

CLASS XII

SAMPLE PAPER

BUSINESS STUDIES

TIME ALLOWED :3 HRS.

M. MAX-100

Q-1 What is meant by leadership ? [1 marks]

Ans- Leadership is that ability of an individual on the basis of which, in special circumstances, he impresses the employees with his conduct in such a manner that they, automatically start working at their full capacity. According to George R. Terry, "Leadership is the ability of influencing people to strive willingly for mutual objectives."

Q-2 Define Advertising ? [1 marks]

Ans- Advertising means providing adequate knowledge about some special product/service/idea to potential consumers so that they are stimulated to buy it. In the words of C.L. Bolling, "Advertising can be described as the art of creating a demand for article or a service."

Q-3 What is meant by Price Mix ? [1 marks]

Ans- Price mix means all those decisions which are concerned with the price fixation of any product or service. Price mix includes the following decisions:

- 1-Determining of price of product or service.
- 2-Determining of trade and cash discount.
- 3-Credit Policy

Q-4 What role does technological environment plays in business ? [1 marks]

Ans- Technology includes new methods of production of goods and services, and discovery of new implements. Technological changes make available better methods of production & that makes the optimum use of raw materials possible.

Q-5 State the meaning of incentives. [1 mark]

Ans-Incentive is a mean to motivation. It creates desire to work in a person. Through this, a person start working with his full capacity.

Q-6 Explain Piece Rate of wage payment. [1 mark]

Ans-Under this method, time or the number of hours involved are the basis of the wage. Rate of wage may be fixed in terms of per hour, per day, per week, per month, per year, etc. It is calculated by using the following formula :

$$\text{Wage} = \text{Time} \times \text{Rate}$$

Q-7 How the high morale of employees can be measured ? [1 mark]

Ans-To measure the high morale of the employees is a qualitative work. It cannot be measured directly. In order to measure it, labour turnover rate, absenteeism rate, dispute rate, etc. can be considered.

Q-8 “Planning is Looking ahead whereas control is looking back” Comment [1 mark]

Ans-Plans are always formulated for future and determines the future course of action for the achievement of objectives laid down. On the contrary, control is looking back because under it, a manager tries to find out, after the work is completed, whether it has been done according to the standards or not.

Q-9 What is “PIL” ? [1 MARK]

Ans-PIL means Public Interest Litigation. Through it an effort is made to provide legal representation to the poor minorities. Under PIL, the aggrieved person is not necessarily required to move to court, rather any person can move to the court in the interest of person or group of persons.

Q-10 Explain the term “ Unfair trade Practice “ under Consumer Protection Act. [1 mark]

Ans-Unfair Trade Practice means to adopt faulty way to gain excess profit by a trader, such as:

- 1-To provide wrong information about goods and services
- 2-To not follow prescribed standards
- 3-To do hoarding, black marketing, etc.

Q-11 Explain ‘Management as an Art’. [3 marks]

Ans- To perform a job in the best possible way is art. It decides the method of doing a thing & tells us how to achieve our objectives. Art is an individual process because every artist has his own way of doing things. In reality, art is a creative process & its success can be measured by the results achieved by the artist. Whether management is an art or not will be known by the application of the following characteristics

(i) Personal skill-In this context management is an art because in order to achieve the objectives of an organization, the manager makes use of his personal skill to overcome all the obstacles hindering the way of successful attainment of the objectives of the organization.

(ii) Practical Knowledge-Art points towards practical knowledge & is related with its actual application. Management is also practical knowledge & in business the importance of a manager is known from the fact of applying the principles of management efficiently & effectively & not from the amount & extent of knowledge of the principles of management that he possesses.

(iii) Concrete Result-Oriented Approach-The basis of art is the attainment of meaningful results. In this context management also consists of the same concept. The success of a manager is determined by the fact that how efficiently & economically he gets the predetermined objectives of the organization.

Q-12 Briefly explain any three measures to overcome barriers to effective communication. [3 marks]

Ans-the following are the three measures undertaken to overcome the barriers to effective communication:-

1-Clarity & Completeness-In order to communicate effectively, it is very essential to know the 'audience' for whom the message is meant. The message to be conveyed must be absolutely clear in the mind of the communicator because if you do not understand an idea, you can never express it to someone. So there must be clarity and completeness in the message to be conveyed.

