

# Class XII Session 2025-26

## Subject - Business Studies

### Sample Question Paper - 6

Time Allowed: 3 hours

Maximum Marks: 80

#### General Instructions:

1. This question paper contains 34 questions.
2. Marks are indicated against each question.
3. Answers should be brief and to the point.
4. Answers to the questions carrying 3 marks may be from 50 to 75 words.
5. Answers to the questions carrying 4 marks may be about 150 words.
6. Answers to the questions carrying 6 marks may be about 200 words.
7. Attempt all parts of the questions together.

1. **Anyone can be called a manager irrespective of the educational qualification possessed.** Identify the characteristic of the profession that Management does not fulfill in the statement being discussed above: [1]  
a) Service Motive  
b) Ethical Code of Conduct  
c) Restricted Entry  
d) Professional Association
2. This principle emphasizes kindness and justice in the behaviour of managers towards workers: [1]  
a) Initiative  
b) Equity  
c) Espirit De Corps  
d) Order
3. **Assertion (A):** Directing is a key managerial function. [1]  
**Reason (R):** While other functions prepare a setting for action, directing initiates action in the organisation.  
a) Both A and R are true and R is the correct explanation of A.  
b) Both A and R are true but R is not the correct explanation of A.  
c) A is true but R is false.  
d) A is false but R is true.
4. **Statement I:** The objective of method study is to minimise the cost of production and maximise the quality and satisfaction of the customer. [1]  
**Statement II:** The objective of motion study is to determine the number of workers to be employed; frame suitable incentive schemes and determine labour costs.  
a) Statement I is correct and Statement II is not correct.  
b) Both the Statements I and II are not correct.  
c) Statement II is correct and Statement I is not correct.  
d) Both the Statements I and II are correct.
5. The lowest level need in the need hierarchy theory of Abraham Maslow is: [1]

- a) Belongingness need
- b) Physiological need
- c) Safety need
- d) Esteem need

6. Changes in fashions and tastes of consumers will: [1]

- a) Shift the market demand from existing product to new ones
- b) Increase the Sale
- c) Increase the cost of production
- d) Increase the profit

7. The marketing management philosophy which uses availability and affordability as a means to achieve the objectives is: [1]

- a) Product concept
- b) Marketing concept
- c) Selling concept
- d) Production concept

8. Controlling is \_\_\_\_\_. [1]

- a) Both forward and backward-looking
- b) Forward-looking
- c) Neither forward nor backward-looking
- d) Backward-looking

9. Identify the External Source of Recruitment illustrated by the picture given below: [1]



- a) Advertisement
- b) Labour Contractor
- c) Casual Callers
- d) Direct Recruitment

10. Identify the correct sequence of steps involved in the motivation process. [1]

- a) Drives, search behaviour, unsatisfied need, tension, satisfied behaviour, reduction of tension
- b) Search behaviour, reduction of tension, unsatisfied need, tension, drives, satisfied behaviour
- c) Tension, drives, search behaviour, unsatisfied need, satisfied behaviour, reduction of tension
- d) Unsatisfied need, tension, drives, search behaviour, satisfied behaviour, reduction of tension

11. For holding securities in an electronic form, the investor has to open a demat account with an organisation called \_\_\_\_\_. [1]

- a) Securities and Exchange Board of India
- b) Depository
- c) Stock Exchange
- d) Mutual Fund

12. Elpis Ltd sees a profitable business opportunity in the field of producing soft drinks. There are large number of factors affective marketing decisions. Which of the following is a controllable factor? [1]

- a. Whether the new soft drinks will be promoted by putting up advertisements in newspaper or magazine or on radio or televisions.

- b. The government policy on whether to allow any technical or financial collaboration with a foreign manufacturer of soft drinks.
- c. Rate of inflation prevailing in a given period.
- d. A credit policy of the central bank affecting the total availability of money in the market.

