

Answer – (B) MUDRA Loan Scheme

Q 20 The payment method in which customers pay when goods are delivered is called:

- (A) prepaid payment (B) cash on delivery (CoD)
(C) net banking (D) credit card payment

Answer – (B) cash on delivery (CoD)



SECTION - B



Q 21 Fill in the blanks :

(a) _____ refers to buying goods from the manufacturers or wholesalers and selling the same to the final consumers.

Answer – Retail Trade

(b) _____ refers to buying of goods in large quantities from producers or manufacturers for sale to other traders.

Answer – Wholesale Trade

Q 22 Give any two examples of self-employment.

Answer –

1. Running your own grocery store.
2. Offering your services as an independent graphic designer or mechanic.

Q 23 Give two characteristics of internal trade.

Answer –

1. This is done within the geographical boundaries of the country.
2. Payments are made in the country's local currency (such as the rupee).

Q 24 Name any two E-commerce business.

Answer – Amazon , Flipkart

Q 25 State the elements of directing.

Answer – Elements of Directing



1. Supervision
2. Communication
3. Leadership
4. Motivation

Q 26 Mention any two qualities required for self-employment.

Answer –

1. **Self-confidence:** Having trust in your own decisions and abilities.
2. **Risk-taking Ability:** Readiness to face uncertainties.

Q 27 State whether the following statements are True or False :

(a) The business environment is static in nature.

Answer – False

(b) The changes in business environment are unpredictable.

Answer – True

Q 28 (a) What is financial leverage?

(b) How is it calculated?

Answer – (a) Financial leverage refers to the amount of debt in the capital structure of a business. It indicates **financial risk**. It means how much debt capital (such as debentures or loans) a company is using in comparison to equity shares in its total capital. If a higher amount of debt is used, the financial leverage is higher.



(ख) इसकी गणना कैसे की जाती है?

उत्तर: Financial leverage is calculated by the following formula:

$$\text{Financial Leverage} = \frac{\text{Earning Before Interest and Tax (EBIT)}}{\text{Earning Before tax (EBT)}}$$

Here:

- **Earnings Before Interest and Tax (EBIT)** : This is also called Operating Profit.
- **Earnings Before Tax (EBT)** : This is the income after deducting interest but before paying tax.

Q 29 Alliance Ltd. is engaged in manufacturing plastic buckets. The objective of the company is to manufacture 100 buckets a day. To achieve this, the efforts of all departments are coordinated and interlinked and authority-responsibility relationship is established among various job positions. There is clarity on who is to report to whom. Name the function of management discussed above. Give its importance.

Answer – Name and Importance of Management Function in Alliance Ltd.

- **Name of Function** : Organizing
- **Importance** : It clarifies the authority-responsibility relationships between different workplaces and ensures the optimum utilization of resources.

Key Terms:

- Organizing
- Authority-Responsibility Relationship
- Optimum Utilization of Resources



Q 30 Give two examples of advertising medium.

Answer – Two Examples of Advertising Media :

- Newspapers
- Television

Q 31 Name the following with reference to a joint-stock company:

(a) The official signature of a joint-stock company

(b) The elected representatives of the members who manage the day-to-day affairs of the joint-stock company

Answer – (a) Authorized Signature : Common Seal

(b) Elected Representatives : Board of Directors

Q 32 Identify the following financial decisions:

(a) Decision relating to long-term investment in fixed assets

(b) Decision relating to short-term investment in current assets

Answer – (a) Long-term investment in fixed assets : Capital Budgeting Decision

(b) Short-term investment in current assets : Working Capital Decision

Q 33 Differentiate Debt from Equity.

Answer – Debt is an external liability on which it is mandatory to pay interest at a fixed rate, whereas

Equity represents the company's own ownership funds on which dividends are paid only when there are profits.



Q 34 Give one-word for the following:

(a) The component of marketing mix that relates to channels of distribution

(b) The component of marketing mix which persuades and influences the consumers

Answer – (a) Components related to distribution channels: Place/Physical Distribution

(b) **Components influencing customers:** Promotion

Q 35 Name any two money market instruments.

Answer – Money Market Instruments

- Treasury Bill
- Commercial Paper



SECTION - C



Q 36 Give the full forms of the following:

(a) ECB

(b) FCCB

Answer – (a) ECB - External Commercial Borrowings

(b) **FCCB -** Foreign Currency Convertible Bonds

Or



Give the full forms of the following:

(a) SFI

(b) GDR

Answer – (a) SFI - State Financial Institutions

(b) GDR - Global Depository Receipts

Q 37 State any two objectives of 'Make in India' initiative of the Government of India.

Answer – (a) To make India a global manufacturing hub.

(b) To promote investment in the country and create new employment opportunities.

Or

State any two benefits of 'Digital India'.

Answer –

- To ensure the digital availability of government services, which increases transparency.
- To reduce paperwork and speed up work through the internet.

Q 38 State any two features of advertisement.

Answer –

- In this, there is no direct contact between the advertiser and the customer.
- The advertiser has to pay the media for the advertisement.

Q 39 Explain the following terms of trade :

(a) Cash on Delivery (CoD)

(b) Free on Board (FoB)



Answer – (a) Cash on Delivery (CoD)

In this, the customer has to make the payment only when the goods reach their hands (at the time of delivery).

(b) Free on Board (FoB)

In this, the seller is responsible until the goods are loaded onto the ship; after that, the risk lies with the buyer.

Q 40 Lalit has joined a manufacturing firm as a worker. He has recently started working on the shop floor. The management is quite liberal and has allowed the workers to form a hockey club. The workers assemble and play hockey in the evening after the completion of their work. Which type of organization is the hockey club? Give any one limitation of this form of organization.

