



# St. Xavier's Sr. Sec. School

Delhi-54

Class 12  
16-5-2015

First Unit Test in BUSINESS STUDIES

Time : 1 hr.  
M. Marks : 20

1. What is meant by management of people? (1)
2. Hero Ltd's target is to produce 10,000 shirts per month at a cost of Rs. 150/- per shirt. The production manager could achieve the target at a cost of Rs. 170/- per shirt. Do you think the production manager is efficient? Give reason in support of your answer. (1)
3. Why is it said that principles of management are not purely perfect? (1)
4. Mohan Ltd. is producing different lines of products viz. cosmetics, medicines, confectionary items etc. All activities of the company viz. Purchase, Production, Sales, and Accounts share common departments. As a result, there is chaos and ineffective working of the organization. No department is able to set specific targets related to each type of product and is able to give justice and full concentration to each product line. Moreover, employees remain confused regarding their focus and attention to a particular product line. Which principle of Fayol is being violated here? State the principle. (3)
5. One of the principles of Scientific Management emphasizes that "to make the employees learn the "best Method" of production, training to workers is essential". It further emphasizes that each person should be scientifically selected and the work assigned to the employees should suit their physical, mental and intellectual capabilities.
  - a) Name and explain the principle of Scientific management involved.
  - b) Name the principle of Scientific Management which is concerned with selecting the best way of performing a job through application of scientific analysis and not by hit and trial methods
  - c) Name the value emphasized by following the principle in part (a) above. (3)
6. Mega Ltd. was manufacturing water heaters. In the first year of its operations, the revenue earned by the company was just sufficient to meet its costs. To increase the revenue, the company analysed the reasons of less revenues. After analysis the company decided to reduce labour cost by shifting the manufacturing unit to a backward area where labour was available at a very low rate.
  - a) To start manufacturing solar water heaters and reduce the production of electric water heaters slowly. This will not only help in covering the risk, but also help in meeting other objectives too.
  - b) Identify and explain the objectives of management discussed above.
  - c) State any two values which the company wants to communicate to the society. (3)
7. Is management a full fledged profession? Give any three reasons in support of your answer (4)
8. Explain the technique of Scientific Management that is the extension of Principle of Division of work and Specialisation. (4)



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