2-Proper Language-To avoid semantic barriers, the message should be expressed in simple, brief & clear language. The words or symbols selected for conveying the message must be appropriate to the reference & understanding of the receiver.

3-Sound Organisation Structure-To make communication effective, the organizational structure must be sound & appropriate to the needs of the organization. Attempt must be made to shorten the distance to be traveled for conveying information.

Q-13 Distinguish between monetary and non-monetary incentives. [3 marks]

Ans-

Basis of Difference	Monetary Incentives	Non-Monetary Incentives
1. Measurement	These can be measured in terms of money.	These cannot be measured in terms of money.
2. Suitability	These are highly effective in case of workers.	These are effective in case of managers.
3. Level of Satisfaction	These help in satisfying lower level needs (food, clothing and shelter)	These help in satisfying higher level needs (Esteem, Status and Self-actualisation)

Q-14 Briefly explain any three merits of choosing television as a media for advertising. [3 marks]

Ans- T.V. advertising is the best medium because it has the facility to view, hear and understand the use of the product . The advantages are as follows:-

- 1-It is suitable when information about daily-use goods is to be conveyed to every class of the society.
- 2-Product gains quick popularity by this medium of advertising.
- 3-Advertising through T.V. adds to the prestige of the company.
- 4-This medium provides opportunity of viewing, listening and understanding the use of the product.

Q-15 Explain any three sales promotion activities commonly used by marketers. [3 marks]

Ans-1-Distribution of Samples-Under this method, the producer distributes free samples of his product among the consumers. Sales representatives distribute these samples from door to door. This method is used mostly in case of products of daily use e.g. washing powder, tea, tooth paste, etc.

2-Price-Off-Under this method, products are offered for sale at less than their normal price. For instance, prices of coolers, refrigerators, fans are reduced by 25 percent during winter season.

3-Bonus or Premium Offer-Under this method, an offer is made by the producer to give the consumers free gift on the purchase of a given quantity of the product. For e.g. a lunch box along with ½ kg pack of Red label Tea.

Q-16 Distinguish between Management and Administration. [4 marks]

Ans-

Basis of Difference	Management	Administration
1. Nature of Work	This is an executive function to give practical shape to the policies to achieve pre-determined objectives.	It is primarily related to the determination of objectives & laying down of policies & it is a thinking function.
2. Scope	Under it decisions are taken within the limits laid down by the administration.	Under it important decisions are taken & is wider than management.
3. Level Of Function	Managerial process is affected by internal factors like pre-determined objectives, policies, ideas of the managers concerned, etc.	Administrative decisions are affected by outside factors like-social, political and legal.
4. Nature of Status	Under it specially qualified managers & other employees are included.	Under it owners are included.

Q-17 What is meant by SEBI ? Briefly explain its objectives. [4 marks]

Ans- The expanded form of SEBI is Securities and Exchange Board of India. It is a watchdog of the securities market as it serves the following objectives :-

OBJECTIVES OF SEBI

1-Protection to the Investors-The capital market is meaningless in the absence of the investors. Therefore it is important to protect the interests of the investors. The protection of the interests of the investors means protecting them from the wrong information given by the companies in their prospectus, reducing the risk of delivery ,etc. Hence, the foremost objective of SEBI is to provide security to the investors.

2-Steady Flow of Savings-The second objective of the SEBI is to attract the savings of the people to the capital market. The investors get attracted to the capital market only when favorite securities for investment are available. In order to achieve this objective the SEBI has started many new securities.

3-Control over Brokers-It is important to keep an eye on the activities of the brokers and other middlemen in order to control the capital market. To have a control over them, it was necessary to establish SEBI.

4-Transparency in Transactions-Transparency in transactions in the capital market increases the confidence of the investors. It was because of this that the SEBI was established.