Answer –

Type of Organization : Informal Organization.

Limitation : Rumors spread very quickly in this, which can adversely affect the work.

Q 41 What is Public-Private Partnership form of organization? State its any one feature.

Answer – Meaning: It is a long-term agreement between the government and the private sector to provide public services (such as roads, schools).

Feature: In this, resources, risks, and rewards are shared by both parties.

Or



What is one-person company (OPC)? State its any one feature.

Answer – Meaning : A company that has only one person as its member or owner.

Feature : The liability of the member is limited, meaning their personal assets remain protected.

Q 42 What is sales promotion? Name any two promotional tools used by business.

Answer – Meaning : Short-term incentives used to increase sales.

Methods:

1. Rebate/Discount
2. 'Buy 1 Get 1 Free' offer.

Or

State any three objectives of sales promotion.

Answer – Three Objectives of Sales Promotion

- To launch new products in the market.
- To clear old stock quickly.
- To attract new customers.

Q 43 Best Manufacturers Ltd. is a car manufacturing company. The production, sales and marketing departments need to work together to ensure smooth operations. The sales team promised early delivery of cars to customers, but the production team could not meet the deadlines due to delay in raw material supply. This led to customer dissatisfaction and a decline in the company's reputation.

(a) Which management function is missing in Best Manufacturers Ltd.?



(b) Mention any two problems which the company is facing because of the missing function.

Answer – (a) Missing Function: Coordination.

(b) Two Problems:

1. Delay due to a lack of harmony/synergy between departments.
2. Customer dissatisfaction and a decline in the company's popularity (brand image).

Q 44 Explain the following: (a) Direct marketing (b) Internet marketing (c) Telemarketing

Answer – (a) Direct Marketing : Contacting customers directly to sell goods, such as through personal mail or phone calls.

(b) Internet Marketing : Advertising and selling products through social media, email, and websites.

(c) Tele-marketing : Using telephone calls to inform customers about products and take orders.

Q 45 Explain the following:

(a) Planning is pervasive

(b) Planning is a continuous process

(c) Planning is futuristic

Answer – (a) Planning is Pervasive : It is required at every level of management.

(b) Continuous Process : A new plan must be created as soon as goals change; it never stops.



(c) Future-oriented (Forward-looking) : It is meant for the future so that upcoming challenges can be faced effectively.

Or

Explain the following:

(a) Objectives

(b) Strategy

(c) Policy

Answer – (a) Objectives : The end results that an organization seeks to achieve.

(b) Strategy : A comprehensive plan designed to win against competitors.

(c) Policy : General guidelines or rules established by management for decision-making.

Q 46 What are consumer cooperative stores? State their merits.

Answer – Meaning : A shop formed by consumers together where goods are available at fair prices.

Benefits:

1. Elimination of middlemen.
2. Guarantee of purity and correct weight of goods.



Q 47 Differentiate between WTO and GATT

Answer –

Feature	GATT	WTO
Nature	It was a provisional agreement with no legal status.	It is a permanent international body with a legal status.
Scope	Covered only trade in goods .	Covers trade in goods, services, and intellectual property .
Disputes	Dispute resolution was slow and weak.	Has a fast and powerful dispute settlement mechanism.
Frequency	Rules were applied through "rounds" of meetings.	Rules are permanent and binding for all members.

Or

What is a franchise form of retail trade? State its any three features.

Answer – Meaning : The right to conduct business by using the brand name and logo of a well-known company.

Features:

1. Royalty must be paid to the company.



2. Quality standards set by the company must be maintained.
3. The company provides training and support.

Q 48 Explain the stages in online transactions.

Answer – Registration : Creating an account on the website.

Placing an Order : Adding items to the cart and confirming the order.

Payment : Making payment via credit card, net banking, or Cash on Delivery (CoD).

Or

What options are available for securing online transactions? Explain.

Answer –

- Keep passwords and PINs confidential.
- Use secure payment gateways (HTTPS).
- Do not perform transactions on Public Wi-Fi.

Q 49 Sun Print India Ltd. makes greeting cards for different festivals and occasions and is flourishing well. During the time of Diwali and New year, the production and selling of cards reaches a new high. The company exists in an environment which is democratic and there are rules for every business firm. Once you step out of the company there are customers, competitors, government authority and almost everything one can think of. The company appears to have a promising future. However the firm will have to understand the close relationship between various elements of the business environment around it.

(a) In the above case, which dimension of business environment is highlighted?

(b) Why is it significant for the business to understand its environment?



Answer – (a) Dimensions of Business Environment : The above situation highlights the Political and Legal dimensions of the business environment. The reference to a 'democratic' setup indicates the Political Environment, reflecting the government's ideology and stability. On the other hand, the mention of 'rules and regulations' points toward the Legal Environment, within which every business firm must operate.

(b) Importance of Understanding the Environment : Understanding the environment is crucial for any business for the following reasons:

1. **Identification of Opportunities :** Environmental analysis helps a business identify future benefits or opportunities early, allowing it to gain the 'First Mover Advantage.'
2. **Identification of Threats :** It alerts the business to upcoming obstacles or external threats, enabling timely protective measures.
3. **Utilization of Resources :** By understanding the environment, a firm gathers only those resources that are in demand in the market, thereby reducing wastage.

Q 50 Explain the steps in the process of planning.