- a) Option (a)
- b) Option (c)
- c) Option (d)
- d) Option (b)

13. Match the levels of management in Column I with their designation in Column II: [1]

(a) Top Management	(i) Foreman
(b) Middle Management	(ii) Production Manager
(c) Supervisory or Operational Management	(iii) Vice-President

- a) (a) - (i), (b) - (ii), (c) - (iii)
- b) (a) - (i), (b) - (iii), (c) - (ii)
- c) (a) - (iii), (b) - (ii), (c) - (i)
- d) (a) - (ii), (b) - (i), (c) - (iii)

14. Pervasiveness of planning indicates that planning: [1]

- a) is the first element of management process
- b) is a future-oriented activity
- c) extends throughout the organisation
- d) is a top management function

15. Which of the following is not a limitation of external sources of recruitment? [1]

- a) Lengthy process
- b) Costly process
- c) Competitive spirit
- d) Dissatisfaction of existing staff

16. Companies with stable earnings are likely to: [1]

- i. Pay higher dividend
- ii. Not pay any dividend
- iii. Pay a lesser dividend
- iv. Dividend is not affected by stable earning

- a) ii and iii
- b) only i
- c) iii and iv
- d) only iv

17. A textile company is diversifying and starting a cement manufacturing plant. Its investment in fixed capital will \_\_\_\_\_ (increase/decrease). [1]

- a) increase
- b) become zero
- c) decrease
- d) remain constant

18. The function of Stock Exchange which helps in creating a continuous market where securities are bought and sold is: [1]

- a) Safety of transactions
- b) Providing liquidity and marketability to existing securities
- c) Contribution to economic growth
- d) Pricing of securities

19. Which of the following is NOT a factor affecting **financing decision**? [1]

- a) Diversification
- b) Control considerations

c) Fixed operating costs

d) Cash flow position

20. **Statement I:** The wealth-maximisation concept means maximisation of the market value of equity shares. [1]

**Statement II:** The market price of equity share increases, if the benefit from a financial decision exceeds the cost involved.

a) Both the Statements I and II are correct.

b) Both the Statements I and II are not correct.

c) Statement I is correct and Statement II is not correct.

d) Statement II is correct and Statement I is not correct.

21. With the introduction of per second call plan by MTS (a leading mobile network Co.), most of the other cellular companies also started offering per the second plan, in order to survive and maintain their market share. Discuss the feature of management highlighted in the given case. [3]

OR

Describe in brief any five functions of Top Level Management in an organization.

22. Vaibhav is a bookseller. One day he was selling books. He approached a person who was sitting on the pavement. He offered him the book and found that he was not having enough money to pay. So he willingly gave him the book without taking money. [3]

- Is it a true exchange mechanism? Justify your answer.

23. State any three objectives of Securities and Exchange Board of India. [3]

OR

State advantages of depository system/D'Mat shares to the company.

24. Das is the Managing Director of Gamut Ltd., manufacturing different varieties of cheese. He has an efficient team working under him consisting of Rajat - the Production manager, Vinay - the Marketing manager and Adit - the Finance manager. They understand and interpret the policies made by Das, ensure that their departments have adequate manpower, assign them the necessary duties and motivate them to achieve the desired objectives. [3]

- State one more function other than those mentioned above, that this team may perform at the level they are working.

25. Give the meaning of 'price' as an element of marketing affect the price determination of a product. [4]

OR

What is meant by physical distribution? Explain its major components.

26. Define principles of management. An organisation follows the principles of management. What are the positive effects of each of the following principles of management on the organisation? [4]

- i. Oder
- ii. Unity of direction
- iii. Division of work

OR

Explain methods and rules as types of plan.

27. Eco-friendly products are gaining power as the consumers' awareness about environmental issues has increased over the years and they are conscious about choosing products that do not have adverse effects on the environment. They are now more conscious about the carbon emission and climate change effects and want themselves to be 'seen' as a green advocate among their peers. In such a scenario, it has become a challenge for the companies as they have to not only meet the needs of the [4]

consumers but also ensure that their products are safe and environment-friendly. As a result, there is a growing need for better and advanced technologies to work as a catalyst in this regard.

- a. Identify the relevant feature of the business environment being discussed above.
- b. Describe briefly any three points which highlight the importance of the business environment and its understanding by managers.