Q-18 Distinguish between 'Formal' and 'Informal' organization. [4 marks]

Ans-

Basis of Difference	Formal Organisation	Informal Organisation
1. Formation	It is formed to achieve the pre-determined objects and is deliberately established.	This is an outcome of the inter-relationship of different people.
2. Stability	It is stable.	It is unstable.
3. Communication	Communication is defined & it is based on formal communication.	Communication is not defined and it is based on informal communication.
4. Flow of Authority	In this organization authority moves from top to bottom.	In this organization authority can move from top to bottom or horizontally.
5. Leadership	Managers are leaders by virtue of their higher posts.	Leaders are chosen.

Q-19 Distinguish between 'External' and 'Internal' sources of recruitment. [4 marks]

Ans-

Basis of Difference	Internal Sources	External Sources
1. Meaning	Recruitment is from within the organisation	It is the recruitment outside employees.
2. Bases	It is generally based on seniority cum merit.	It is strictly based on merit & qualifications.
3. Time Involved	It is less time consuming.	It is a time consuming exercise.
4. Cost	It is a cheap source of recruitment.	It is an expensive source of recruitment.
5. Reference	No reference of the employees is needed since all his records are	Since enterprise does not know about he person, references about

available with the concern.

previous work, conduct and character are needed.

Q-20 What is meant by Primary Market ? Briefly explain the concept of Rights issue for existing companies. [4]

Ans- Primary Market is that market in which shares, debentures and other securities are sold for the first time for collecting long-term capital. This market is concerned with new issues. Therefore, the primary market is also known as “New Issue Market” (NIM). Through the medium of this market, both the newly established companies as well as the existing companies collect capital from this market. In this market the prices of the securities are determined by the company. In this market, the flow of funds is from savers to industries, hence it helps directly in the capital formation.

CONCEPT OF RIGHT ISSUE FOR EXISTING COMPANIES

Wherever, an existing company wants to issue new series of equity shares to finance its additional activities, it is required to offer these shares to the existing shareholders at a specified price during a particular period.

It is called a 'right' or Pre-emptive right'. It may simply be defined as an option to buy a security at a specified price, generally at par or at premium but much below the market price. The shares offered are called Right Shares and financing the projects of a company by the issue of such right shares is 'right financing'.

Section 81 of the Companies Act provides that at any time after the expiry of two years from the formation of the company limited by shares or of one year after the first allotment of shares in that company, whichever is earlier, a company can increase its further capital by issue of new shares. The new shares must first be offered to the existing equity shareholders of the company in proportion, as nearly as circumstances admit, to the capital paid up on those shares at the time of offer.

PROCEDURE OF RIGHT ISSUE

The procedure of right issue as given in the Companies Act may be followed as follows :-

First, the offer must be made by giving a notice to the existing shareholders, mentioning therein the number of shares offered and the time within which the offer must be accepted. Such period shall not be less than 15 days from the date of offer, however it may be more than 15 days keeping in mind that shareholders must have sufficient time to make up their mind judiciously. The notice must also indicate that if the offer is not accepted within the specified period, it shall be deemed to have been declined. Again the notice must also state that they have the right to renounce all or any of the shares offered to them in favour of their nominee(s).

Shareholders shall inform the company within stipulated period, of their acceptance of right or the name of the nominee to whom he wants to renounce his right.

An existing shareholder may also apply for the additional shares but a shareholder who has renounced his right in favour of any person is not entitled to apply for additional shares.

The Controller of Capital Issues takes decision on an application for right issue in concurrence with the

company. Certain conditions are imposed by him on the company making an offer of right. If the right shares are not fully taken up, the balance left over shall be distributed equally among the applicants for additional shares with reference to the shares held by them in the company. Subject to stock exchange on which the company's shares are listed. Any balance left after making allotment of additional shares, the company may deal with in any manner it likes.

Q-21 What is meant by 'Controlling' ? Briefly explain any three steps in the process of controlling ? [5 marks]

Ans- Under controlling, deviations are sought to be noticed in the actual work progress and the standards already determined, the causes of deviations are found out and corrective action is taken so that in future the mistakes are not repeated. According to Philip Kotler, " Control is the process of taking steps to bring actual results & desired results closer together." It is a continuous activity. Under controlling, the progress has to be assessed continuously and the pre-determined standards have to be changed in view of the changing situations. It is, therefore, said that control is a process of regular measurement, comparison and verification.