Answer – Planning means deciding in advance what is to be done and how it is to be done for the future. The main steps of its process are as follows:

- **Setting Objectives :** First, the goals of the organization are clearly defined.
- **Developing Premises :** Certain assumptions and forecasts are made about the future.
- **Identifying Alternatives :** A list of various possible ways to achieve the goals is prepared.
- **Evaluation and Selection :** All alternatives are compared, and the best and most profitable method is chosen.
- **Implementing the Plan :** Finally, the plan is put into action and its progress is continuously monitored.



Or

Explain the process of organizing.

Answer – The purpose of Organizing is to ensure the proper utilization of resources and the distribution of work. Its process is as follows:

- **Identification and Division of Work :** The total work is divided into small and manageable tasks to increase specialization.
- **Departmentalization :** Tasks of a similar nature are grouped together to create separate departments (e.g., Finance, Sales).
- **Assignment of Duties :** Specific tasks and responsibilities are assigned to each employee according to their skills and qualifications.
- **Establishing Reporting Relationships :** It is clearly defined who will report to whom, creating a clear hierarchy.

Q 51 Discuss the essentials of a sound financial plan.

Answer – An effective financial plan is one that efficiently meets the capital requirements of an organization. Its essential elements are as follows:

- **Simplicity :** The plan should be simple enough so that all concerned parties can understand it easily.
- **Liquidity :** Adequate cash should always be available to cover daily operations and emergency expenses.
- **Flexibility :** There should be scope to adjust the plan according to changing business circumstances.
- **Economy :** The cost of raising capital should be minimized so that profitability can be increased.



- **Full Utilization** : Capital should neither be inadequate nor remain idle.





Thank you!

★ We hope you found this material helpful. We wish you the very best for your examination. ★

Strive for Excellence – Your Path to Success



Q 1 Which factor is included in the economic environment?

- (A) Tax policies (B) Cultural values
(C) Demographic changes (D) Social trends

Answer – (A) Tax policies

Q 2 Which of the following is not a step in the planning process?

- (A) Setting objectives (B) Developing premises
(C) Staffing employees (D) Implementing the plan

Answer – (C) Staffing employees

Q 3 'India selling spices to the USA' is an example of:

- (A) import trade (B) retail trade
(C) export trade (D) internal trade

Answer – (C) export trade

Q 4 The full form of B2C in E-commerce is:

- (A) Business-to-Consumer (B) Business-to-Company
(C) Buyer-to-Company (D) Buyer-to-Consumer

Answer – (A) Business-to-Consumer

Q 5 The market where already issued securities are traded is called:

- (A) primary market (B) secondary market
(C) money market (D) capital market



Answer – (B) secondary market

Q 6 Entrepot trade refers to:

- (A) importing goods for local consumption
- (B) exporting goods to another country
- (C) importing goods and then re-exporting them without using them
- (D) trading within the same country

Answer – (C) importing goods and then re-exporting them without using them

Q 7 Which of the following best describes a private company?

- (A) Can issue shares to the public
- (B) Must have at least 7 members
- (C) Restricts transfer of shares
- (D) Requires a minimum capital of 1 crore

Answer – (C) Restricts transfer of shares

Q 8 A self-employed person earns money through:

- (A) monthly salary
- (B) profits from business or services
- (C) government pension
- (D) daily wages



Answer – (B) profits from business or services

Q 9 Which source of finance does not require repayment?

- (A) Loans (B) Equity shares
(C) Debentures (D) Bonds

Answer – (B) Equity shares

Q 10 Which form of advertising allows direct interaction with the audience?

- (A) Television (B) Radio
(C) Internet advertising (D) Newspaper

Answer – (C) Internet advertising

Q 11 The main purpose of performance appraisal is to:

- (A) fire employees (B) evaluate employee's performance
(C) reduce workload (D) increase competition among employees

Answer – (B) evaluate employee's performance

Q 12 The document that contains rules and regulations for the internal management of a company is:

- (A) Articles of Association (B) Memorandum of Association
(C) Prospectus (D) Balance Sheet



Answer – (A) Articles of Association

Q 13 Debentures are a type of:

(A) equity financing

(B) debt financing

(C) short-term financing

(D) government subsidy

Answer – (B) debt financing

Q 14 Which of the following is not a type of internal trade?

(A) Wholesale trade

(B) Retail trade

(C) Import trade

(D) Local trade

Answer – (C) Import trade

Q 15 The first step in the controlling process is:

(A) taking corrective actions

(B) setting performance standards

(C) comparing actual performance

(D) identifying deviations

Answer – (B) setting performance standards

Q 16 Which of the following is a component of financial planning?

(A) Determining capital requirements

(B) Making business policies

(C) Managing human resources

(D) Selling goods to customers



Answer – (A) Determining capital requirements

Q 17 Which of the following is an example of the legal environment?

- (A) Banking policies (B) The Consumer Protection Act
(C) Inflation rate (D) Population growth

Answer – (B) The Consumer Protection Act

Q 18 Which of the following is not a financial market instrument?

- (A) Commercial paper (B) Certificate of deposit
(C) Treasury bills (D) Consumer goods

Answer – (D) Consumer goods

Q 19 Which of the following government schemes supports self-employment in India?

- (A) Pradhan Mantri Awas Yojana (B) MUDRA Loan Scheme
(C) Mid-day Meal Scheme (D) Sarva Shiksha Abhiyan

Answer – (B) MUDRA Loan Scheme

Q 20 The payment method in which customers pay when goods are delivered is called:

- (A) prepaid payment (B) cash on delivery (CoD)
(C) net banking (D) credit card payment

Answer – (B) cash on delivery (CoD)

SECTION - B

Q 21 Fill in the blanks :



(a) _____ refers to buying goods from the manufacturers or wholesalers and selling the same to the final consumers.