28. Explain the limitations of Controlling. [4]

29. Mr. Sham Sunder has recently been appointed General Manager of **Om Auto Parts Ltd.** Immediately after appointment, he undertook a round of the factory. He found that stationery is not at its specific place in the office nor are the employees available at their proper place. He realized that everything there was in a state of chaos.

- i. What principle of management is being violated here? Clarify.
- ii. What affect this situation will have on the objective of the company?
- iii. What suggestion will you give for improving this situation?

30. Nakul belongs to a small village in Varanasi. Being the only literate person in his immediate family, he decides to settle in a city. So he opens a sweets shop in Chandni Chowk, Delhi as he possesses extraordinary culinary skills. Very soon he starts getting requests from his cousins in the village to engage them in some kind of job in his business. Considering it to be his moral obligation, he engages five of his cousins in his business without paying any specific attention to their individual capabilities. This leads to wastage of materials, time, effort and energy, resulting in lower productivity and poor quality of products. As a result, the profitability of his business starts falling. Soon, he realised that for the success of the business it is essential that right kind of people must be available in the right number at the right time.

In the context of the above case:

- a. Identify and explain the function of management that has been overlooked by Nakul.
- b. Describe briefly the importance of the function of management as identified in part (a).

31. Ravi has joined as a finance manager in MTA Ltd. He had to arrange funds of rupees one crore for the company. [6]  
The Chief Executive Officer of the company wants to arrange the funds by a public issue whereas the finance manager wants to have a mix of debt and equity as this will determine the overall cost of capital and the financial risk of the enterprise.

- i. Identify and give the meaning of the financial decision suggested by the finance manager in the above case.
- ii. State any three factors affecting the decision identified in (i) above.

32. Chintamani is the Production Manager of **Global India Ltd.** manufacturing and exporting steel. During the year 2017-18, the company could not meet its production targets. The Chief Executive Officer of the company constituted a committee of experts to find out the reasons and give its recommendation so that the production target could be met in the future. The company analysed the production related records and found out that there were problems due to communication. **Global India Ltd.** had rigid rules and would insist on communication through prescribed channels, which led to delays. The company also had a number of managerial levels causing further delay and distorted communication.

Moreover, the Production Manager, Chintamani, was using a tone that quite often offended the sentiments of the workers. Also, Chintamani and the workers did not believe in each other and so could not understand each other's messages in the original sense.

- a. Identify and give the meaning of the types of communication barriers discussed above.

b. Quoting lines from the above, state two communication barriers under each of the types identified in part (a) because of which **Global India Ltd.** could not meet its production targets.

c. State any two recommendations that might have been given by the committee to improve communication effectiveness.

33. Aman Chadha started 'Bulls Eye' a company for providing cybersecurity solutions to businesses. Its objective is to prevent, detect and respond to cyber-attacks and protect critical data. He was a hardworking software engineer and an expert in cybersecurity. His reputation grew by leaps and bounds as he was not only a person of integrity but also did his work with utmost honesty and sincerity. The business started growing day by day. He was delighted when he was offered a big project by the Ministry of Defence. While working on the project, he found that the volume of work made it impractical for him to handle all the work by himself. He decided to expand the team. The company maintained a close liaison with a local engineering college. During a campus placement, Ishan and Vrinda were appointed to work for the new project. He found the new employees capable, enthusiastic and trustworthy. Aman Chadha was thus, able to focus on objectives and with the help of Ishan and Vrinda, the project was completed on time. Not only this Aman Chadha was also able to extend his area of operations. On the other hand, Ishan and Vrinda also got opportunities to develop and exercise initiative. [6]

i. Identify and briefly explain the concept used by Aman Chadha in the above case which helped him in focusing on objectives.

ii. Also, state any four points of importance of the concept identified in (i) above.

34. Explain the following rights of a consumer as per the provisions of Consumer Protection Act, 2019: [6]

i. Right to safety

ii. Right to be heard

OR

Explain the three tier machinery under the Consumer Protection Act for redressal of consumers grievances.