Three steps in Controlling Process

1-Setting of Control Standards-Every enterprise plans its activities in advance. On the basis of plan, objectives and goals of every department, branch, etc. are fixed. These goals are converted into quantity, value, man hour, etc. These are to be achieved in future. There may also be qualitative goals. The achievement of various targets is made the responsibility of specific persons. The levels of achievement are also decided in advance.

2-Measurement of Performance-The second step in controlling process is the measurement of performance. The actual performance is measured against the standards set. This will enable the management to determine whether the work is being done according to plans or not. The measurement of quantitative objectives is easy since figures of work done will be available. The qualitative performance such as human relations, employee morale, etc. can be measured through psychological tests and surveys.

3-Comparing Actual and Standard Performance-The next step in control process is the comparison of actual performance with the standards set. The purpose of this comparison is (a) to find out deviations if any, and (b) to determine the reasons for such deviations. While comparing actual performance with the standard, some permissible limits are also fixed. When the deviations are within the prescribed limits then there is no cause for worry. But if the deviations are more than the allowable limits then it calls for urgent action.

Q-22 Briefly explain the techniques of Taylor's Scientific Management. [5 marks]

Ans-Meaning of Scientific Management-The literary meaning of scientific management is performing the work of management in a scientific manner. In other words, discarding the traditional approaches to management and adopting newer and more scientific approaches in their place is called scientific management. According to F.W. Taylor, " Management is the act of knowing exactly what you want men to do and then seeing to it that they do it in the best and the cheapest way."

TECHNIQUES OF TAYLOR'S SCIENTIFIC MANAGEMENT

1-Scientific Study of Work-Scientific management requires deep analysis of all the activities being performed in the organization with the aim of producing the maximum possible output with the minimum possible efforts. In simple words, it may be said that Taylor strictly opposed to incompetence and wanted to remove in competence with whatever possible means. He has divided work study into the following four parts:

- 1-Method study
- 2-Motion Study
- 3-Time Study
- 4-Fatigue Study

2-Scientific Task Planning-Scientific task planning implies analyzing all different aspects of the work before actually commencing upon it, such as, what is to be done ? how it is to be done ? where it is to be done? And when it is to be done? Taylor has advised he managers of industrial organizations to establish a separate planning department for this purpose.

3-Scientific Selection and Training of Workers-First, it is determined that for a particular work, persons possessing what specific qualities & capabilities are required. Next, through conducting various examinations, capable persons are selected.

4-Standardisation-Standardisation means setting standards for different factors, after due deliberation. For example, the amount of work to be done by a worker in a day may be standardized. In other words, the worker is expected to do the standard amount of work everyday.

5-Specialisation or Functional Foremanship-F.W. TAYLOR has propounded the functional organization. This form of organization is totally based on the principle of specialization and makes full utilization of expertise of various experts. In a functional organization, work is divided into many small parts and each part is assigned to an expert.

Q-23 Explain the meaning of fixed capital? Briefly explain any four factors that determine the fixed capital of a company. [5 marks]

Ans-Fixed Capital refers to that capital which is used for the purchase of fixed assets, such as, land, building, machinery, furniture, etc. to earn income for a long-time is the motive behind purchase of these assets and not to sell them of immediately. By management of fixed capital is meant the correct estimation of requirement and proper allocation to different fixed assets or projects.

DETERMINANTS OF FIXED CAPITAL

1-Nature of Business-Need of fixed capital depends upon the nature of business. Usually, nature of business is of 2 kinds: manufacturing business and Trading Business. Incase of Manufacturing business large investment is made in land, building, machinery, etc. thus there is need for large amount of fixed capital. On the contrary, in case of trading business in which finished goods are brought and sold, less amount of fixed capital is needed.

2-Spread of Business Activities-Larger the spread of business activities greater is the need for fixed capital. If a manufacturing concern is operating on a small-scale, it will require less amount of fixed capital. On the other hand, a large-scale manufacturing enterprise will need relatively more amount of fixed capital

3-Use of Machines-Those manufacturing concerns which make use of modern and automatic machines, need large amount of fixed capital. On the other hand those enterprises in which production is carried out mainly through manual labour, need for fixed capital is very little.