Answer – Retail Trade

(b) _____ refers to buying of goods in large quantities from producers or manufacturers for sale to other traders.

Answer – Wholesale Trade

Q 22 Give any two examples of self-employment.

Answer –

3. Running your own grocery store.
4. Offering your services as an independent graphic designer or mechanic.

Q 23 Give two characteristics of internal trade.

Answer –

3. This is done within the geographical boundaries of the country.
4. Payments are made in the country's local currency (such as the rupee).

Q 24 Name any two E-commerce business.

Answer – Amazon , Flipkart

Q 25 State the elements of directing.

Answer – Elements of Directing

5. Supervision
6. Communication
7. Leadership



8. Motivation

Q 26 Mention any two qualities required for self-employment.

Answer –

3. **Self-confidence:** Having trust in your own decisions and abilities.
4. **Risk-taking Ability:** Readiness to face uncertainties.

Q 27 State whether the following statements are True or False :

(a) The business environment is static in nature.

Answer – False

(b) The changes in business environment are unpredictable.

Answer – True

Q 28 (a) What is financial leverage?

(b) How is it calculated?

Answer – (a) Financial leverage refers to the amount of debt in the capital structure of a business. It indicates **financial risk**. It means how much debt capital (such as debentures or loans) a company is using in comparison to equity shares in its total capital. If a higher amount of debt is used, the financial leverage is higher.

(ख) इसकी गणना कैसे की जाती है?

उत्तर: Financial leverage is calculated by the following formula:



$$\text{Financial Leverage} = \frac{\text{Earning Before Intrest and Tax(EBIT)}}{\text{Earning Before tax (EBT)}}$$

Here:

- **Earnings Before Interest and Tax (EBIT)** : This is also called Operating Profit.
- **Earnings Before Tax (EBT)** : This is the income after deducting interest but before paying tax.

Q 29 Alliance Ltd. is engaged in manufacturing plastic buckets. The objective of the company is to manufacture 100 buckets a day. To achieve this, the efforts of all departments are coordinated and interlinked and authority-responsibility relationship is established among various job positions. There is clarity on who is to report to whom. Name the function of management discussed above. Give its importance.

Answer – Name and Importance of Management Function in Alliance Ltd.

- **Name of Function** : Organizing
- **Importance** : It clarifies the authority-responsibility relationships between different workplaces and ensures the optimum utilization of resources.

Key Terms:

- Organizing
- Authority-Responsibility Relationship
- Optimum Utilization of Resources

Q 30 Give two examples of advertising medium.

Answer – Two Examples of Advertising Media :



- Newspapers
- Television

Q 31 Name the following with reference to a joint-stock company:

(a) The official signature of a joint-stock company

(b) The elected representatives of the members who manage the day-to-day affairs of the joint-stock company

Answer – (a) Authorized Signature : Common Seal

(b) Elected Representatives : Board of Directors

Q 32 Identify the following financial decisions:

(a) Decision relating to long-term investment in fixed assets

(b) Decision relating to short-term investment in current assets

Answer – (a) Long-term investment in fixed assets : Capital Budgeting Decision

(b) Short-term investment in current assets : Working Capital Decision

Q 33 Differentiate Debt from Equity.

Answer – Debt is an external liability on which it is mandatory to pay interest at a fixed rate, whereas

Equity represents the company's own ownership funds on which dividends are paid only when there are profits.

Q 34 Give one-word for the following:

(a) The component of marketing mix that relates to channels of distribution



(b) The component of marketing mix which persuades and influences the consumers

Answer – (a) Components related to distribution channels: Place/Physical Distribution

(b) Components influencing customers: Promotion

Q 35 Name any two money market instruments.

Answer – Money Market Instruments

- Treasury Bill
- Commercial Paper



SECTION - C



Q 36 Give the full forms of the following:

(a) ECB

(b) FCCB

Answer – (a) ECB - External Commercial Borrowings

(b) FCCB - Foreign Currency Convertible Bonds

Or

Give the full forms of the following:

(a) SFI



(b) GDR

Answer – (a) SFI - State Financial Institutions

(b) GDR - Global Depository Receipts

Q 37 State any two objectives of 'Make in India' initiative of the Government of India.

Answer – (a) To make India a global manufacturing hub.

(b) To promote investment in the country and create new employment opportunities.

Or

State any two benefits of 'Digital India'.

Answer –

- To ensure the digital availability of government services, which increases transparency.
- To reduce paperwork and speed up work through the internet.

Q 38 State any two features of advertisement.

Answer –

- In this, there is no direct contact between the advertiser and the customer.
- The advertiser has to pay the media for the advertisement.

Q 39 Explain the following terms of trade :

(a) Cash on Delivery (CoD)

(b) Free on Board (FoB)

Answer – (a) Cash on Delivery (CoD)



In this, the customer has to make the payment only when the goods reach their hands (at the time of delivery).

(b) Free on Board (FoB)

In this, the seller is responsible until the goods are loaded onto the ship; after that, the risk lies with the buyer.

Q 40 Lalit has joined a manufacturing firm as a worker. He has recently started working on the shop floor. The management is quite liberal and has allowed the workers to form a hockey club. The workers assemble and play hockey in the evening after the completion of their work. Which type of organization is the hockey club? Give any one limitation of this form of organization.

Answer –

Type of Organization : Informal Organization.

Limitation : Rumors spread very quickly in this, which can adversely affect the work.

Q 41 What is Public-Private Partnership form of organization? State its any one feature.

Answer – Meaning: It is a long-term agreement between the government and the private sector to provide public services (such as roads, schools).

Feature: In this, resources, risks, and rewards are shared by both parties.