# Solution

1.  
**(c) Restricted Entry**  
**Explanation:**  
The entry to a profession is restricted through an examination or through acquiring an educational degree. Whereas there is no legal restriction on appointment of a manager, anyone can become a manager irrespective of the educational qualification.
2.  
**(b) Equity**  
**Explanation:**  
The principle of equity emphasizes kindliness and justice in the behaviour of managers towards workers. No discrimination should be made by them on the basis of caste, creed, gender, etc.
3. **(a) Both A and R are true and R is the correct explanation of A.**  
**Explanation:**  
Both A and R are true and R is the correct explanation of A.
4. **(a) Statement I is correct and Statement II is not correct.**  
**Explanation:**  
Statement I is correct and Statement II is not correct.
5.  
**(b) Physiological need**  
**Explanation:**  
These needs are most basic in the Maslow's Need Hierarchy theory of motivation. The lowest level need in the need hierarchy theory of Abraham Maslow is basic physiological needs.
6. **(a) Shift the market demand from existing product to new ones**  
**Explanation:**  
Social environment consists of customs and traditions of the society, standard of living, taste, preference and educational levels etc. of people living in the society where the business exists. When the social environment will change, it will change the demand of existing product to the new one.
7.  
**(d) Production concept**  
**Explanation:**  
Production concept
8.  
**(b) Forward-looking**  
**Explanation:**  
Controlling is forward-looking.
9.  
**(d) Direct Recruitment**  
**Explanation:**  
Direct Recruitment
10.  
**(d) Unsatisfied need, tension, drives, search behaviour, satisfied behaviour, reduction of tension**

**Explanation:**

Unsatisfied need, tension, drives, search behaviour, satisfied behaviour, reduction of tension

11. (b) Depository  
**Explanation:**  
Depository
12. (a) Option (a)  
**Explanation:**  
Whether the new soft drinks will be promoted by putting up advertisements in newspaper or magazine or on radio or televisions.
13. (c) (a) - (iii), (b) - (ii), (c) - (i)  
**Explanation:**  
(a) - (iii), (b) - (ii), (c) - (i)
14. (c) extends throughout the organisation  
**Explanation:**  
The pervasiveness of planning indicates that planning extends throughout the organization.
15. (c) Competitive spirit  
**Explanation:**  
Competitive spirit
16. (b) only i  
**Explanation:**  
Dividends are corporate earnings that companies pass on to their shareholders. Paying Dividends sends a message about a company's future prospects and good performance.
17. (a) increase  
**Explanation:**  
increase
18. (b) Providing liquidity and marketability to existing securities  
**Explanation:**  
Providing liquidity and marketability to existing securities
19. (a) Diversification  
**Explanation:**  
Diversification
20. (a) Both the Statements I and II are correct.  
**Explanation:**  
Both the Statements I and II are correct.
21. Management is a dynamic function:  
i. Management is a dynamic function and has to adapt itself to the changing environment.  
ii. An organisation interacts with its external environment which consists of various social, economic and political factors.



iii. In order to be successful, an organisation must change itself and its goals according to the needs of the environment. For example, McDonalds, the fast food giant made major changes in its menu to be able to survive in the Indian market.

OR

Main functions of top-level management are:

- i. Formulation of organizational objectives as they form long as well as short-term both.
  - ii. Framing strategies and policies on how to achieve objective effectively and efficiently.
  - iii. Analyses of business environment to make its future planning.
  - iv. Appointment of departmental heads to do work properly.
  - v. Organizing business into various sections and departments to simplify the work.
22. No, it is not a true exchange mechanism as both the parties must have something viewed valuable by each other. For example, the seller offers product and the buyer, money.
23. The basic objective of SEBI is to protect the interests of investors and to promote the development of stock exchange and regulate the securities market. Following are the objectives of SEBI:
- i. To protect the rights of investors and ensuring safety to their investment.
  - ii. To regulate stock exchange and securities markets to promote their orderly functioning.
  - iii. To regulate and develop a code of conduct and fair practices by intermediaries like brokers, merchant bankers, etc, so that they become competitive and professional.
  - iv. To prevent fraudulent and malpractices by balancing between self-regulation of business and its statutory regulations.