4-Availability of Fixed Assets on Rent-often some business concerns prefer to get fixed assets on rent. If the desired assets are available on rent, then these concerns need very little amount of fixed capital. On the contrary, those concerns which do not like to get fixed assets on rent or to whom such assets are not available, they do require large amount of fixed capital.

5-Amount of Fixed Part of Current Assets-Normally, to buy current assets, current capital is needed; but some part of current assets necessitates fixed capital. Thus, those companies which have large amount of this part, they need more of fixed capital.

Q-24 What is 'Financial Management' ? Explain any three decisions involved in financial management. [5marks]

Ans-Financial Management refers to that part of the management activity which is concerned with the efficient planning and controlling of financial affairs of the enterprise. In the words of J.L. Massie, " Financial Management is the operational activity of a business that is responsible for obtaining and effectively utilizing the funds necessary for efficient operations."

THREE MAJOR DECISIONS INVOLVED IN FINANCIAL MANAGEMENT

1-Investment Decision-Investment decision refers to the selection of those assets in which investment is to be made by the business or the assets which are to be purchased for running the business. Assets which are obtained by the business are of two types : (i) Fixed Assets and (ii) Current Assets.

(i) Fixed Assets Investment Decision-In order to take this decision the financial manager must know what assets are required to be brought for other departments like production department, purchase department, sales department, etc.

(ii) Current Assets Investment Decision-Current assets include mainly, Cash, Stock, Debtors, etc. Financial manager has to ensure that there is adequate investment in current assets. Decision regarding investment in current assets is called Management of Working Capital.

2-Financing Decision-The other decision by financial manager relates to different sources from where finance is to be procured to meet the requirements of the business. He is to ascertain the different sources from where the necessary finance is to be mobilized and in what amount. This question relates to Capital Structure.

3-Dividend Decision-How much of the total profit be distributed among the shareholders as dividend and how much should be retained by the business as Reserve, is another decision that a financial manager has to take.

Shareholders want that they should get maximum dividend and the managers want that maximum profit be retained as reserve to meet the future requirements of the business. This decision is also called Disposal of Surplus Decision.

Q-25 Explain the objections against advertisement. [5 marks]

Ans-1-Unnecessary Increase in Prices-An organization has to spend large amount on advertising. To meet this expenditure, price of the product is raised. Advertising, therefore, leads to unnecessary rise in prices.

2-Unnecessary Increase in Needs-Influenced by persistent advertising, many a times the consumers buy even those goods which they actually do not need. Thus, there is an unnecessary increase in the needs of the consumers.

3-Loss due to Competition-Generally, it is hoped that competition arising out of advertising brings about improvement in quality of the product and reduction in its price. But it has an adverse effect as well. Very often in his effort to bring down the price, the manufacturer lowers the quality of product, it causes loss to consumers.

4-Loss due to Monopoly-It is the general practice of some big organizations to spend lot of money on intensive advertising with a view to popularizing the brand of their product throughout the country. Influenced by the popularity of the brand, all the people begin to buy that product. In this situation, the manufacturer establishes a kind of monopoly in the market of that product. Taking advantage of this situation, the manufacturer raised the price of the product arbitrarily.

5-Gives Birth to Bad Habits-Advertising is responsible for the spread of bad habits. When manufacturers advertise harmful goods like cigarettes, liquor, etc. then some people influenced by it begin to consume them as a hobby or fashion. This hobby gradually changes into a habit that dies hard.

Q-26 Explain any six functions of Marketing. [6 marks]

Ans-Definition of Marketing-Ordinarily the term Marketing means purchase and sale of goods. It is a narrow concept of marketing. Modern marketing experts use the term in its broad sense. According to them, marketing also includes all those activities which are undertaken before and after the sale and purchase of goods.