Or

What is one-person company (OPC)? State its any one feature.



Answer – Meaning : A company that has only one person as its member or owner.

Feature : The liability of the member is limited, meaning their personal assets remain protected.

Q 42 What is sales promotion? Name any two promotional tools used by business.

Answer – Meaning : Short-term incentives used to increase sales.

Methods:

3. Rebate/Discount
4. 'Buy 1 Get 1 Free' offer.

Or

State any three objectives of sales promotion.

Answer – Three Objectives of Sales Promotion

- To launch new products in the market.
- To clear old stock quickly.
- To attract new customers.

Q 43 Best Manufacturers Ltd. is a car manufacturing company. The production, sales and marketing departments need to work together to ensure smooth operations. The sales team promised early delivery of cars to customers, but the production team could not meet the deadlines due to delay in raw material supply. This led to customer dissatisfaction and a decline in the company's reputation.

(a) Which management function is missing in Best Manufacturers Ltd.?

(b) Mention any two problems which the company is facing because of the missing function.



Answer – (a) Missing Function: Coordination.

(b) Two Problems:

3. Delay due to a lack of harmony/synergy between departments.
4. Customer dissatisfaction and a decline in the company's popularity (brand image).

Q 44 Explain the following: (a) Direct marketing (b) Internet marketing (c) Telemarketing

Answer – (a) Direct Marketing : Contacting customers directly to sell goods, such as through personal mail or phone calls.

(b) Internet Marketing : Advertising and selling products through social media, email, and websites.

(c) Tele-marketing : Using telephone calls to inform customers about products and take orders.

Q 45 Explain the following:

(a) Planning is pervasive

(b) Planning is a continuous process

(c) Planning is futuristic

Answer – (a) Planning is Pervasive : It is required at every level of management.

(b) Continuous Process : A new plan must be created as soon as goals change; it never stops.

(c) Future-oriented (Forward-looking) : It is meant for the future so that upcoming challenges can be faced effectively.

Or



Explain the following:

(a) Objectives

(b) Strategy

(c) Policy

Answer – (a) Objectives : The end results that an organization seeks to achieve.

(b) Strategy : A comprehensive plan designed to win against competitors.

(c) Policy : General guidelines or rules established by management for decision-making.

Q 46 What are consumer cooperative stores? State their merits.

Answer – Meaning : A shop formed by consumers together where goods are available at fair prices.

Benefits:

3. Elimination of middlemen.
4. Guarantee of purity and correct weight of goods.

Q 47 Differentiate between WTO and GATT

Answer –



Feature	GATT	WTO
Nature	It was a provisional agreement with no legal status.	It is a permanent international body with a legal status.
Scope	Covered only trade in goods .	Covers trade in goods, services, and intellectual property .
Disputes	Dispute resolution was slow and weak.	Has a fast and powerful dispute settlement mechanism.
Frequency	Rules were applied through "rounds" of meetings.	Rules are permanent and binding for all members.

Or

What is a franchise form of retail trade? State its any three features.

Answer – Meaning : The right to conduct business by using the brand name and logo of a well-known company.

Features:

4. Royalty must be paid to the company.
5. Quality standards set by the company must be maintained.
6. The company provides training and support.



Q 48 Explain the stages in online transactions.

Answer – Registration : Creating an account on the website.

Placing an Order : Adding items to the cart and confirming the order.

Payment : Making payment via credit card, net banking, or Cash on Delivery (CoD).

Or

What options are available for securing online transactions? Explain.

Answer –

- Keep passwords and PINs confidential.
- Use secure payment gateways (HTTPS).
- Do not perform transactions on Public Wi-Fi.

Q 49 Sun Print India Ltd. makes greeting cards for different festivals and occasions and is flourishing well. During the time of Diwali and New year, the production and selling of cards reaches a new high. The company exists in an environment which is democratic and there are rules for every business firm. Once you step out of the company there are customers, competitors, government authority and almost everything one can think of. The company appears to have a promising future. However the firm will have to understand the close relationship between various elements of the business environment around it.

(a) In the above case, which dimension of business environment is highlighted?

(b) Why is it significant for the business to understand its environment?

Answer – (a) Dimensions of Business Environment : The above situation highlights the Political and Legal dimensions of the business environment. The reference to a 'democratic' setup indicates the Political Environment, reflecting the government's ideology and stability.



On the other hand, the mention of 'rules and regulations' points toward the Legal Environment, within which every business firm must operate.

(b) Importance of Understanding the Environment : Understanding the environment is crucial for any business for the following reasons:

4. **Identification of Opportunities :** Environmental analysis helps a business identify future benefits or opportunities early, allowing it to gain the 'First Mover Advantage.'
5. **Identification of Threats :** It alerts the business to upcoming obstacles or external threats, enabling timely protective measures.
6. **Utilization of Resources :** By understanding the environment, a firm gathers only those resources that are in demand in the market, thereby reducing wastage.

Q 50 Explain the steps in the process of planning.

Answer – Planning means deciding in advance what is to be done and how it is to be done for the future. The main steps of its process are as follows:

- **Setting Objectives :** First, the goals of the organization are clearly defined.
- **Developing Premises :** Certain assumptions and forecasts are made about the future.
- **Identifying Alternatives :** A list of various possible ways to achieve the goals is prepared.
- **Evaluation and Selection :** All alternatives are compared, and the best and most profitable method is chosen.
- **Implementing the Plan :** Finally, the plan is put into action and its progress is continuously monitored.

Or

Explain the process of organizing.