OR

**Following are the advantages of depository system/D'Mat shares to the company:**

- i. It eliminates the requirement of issuing share certificates and keeping a record of share certificates.
  - ii. It facilitates the readymade availability of beneficial owners data for communication with shareholders.
  - iii. It reduces the cost of secretarial department.
  - iv. It reduces the risk of stolen shares and fraudulent deeds.
24. Rajat, Vinay, and Adit are working at the “Middle Level”, as the “Functional Heads” for the smooth functioning of their respective Departments. Other than this, one more function the three Functional Heads must perform is to “Motivate” the Employees of their Respective Departments in order to achieve the Desired Objectives.
25. Price may be defined as the amount of money paid by a buyer in consideration of the purchase of a product or a service. Price covers the overall cost and profit of shopkeeper. Pricing involves the determination of the price of the product. Pricing plays an important role in the marketing of goods and services. It is often used as a regulatory of product's demand. Pricing also affects the revenue and profits of a firm. Success and failure of a product totally depend on this.
- The four factors which affect the price determination of a product are as follows
- i. **The objective** of pricing Firms may include profit maximization, obtaining market share leadership, surviving in a competitive market and attaining product quality leadership. As if the firm wants to maximize its profit in the short run than it will charge a maximum price for its product.
  - ii. **Cost:** Price charged must enable the businessman to cover his cost including a reasonable margin of profit. Cost means both fixed and fluctuating cost must be covered by the price in long run.
  - iii. **Competition:** It is necessary to take into consideration the prices of the products of the competing firms prior to fixing the price. Competitors' price and their anticipated reaction must be considered before fixing the price of the product. In the case of cut-throat competition, it is desirable to keep the price low.
  - iv. **Demand for product:** Intensive study of demand for products and services in the market should be undertaken before price fixation. If demand is relatively more than supply, a higher price can be fixed. As we all know that the price of a product is totally affected by the elasticity of demand of the product.

OR

Physical distribution of goods is concerned with making the goods and services available in the right place so that people can purchase the same. It includes the activities that make firm's product available to the target customers. Components of the physical distribution of goods are:

- i. **Order processing:** A good physical distribution system ensures accurate and speedy processing of the order. Processing of orders involves several steps viz receiving the orders, dispatch of goods, recording it in books, billing, collection of payment, etc. If there is a delay in it than it will affect the goodwill of the firm.
- ii. **Transportation:** It is the means of carrying goods from manufacturers to consumers, or we can say the point of production to the point of sale. It is one of the major elements of physical distribution. It is important because unless the goods are

physically made available at various places, the sale cannot be completed.

- iii. **Warehousing:** It refers to the act of storing and assorting products in order to create time utility in them. Need for warehousing arises due to the time gap between the production and consumption of goods. Generally larger the number of warehouses the firm has lesser the time taken in serving customer in the different location.
  - iv. **Inventory control:** It is an important decision in physical distribution in respect of deciding the level of inventory. High level of inventory ensures product availability when the demand arises but increases the cost of carrying the inventory. Thus, a balance has to be maintained between the cost and consumer satisfaction. The level of inventory depends upon estimated demand, sales forecast, cost of inventory etc.
26. i. Orderliness will lead to increased productivity and efficiency.  
ii. Unity of direction ensures unity of action and coordination.  
iii. Division of work leads to specialisation and results in efficient and effective output.

OR

### Methods

- These provide the best possible way in which a task has to be performed considering the objective.
- It deals with a task comprising one step of a procedure and specifies how this step is to be performed.
- The method may vary from task to task.
- Selection of proper method saves time, money and effort and therefore, increases efficiency.
- For example, for the valuation of the stock, the organisation must decide in advance which method has to be adopted (LIFO or FIFO), so that everyone must follow the same.