FUNCTIONS OF MARKETING

1-Marketing Research-Under this function, an intensive study of marketing activities is undertaken. An effort is made in this study to know the following information :

- what is needed by the consumers?
- How much is needed by them?
- At what price is it needed.?
- At what time is it needed?
- What kind of advertisement is liked by them?

2-Product Planning-Product Planning gives serious thought to the fact whether it is possible to accomplish what is needed by the consumers. If so, to what extent? Information regarding product planning as prepared by the marketing department is sent to production department.

3-Standardisation-Standardisation refers to determining of standard regarding size, quality, design, weight, colour, raw material to be used, etc. in respect of a particular product. By doing so, it is ascertained that the given product will have some peculiarities.

4-Grading-Products having the same characteristics are placed in a given category or grade. Grading, makes sale-purchase easy. Grading process is mostly used in case of agricultural products like foodgrains, cotton, tobacco, apples, etc.

5-Branding-Every producer/seller wants that his product should have special identity in the market. In order to realize his wish, he has to give a name to his product which has to be distinct from other competitors. Giving of distinct name to one's product is called branding.

6-Packaging-Packaging aims at avoiding breakage, damage, destruction, etc. of the goods during transit and storage. Packaging facilitates handling, lifting, conveying of the goods.

Q-27 What is 'Training' ? Explain any four needs of training. [6 marks]

Ans-When an effort is made to make employees efficient in a particular job, it is called training. According to Flippo, "Training is the act of increasing the knowledge and skill of an employee for doing a particular job." To conclude, it can be said that training is that process by which efforts are made to increase the knowledge and skill of the employees so as to perform a specific job efficiently.

NEED FOR TRAINING

1-Job Satisfaction-in the life of an employee, job satisfaction is most important. It means that whatever job he is performing he should be fully satisfied with it. One gets full satisfaction from one's job when one is proficient in that job. Training is essential to acquire proficiency in the job. This leads to job satisfaction to the employees.

2-Fewer Accidents-Reduction of accidents is not only beneficial to the organization it also protects the life of the worker. By learning the art of operating the machine the rate of accidents can be minimized.

3-Increase their market value-Trained employees have a better market value. Increased market value means that other organizations are always willing to employ trained personnel at higher remuneration. Consequently if any employee is feeling uneasy in an organization because of low remuneration he can very easily join another organization at higher remuneration.

4-Better chances of Promotion-Trained employees have more chances of being promoted to higher posts. Ordinarily, whenever, any higher post falls vacant and the organization has trained employee available, fulfilling the required qualifications, then priority is given to him and the post is filled by promotion instead of appointing an outsider.

5-Increase in Capacity and Efficiency-Through training one learns the art of doing a special job methodically. It increases the skill and efficiency of the employee.

6-Improvement in Standard of Living-Training increases the productivity of an employee and he is in a position to earn more money. It has direct effect on his standard of living. Higher standard of living further improves his efficiency and he is in a position to earn still more money.

Q-28 Does planning have limitations ? Explain any five such limitations. [6 marks]

Ans-Meaning of Planning-Planning forms that part of management which lays down the objectives and various activities to be done for the attainment of those objectives. Under this it is decided-what is to be done, how it is to be done, when it is to be done and by whom it is to be done. Deciding about all these things is called planning. According to Koontz and O'Donnell, " Planning is deciding in advance what to do, how to do, when to do, and who is to do it."

LIMITATIONS OF PALNNING

1-Unreliable Forecasting-Planning is based on the forecasts made about future. Since future is uncertain and subject to change, the forecasts are not necessarily fully correct. To consider planning as instruments in the attainment of objectives is like aiming an arrow in the dark.

2-End of Initiative or Restriction on Creativity-Under planning, the activities to be undertaken for the achievement of the objectives are determined before hand. Consequently, every individual performs his work in a particular way and in a manner as laid down in the plans.

3-Lack of Flexibility-Planning possesses the virtue of flexibility. In other words, changes can be introduced as per need of the moment but it must be remembered that only small changes are possible in planning. Big changes are neither possible nor useful for the organization.

4-Planning is an Expensive Process-The word planning is a small one but it has a long process. Right from "perception of opportunities" down to the "review of plans" it is a longway to go to make itself meaningful. It takes a lot of time to cover this long distance and this long time is utilized by the managers in collecting information and analyzing it. Thus it is certain to increase the expenses of the organization.