Answer – The purpose of Organizing is to ensure the proper utilization of resources and the distribution of work. Its process is as follows:

- **Identification and Division of Work :** The total work is divided into small and manageable tasks to increase specialization.
- **Departmentalization :** Tasks of a similar nature are grouped together to create separate departments (e.g., Finance, Sales).
- **Assignment of Duties :** Specific tasks and responsibilities are assigned to each employee according to their skills and qualifications.
- **Establishing Reporting Relationships :** It is clearly defined who will report to whom, creating a clear hierarchy.

Q 51 Discuss the essentials of a sound financial plan.

Answer – An effective financial plan is one that efficiently meets the capital requirements of an organization. Its essential elements are as follows:

- **Simplicity :** The plan should be simple enough so that all concerned parties can understand it easily.
- **Liquidity :** Adequate cash should always be available to cover daily operations and emergency expenses.
- **Flexibility :** There should be scope to adjust the plan according to changing business circumstances.
- **Economy :** The cost of raising capital should be minimized so that profitability can be increased.
- **Full Utilization :** Capital should neither be inadequate nor remain idle.





Thank you!

★ We hope you found this material helpful. We wish you the very best for your examination. ✨

Strive for Excellence – Your Path to Success

SECTION - A



Q 1 Which factor is included in the economic environment?

- (A) Tax policies (B) Cultural values
(C) Demographic changes (D) Social trends

Answer – (A) Tax policies

Q 2 Which of the following is not a step in the planning process?

- (A) Setting objectives (B) Developing premises
(C) Staffing employees (D) Implementing the plan

Answer – (C) Staffing employees

Q 3 'India selling spices to the USA' is an example of:

- (A) import trade (B) retail trade
(C) export trade (D) internal trade

Answer – (C) export trade

Q 4 The full form of B2C in E-commerce is:

- (A) Business-to-Consumer (B) Business-to-Company
(C) Buyer-to-Company (D) Buyer-to-Consumer

Answer – (A) Business-to-Consumer



Q 8 A self-employed person earns money through:

- (A) monthly salary (B) profits from business or services
(C) government pension (D) daily wages

Answer – (B) profits from business or services

Q 9 Which source of finance does not require repayment?

- (A) Loans (B) Equity shares
(C) Debentures (D) Bonds

Answer – (B) Equity shares

Q 10 Which form of advertising allows direct interaction with the audience?

- (A) Television (B) Radio
(C) Internet advertising (D) Newspaper

Answer – (C) Internet advertising

Q 11 The main purpose of performance appraisal is to:

- (A) fire employees (B) evaluate employee's performance
(C) reduce workload (D) increase competition among employees

Answer – (B) evaluate employee's performance



Q 12 The document that contains rules and regulations for the internal management of a company is:

(A) Articles of Association

(B) Memorandum of Association

(C) Prospectus

(D) Balance Sheet

Answer – (A) Articles of Association

Q 13 Debentures are a type of:

(A) equity financing

(B) debt financing

(C) short-term financing

(D) government subsidy

Answer – (B) debt financing

Q 14 Which of the following is not a type of internal trade?

(A) Wholesale trade

(B) Retail trade

(C) Import trade

(D) Local trade

Answer – (C) Import trade

Q 15 The first step in the controlling process is:

(A) taking corrective actions

(B) setting performance standards

(C) comparing actual performance

(D) identifying deviations

Answer – (B) setting performance standards



Q 16 Which of the following is a component of financial planning?

- (A) Determining capital requirements (B) Making business policies
(C) Managing human resources (D) Selling goods to customers

Answer – (A) Determining capital requirements

Q 17 Which of the following is an example of the legal environment?

- (A) Banking policies (B) The Consumer Protection Act
(C) Inflation rate (D) Population growth

Answer – (B) The Consumer Protection Act

Q 18 Which of the following is not a financial market instrument?

- (A) Commercial paper (B) Certificate of deposit
(C) Treasury bills (D) Consumer goods

Answer – (D) Consumer goods

Q 19 Which of the following government schemes supports self-employment in India?

- (A) Pradhan Mantri Awas Yojana (B) MUDRA Loan Scheme
(C) Mid-day Meal Scheme (D) Sarva Shiksha Abhiyan

Answer – (B) MUDRA Loan Scheme

Q 20 The payment method in which customers pay when goods are delivered is called:

- (A) prepaid payment (B) cash on delivery (CoD)
(C) net banking (D) credit card payment

Answer – (B) cash on delivery (CoD)



SECTION - B



Q 21 Fill in the blanks :

(a) _____ refers to buying goods from the manufacturers or wholesalers and selling the same to the final consumers.

Answer – Retail Trade

(b) _____ refers to buying of goods in large quantities from producers or manufacturers for sale to other traders.

Answer – Wholesale Trade

Q 22 Give any two examples of self-employment.

Answer –

5. Running your own grocery store.
6. Offering your services as an independent graphic designer or mechanic.

Q 23 Give two characteristics of internal trade.

Answer –

5. This is done within the geographical boundaries of the country.
6. Payments are made in the country's local currency (such as the rupee).

Q 24 Name any two E-commerce business.

Answer – Amazon , Flipkart

Q 25 State the elements of directing.

Answer – Elements of Directing



9. Supervision
10. Communication
11. Leadership
12. Motivation

Q 26 Mention any two qualities required for self-employment.

Answer –

5. **Self-confidence:** Having trust in your own decisions and abilities.
6. **Risk-taking Ability:** Readiness to face uncertainties.

Q 27 State whether the following statements are True or False :

(a) The business environment is static in nature.

Answer – False

(b) The changes in business environment are unpredictable.

Answer – True

Q 28 (a) What is financial leverage?

(b) How is it calculated?