### Rules

- These are specific statements that inform what is to be done and what not to be done.
  - These do not allow any flexibility or discretion.
  - It reflects a managerial decision that a certain action must or must not be taken.
  - These are the simplest type of plans.
  - For example, wearing gloves while working on machines
27. a. Inter-relation is the relevant feature of the business environment which is being discussed above. All the forces and factors of Business Environment are inter-related to each other.
- b. The three points which highlight the importance of the business environment and its understanding by managers are described below:
- i. **Enables to Identify Business Opportunities:** All changes are not negative. If understood and evaluated them, they can be the reason for the success of a business. It is very necessary to identify a change and use it as a tool to solve the solve problems of the business or populous.
  - ii. **Helps in Tapping Useful Resources:** Careful scanning of the Business Environment helps in tapping the useful resources required for the business. It helps the firm to track these resources and convert them into goods and services.
  - iii. **Coping with Changes:** The business must be aware of the ongoing changes in the business environment, whether it be changes in customer requirements, emerging trends, new government policies, technological changes. If the business is aware of these regular changes then it can bring about a response to deal with those changes.
28. Limitations of Controlling:
- i. Difficulty in setting quantitative standards: Control system loses its effectiveness when standard of performance cannot be defined in quantitative terms and it is very difficult to set quantitative standard for human behaviour, efficiency level, job satisfaction, employee's morale, etc. In such cases judgment depends upon the discretion of manager.
  - ii. No control on external factors: An enterprise cannot control the external factors such as government policy, technological changes, change in fashion, change in competitor's policy, etc.
  - iii. Resistance from employees: Employees often resist control and as a result effectiveness of control reduces. Employees feel control reduces or curtails their freedom. Employees may resist and go against the use of cameras, to observe them minutely.
  - iv. Costly affair: Control is an expensive process it involves lot of time and effort as sufficient attention has to be paid to observe the performance of the employees. To install an expensive control system organisations have to spend large amount. Management must compare the benefits of controlling system with the cost involved in installing them. The benefits must be more than the cost involved then only controlling will be effective otherwise it will lead to inefficiency.
29. i. Principle of Order has been violated in this case. According to this principle, everything should have a proper place and that a thing should be at its fixed place. Similarly, every person should have a place and that person should be available at that very place.

- ii. In the absence of order, objectives cannot be achieved efficiently and effectively.
  - iii. All things and employees should be available at their appointed place.
30. a. Staffing is the function of management that has been overlooked by Nakul.
- b. The importance of the staffing function of management is described below:
- i. Efficient Performance of Other Functions
  - ii. Effective Use of Technology and Other Resources
  - iii. Optimum Utilization of Human Resources
  - iv. Development of Human Capital
  - v. The Motivation of Human Resources
  - vi. Building Higher Morale
31. i. **financing decision :-** This decision is about the quantum of finance to be raised from various long-term sources. The main sources of long term funds for a firm are shareholders' funds and borrowed funds. The shareholders' funds refer to the equity capital and the retained earnings. Borrowed funds refer to the finance raised through debentures or other forms of debt. A firm has to decide the proportion of funds to be raised from either source, based on their basic characteristics. Interest on borrowed funds has to be paid regardless of whether or not a firm has earned a profit.
- ii. **Factors affecting financing decisions are as follows:**
- a. **Cost:** The cost of raising funds through different sources is different. A prudent financial manager would normally opt for a source that is the cheapest
  - b. **Risk:** The risk associated with each of the sources is different.
  - c. **Floatation Costs:** Higher the floatation cost, the less attractive the source.
  - d. **Cash Flow Position of the Company:** A stronger cash flow position may make debt financing more viable than funding through equity.
  - e. **Fixed Operating Costs:** If a business has high fixed operating costs (e.g., building rent, Insurance premium, Salaries, etc.), It must reduce fixed financing costs. Hence, lower debt financing is better. Similarly, if fixed operating cost is less, more of debt financing may be preferred.
  - f. **Control Considerations:** Issues of more equity may lead to dilution of management's control over the business. Debt financing has no such implication. Companies afraid of a takeover bid would prefer debt to equity.
  - g. **State of Capital Market:** Health of the capital market may also affect the choice of source of funds. During the period when the stock market is rising, more people invest in equity. However, a depressed capital market may make the issue of equity shares difficult for any company.
32. a. Types of communication barriers discussed above are:
- i. Organisational barriers are barriers related to organisational structure, authority relationships, rules and regulations.
  - ii. Psychological barriers are concerned with the state of mind of both the sender and the receiver.
- b. Organisational barriers:
- i. Rigid Rules and regulations may delay communication.  
'Global India Ltd.' had rigid rules and would insist on communication through prescribed channels, which led to delays'.
  - ii. Complexity in organization structure leads to delayed and distorted communication.  
'The company also had a number of managerial levels causing further delay and distorted communication'.
- Psychological barriers:
- i. Loss by transmission and poor retention may act as a barrier to communication.  
'The company also had a number of managerial levels causing further delay and distorted communication'
  - ii. Distrust between the sender and the receiver acts as a barrier.  
'Chintamani and the workers did not believe in each other and so could not understand each other's messages in the original sense'
- Recommendations that might have been given by the committee to improve communication effectiveness:
- i. Be aware of the language, tone and content of the message so that it does not offend the sentiments of listeners.
  - ii. Be a good listener so as to understand each others message in its original sense.
  - iii. Ensure proper feedback to make communication more responsive.
33. i. Delegation of authority is the concept used by Aman Chadha in the above case which helped him in focusing on objectives. The delegation of authority is the process of granting of authority to the subordinates to operate within prescribed limits.
- ii. The four points of importance of delegation of authority are described below:

- a. **Effective management:** It helps the managers to function more efficiently as they get more time to concentrate on important matters. Freedom from doing routine work provides them with opportunities to excel in new areas.
  - b. **Employee development:** By empowering the employees, they are given more opportunities to utilize their talent and this may help them to become better leaders and decision-makers in the future.
  - c. **Motivation of employees:** Delegation also has psychological benefits as helps in building the self-esteem of an employee and improves his confidence and work performance. When a superior entrusts a subordinate with a task, it is not merely the sharing of work but involves trust in the superior's part and commitment on the part of the subordinate. Thus, delegation may give rise to latent abilities in the subordinates.
  - d. **Facilitation of growth:** With the increase in the competence of the employees, an organisation tends to gain in many ways. The growth and expansion of the firm become easy as the capable workforce is ready to take greater responsibilities.
34. i. **Right to safety** A consumer has a right to be protected against goods and services which are hazardous to life and health. For instance, electrical appliances which are manufactured with sub-standard products do not conform to the safety norms, might cause serious injury. Therefore, the companies should manufacture the product by taking into consideration the quality and safety features of the product and the product must bear a standard safety mark like ISI and AGMARK. Thus, consumers are educated that they should use electrical appliances which are ISI marked, as this would be an assurance of such products meeting quality specifications
- ii. **Right to be heard** A consumer has a right to file a complaint and to be heard in case of dissatisfaction with regard to a good or service. It is because of this reason that many enlightened business firms have set up their own consumer service centers and grievance cells. Many consumer organizations are also working towards this direction and helping consumers in redressal of their grievances. Consumers must become vigil towards this fact that in case they are cheated, then they can seek justice by approaching the grievance cells.

OR

For the redressal of consumer grievances, the Consumer Protection Act, 1986 provides for setting up of a three-tier machinery at the district, state and the national levels. These agencies are:

- o **District Forum or District Consumer Dispute Redressal Forum:** District forum consists of a president and two other members. The president can be a retired or working judge of District Court. They are appointed by the state government. The complaints about goods or services worth Rs 20 lakhs or less can be filed in this agency.
- o **State Commission:** It consists of a president and two other members. The president must be a retired or working judge of high court. They all are appointed by state government. The complaints about the goods worth more than Rs 20 lakhs and less than Rs.1 crore can be filed in State Commission on receiving complaint the State commission contacts the party against whom the complaint is filed and sends the goods for testing in laboratory if required. In case the aggrieved party is not satisfied with the judgment then they can file an appeal in National Commission within 30 days by depositing Rs 3500 or 50% of penalty amount whichever is less.
- o **National Commission:** The national commission consists of a president and four members one of whom shall be a woman. They are appointed by Central Government. The complaint can be filed in National Commission if the value of goods exceeds Rs 1 crore. On receiving the complaint the National Commission informs the party against whom the complaint is filed and sends the goods for testing if required and gives judgment. If aggrieved party is not satisfied with the judgment then they can file a complaint in Supreme Court within 30 days.