5-Resistance to Change-Resisting changes in the plans is a major problem of the process of planning. It is evident that changes can be introduced in the plans according to he need of the situation in order to achieve the objectives of the organization. But he employees get so habituated to work according to a single plan that they are not ready to accept any new responsibility.

6-Difficulty in Taking Quick Decisions-Plans are, undoubtedly, a blessing in facing a certain situation but are certainly not capable of facing sudden emergencies. In such a situation if the manager thinks that the process of planning should be first completed and then a decision should be taken, it is quite possible that by then the serious situation may become more serious or the opportunity of profit may slip out of hand.

Q-29 Explain any three ways or means of consumer protection available in India. [6 marks]

Ans-Means of Consumer Protection-As medium of consumer protection, firstly the consumer should be alert while making purchases. It means that they should take certain precautions at the time of buying goods and services, e.g. name of the product and the producer, directions of use of the product, weight of the product, date of manufacture or expiry, etc.

1-Lok Adalat-The concept of lok adalat is catching up fast. In Lok Adalat, aggrieved parties can directly approach these Adalats with their grievances. Issues are discussed on the spot and decisions are taken thereafter. The procedure in Lok Adalat is time as well as money saving. For e.g. Delhi Transport Corporation, Indian Railways, Mahanagar Telephone Nigam Limited hold Lok Adalat from time to time to solve the problems faced by their consumers.

2-Publicity Measures-Through Publicity Measures, the more publicity of consumer awareness is made. For this purpose, 15 March is celebrated as World Consumer Rights Day. Besides, there is a regular telecasting of fortnightly programme on consumer protection by Doordarshan. Similarly, the concerned ministry is bringing out a quarterly journal entitled 'Upbhokta Jagran'.

The weekly programme Apne Adhikar is broadcasted by Central Ministry on the 20 Commercial Broadcasting Stations of All India Radio. Apart from this two documentaries named 'Consumer Rights' and 'Consumer Protection Act 1986' and also two video documentaries named 'Mubarak Kadam' and 'Misleading Advertisements' have been prepared.

3-Public Interest Litigation (PIL)-Through PIL an effort is made to provide legal representation to the poor and minorities. Under PIL, the aggrieved person is not necessarily required to move to court, rather any person can move to the court in the interest of the person or group of persons. In addition to this, complaint sent to supreme court on post card may be treated as petition.

Q-30 Define 'Decentralisation'. Outline any four points of its importance for organizations. [6 marks]

Ans-Decentralisation is an extended form of delegation. When a superior delegates to his subordinates the authority which is comparatively more than expected., this is known as decentralisation. Under decentralization all the authority, except one which is absolutely necessary for the superiors to hold, is given to the subordinates permanently.

IMPORTANCE

1-Relieves the Top Executives of Excessive Workload-Under decentralization the daily managerial works are assigned to the subordinates which leaves enough time with the superiors which they utilize in planning, coordinating, formulating policies, controlling, etc.

2-Facility in Diversification-It cannot be denied that the control exercised by one individual is the best one but it has its limitations. Limitations here refer to the size of the business. It means that so long as the size of

business is small, it can be run efficiently by centralizing all authority at the top level. But when the quantity of the products produced in the enterprise increases, centralized control cannot help because a single individual cannot pay sufficient attention to the problems of all the things.

3-Managerial Development-Decentralization means giving authority to the subordinates up to the lower level to take decisions regarding their work. In this way, the opportunity to take decisions adds to the knowledge and experience of the managers at all levels and it can, therefore be asserted that the arrangement serves the purpose of training.

4-Increase in Morale of Employees-Decentralisation increases employees' participation in management. This establishes their identity in the organization. When one's identity is established or one's importance increases, it naturally, enhances one's morale.

5-Quicker & Better Decisions-The burden of managerial decisions does not lie on a few individuals but gets divided among various persons and it helps in taking quick and good decisions. All the persons have a complete knowledge of their unit or department, and that is why, they are capable of taking better decisions.