Answer – (a) Financial leverage refers to the amount of debt in the capital structure of a business. It indicates **financial risk**. It means how much debt capital (such as debentures or loans) a company is using in comparison to equity shares in its total capital. If a higher amount of debt is used, the financial leverage is higher.



(ख) इसकी गणना कैसे की जाती है?

उत्तर: Financial leverage is calculated by the following formula:

$$\text{Financial Leverage} = \frac{\text{Earning Before Interest and Tax (EBIT)}}{\text{Earning Before tax (EBT)}}$$

Here:

- **Earnings Before Interest and Tax (EBIT)** : This is also called Operating Profit.
- **Earnings Before Tax (EBT)** : This is the income after deducting interest but before paying tax.

Q 29 Alliance Ltd. is engaged in manufacturing plastic buckets. The objective of the company is to manufacture 100 buckets a day. To achieve this, the efforts of all departments are coordinated and interlinked and authority-responsibility relationship is established among various job positions. There is clarity on who is to report to whom. Name the function of management discussed above. Give its importance.

Answer – Name and Importance of Management Function in Alliance Ltd.

- **Name of Function** : Organizing
- **Importance** : It clarifies the authority-responsibility relationships between different workplaces and ensures the optimum utilization of resources.

Key Terms:

- Organizing
- Authority-Responsibility Relationship
- Optimum Utilization of Resources



Q 30 Give two examples of advertising medium.

Answer – Two Examples of Advertising Media :

- Newspapers
- Television

Q 31 Name the following with reference to a joint-stock company:

(a) The official signature of a joint-stock company

(b) The elected representatives of the members who manage the day-to-day affairs of the joint-stock company

Answer – (a) Authorized Signature : Common Seal

(b) Elected Representatives : Board of Directors

Q 32 Identify the following financial decisions:

(a) Decision relating to long-term investment in fixed assets

(b) Decision relating to short-term investment in current assets

Answer – (a) Long-term investment in fixed assets : Capital Budgeting Decision

(b) Short-term investment in current assets : Working Capital Decision

Q 33 Differentiate Debt from Equity.

Answer – Debt is an external liability on which it is mandatory to pay interest at a fixed rate, whereas

Equity represents the company's own ownership funds on which dividends are paid only when there are profits.



Q 34 Give one-word for the following:

(a) The component of marketing mix that relates to channels of distribution

(b) The component of marketing mix which persuades and influences the consumers

Answer – (a) Components related to distribution channels: Place/Physical Distribution

(b) **Components influencing customers:** Promotion

Q 35 Name any two money market instruments.

Answer – Money Market Instruments

- Treasury Bill
- Commercial Paper



SECTION - C



Q 36 Give the full forms of the following:

(a) ECB

(b) FCCB

Answer – (a) ECB - External Commercial Borrowings

(b) **FCCB -** Foreign Currency Convertible Bonds

Or



Give the full forms of the following:

(a) SFI

(b) GDR

Answer – (a) SFI - State Financial Institutions

(b) GDR - Global Depository Receipts

Q 37 State any two objectives of 'Make in India' initiative of the Government of India.

Answer – (a) To make India a global manufacturing hub.

(b) To promote investment in the country and create new employment opportunities.

Or

State any two benefits of 'Digital India'.

Answer –

- To ensure the digital availability of government services, which increases transparency.
- To reduce paperwork and speed up work through the internet.

Q 38 State any two features of advertisement.

Answer –

- In this, there is no direct contact between the advertiser and the customer.
- The advertiser has to pay the media for the advertisement.

Q 39 Explain the following terms of trade :

(a) Cash on Delivery (CoD)

(b) Free on Board (FoB)



Answer – (a) Cash on Delivery (CoD)

In this, the customer has to make the payment only when the goods reach their hands (at the time of delivery).

(b) Free on Board (FoB)

In this, the seller is responsible until the goods are loaded onto the ship; after that, the risk lies with the buyer.

Q 40 Lalit has joined a manufacturing firm as a worker. He has recently started working on the shop floor. The management is quite liberal and has allowed the workers to form a hockey club. The workers assemble and play hockey in the evening after the completion of their work. Which type of organization is the hockey club? Give any one limitation of this form of organization.

Answer –

Type of Organization : Informal Organization.

Limitation : Rumors spread very quickly in this, which can adversely affect the work.

Q 41 What is Public-Private Partnership form of organization? State its any one feature.

Answer – Meaning: It is a long-term agreement between the government and the private sector to provide public services (such as roads, schools).

Feature: In this, resources, risks, and rewards are shared by both parties.

Or



What is one-person company (OPC)? State its any one feature.

Answer – Meaning : A company that has only one person as its member or owner.

Feature : The liability of the member is limited, meaning their personal assets remain protected.

Q 42 What is sales promotion? Name any two promotional tools used by business.

Answer – Meaning : Short-term incentives used to increase sales.

Methods:

5. Rebate/Discount
6. 'Buy 1 Get 1 Free' offer.

Or

State any three objectives of sales promotion.

Answer – Three Objectives of Sales Promotion

- To launch new products in the market.
- To clear old stock quickly.
- To attract new customers.

Q 43 Best Manufacturers Ltd. is a car manufacturing company. The production, sales and marketing departments need to work together to ensure smooth operations. The sales team promised early delivery of cars to customers, but the production team could not meet the deadlines due to delay in raw material supply. This led to customer dissatisfaction and a decline in the company's reputation.

(a) Which management function is missing in Best Manufacturers Ltd.?



(b) Mention any two problems which the company is facing because of the missing function.

Answer – (a) Missing Function: Coordination.

(b) Two Problems:

5. Delay due to a lack of harmony/synergy between departments.

6. Customer dissatisfaction and a decline in the company's popularity (brand image).

Q 44 Explain the following: (a) Direct marketing (b) Internet marketing (c) Telemarketing

Answer – (a) Direct Marketing : Contacting customers directly to sell goods, such as through personal mail or phone calls.

(b) Internet Marketing : Advertising and selling products through social media, email, and websites.

(c) Tele-marketing : Using telephone calls to inform customers about products and take orders.

Q 45 Explain the following:

(a) Planning is pervasive

(b) Planning is a continuous process

(c) Planning is futuristic

Answer – (a) Planning is Pervasive : It is required at every level of management.

(b) Continuous Process : A new plan must be created as soon as goals change; it never stops.



(c) Future-oriented (Forward-looking) : It is meant for the future so that upcoming challenges can be faced effectively.

Or

Explain the following:

(a) Objectives

(b) Strategy

(c) Policy

Answer – (a) Objectives : The end results that an organization seeks to achieve.

(b) Strategy : A comprehensive plan designed to win against competitors.

(c) Policy : General guidelines or rules established by management for decision-making.

Q 46 What are consumer cooperative stores? State their merits.

Answer – Meaning : A shop formed by consumers together where goods are available at fair prices.

Benefits:

5. Elimination of middlemen.
6. Guarantee of purity and correct weight of goods.



Q 47 Differentiate between WTO and GATT

Answer –

Feature	GATT	WTO
Nature	It was a provisional agreement with no legal status.	It is a permanent international body with a legal status.
Scope	Covered only trade in goods .	Covers trade in goods, services, and intellectual property .
Disputes	Dispute resolution was slow and weak.	Has a fast and powerful dispute settlement mechanism.
Frequency	Rules were applied through "rounds" of meetings.	Rules are permanent and binding for all members.

Or

What is a franchise form of retail trade? State its any three features.

Answer – Meaning : The right to conduct business by using the brand name and logo of a well-known company.

Features:

7. Royalty must be paid to the company.



8. Quality standards set by the company must be maintained.

9. The company provides training and support.

Q 48 Explain the stages in online transactions.

Answer – Registration : Creating an account on the website.

Placing an Order : Adding items to the cart and confirming the order.

Payment : Making payment via credit card, net banking, or Cash on Delivery (CoD).

Or

What options are available for securing online transactions? Explain.

Answer –

- Keep passwords and PINs confidential.
- Use secure payment gateways (HTTPS).
- Do not perform transactions on Public Wi-Fi.

Q 49 Sun Print India Ltd. makes greeting cards for different festivals and occasions and is flourishing well. During the time of Diwali and New year, the production and selling of cards reaches a new high. The company exists in an environment which is democratic and there are rules for every business firm. Once you step out of the company there are customers, competitors, government authority and almost everything one can think of. The company appears to have a promising future. However the firm will have to understand the close relationship between various elements of the business environment around it.

(a) In the above case, which dimension of business environment is highlighted?

(b) Why is it significant for the business to understand its environment?



Answer – (a) Dimensions of Business Environment : The above situation highlights the Political and Legal dimensions of the business environment. The reference to a 'democratic' setup indicates the Political Environment, reflecting the government's ideology and stability. On the other hand, the mention of 'rules and regulations' points toward the Legal Environment, within which every business firm must operate.

(b) Importance of Understanding the Environment : Understanding the environment is crucial for any business for the following reasons:

7. **Identification of Opportunities :** Environmental analysis helps a business identify future benefits or opportunities early, allowing it to gain the 'First Mover Advantage.'
8. **Identification of Threats :** It alerts the business to upcoming obstacles or external threats, enabling timely protective measures.
9. **Utilization of Resources :** By understanding the environment, a firm gathers only those resources that are in demand in the market, thereby reducing wastage.

Q 50 Explain the steps in the process of planning.

Answer – Planning means deciding in advance what is to be done and how it is to be done for the future. The main steps of its process are as follows:

- **Setting Objectives :** First, the goals of the organization are clearly defined.
- **Developing Premises :** Certain assumptions and forecasts are made about the future.
- **Identifying Alternatives :** A list of various possible ways to achieve the goals is prepared.
- **Evaluation and Selection :** All alternatives are compared, and the best and most profitable method is chosen.
- **Implementing the Plan :** Finally, the plan is put into action and its progress is continuously monitored.



Or

Explain the process of organizing.

Answer – The purpose of Organizing is to ensure the proper utilization of resources and the distribution of work. Its process is as follows:

- **Identification and Division of Work :** The total work is divided into small and manageable tasks to increase specialization.
- **Departmentalization :** Tasks of a similar nature are grouped together to create separate departments (e.g., Finance, Sales).
- **Assignment of Duties :** Specific tasks and responsibilities are assigned to each employee according to their skills and qualifications.
- **Establishing Reporting Relationships :** It is clearly defined who will report to whom, creating a clear hierarchy.

Q 51 Discuss the essentials of a sound financial plan.

Answer – An effective financial plan is one that efficiently meets the capital requirements of an organization. Its essential elements are as follows:

- **Simplicity :** The plan should be simple enough so that all concerned parties can understand it easily.
- **Liquidity :** Adequate cash should always be available to cover daily operations and emergency expenses.
- **Flexibility :** There should be scope to adjust the plan according to changing business circumstances.
- **Economy :** The cost of raising capital should be minimized so that profitability can be increased.



- **Full Utilization** : Capital should neither be inadequate nor remain idle.





Thank you!



We hope you found this material helpful. We wish you the very best for your examination.



Strive for Excellence – Your Path to Success