

**INTERNATIONAL INDIAN SCHOOL BURAIDAH**

**WORKSHEET-5**

**Subject: Business Studies**

**Chapter – 7 , 8 and 9 Directing , Controlling and Financial Management**

**Chapter-7 Directing**

1. There are some barriers in communication which are concerned with organisational structure and rules and regulations. State any 3 such barriers.

2. Ayesha Ltd. assured their employees that inspite of recession no worker will be retrenched from the job.

a. Name and explain the type of incentive offered to the employees.

b. Explain one more incentive of the same category.

3. In XYZ Ltd. there is no restriction on flow of communication and each and every employee is free to approach any one for minor queries and problems. Although this flow of communication is fast, but it has led to leakage of confidential information.

a. Which network of formal communication is used by the company?

b. Mention a suitable network, which can be used by the company to protect the confidential information?

4. Blue Birds Ltd. offers to its employees to issue shares at a price which is less than the market price.

a. Name and explain the type of incentive offered to the employees.

b. Explain one more incentive of the same category.

5. Mr. Sam is the manager of a company. His employees are not satisfied with him as he does not listen to their suggestions and often exercises unethical standards. Identify and discuss the qualities of a good leader, which are missing in Sam.

6. The workers always try to show their inability when any new work is given to them. They are always unwilling to take up any kind of work. Due to sudden rise in demand, firm wants to meet excess orders. The supervisor is finding it difficult to cope up with the situation. Suggest ways for the supervisor to handle the problem.

7. Which function of management is known as ‘Management in action’?

8. Why it is said that “The supervisor is a link between management and the operative employees”?

9. “Motivation can either be positive or negative.” Comment.

10. ‘A good leader does not wait for opportunities but creates them.’ Which quality of a good leader is highlighted by this statement?

11. ‘Supervision is not at all required in an organisation.’ Do you agree? Give 2 reasons in support of your answer.

12. “All managers are leaders but all leaders are not managers.” Do you agree with this statement? Give any 3 reasons in support of your answer.

13. Rajat a sales manager achieved his sales targets one month in advance. This achievement was displayed on the notice board and a certificate for the best performance was awarded to him by the CEO of the company.

a. Name the incentive provided to Rajat.

b. Identify the type of incentive.

c. List 2 more incentives of the type identified in part(b)

14. There are some barriers in communication, which are concerned with encoding and decoding of message. State any 3 such barriers.

15. Name the type of formal communication in which the persons of two departments one at a higher position another at a lower, communicate with each other. Also state the problem which may arise in this type of communication.

### **L-Controlling**

HOTS:

1. Babita ltd. is engaged in manufacturing machine components. The target of production is 250 units per day per worker. The company had been successfully attaining this target until two months ago. Over the last two months it has been observed that daily production varies between 200-210 units per worker.

a. Name the function of management and identify the step in the process of this function which helped in finding out that the actual production of a worker is less than the set target.

b. To complete the process of the function identified in (a) and to ensure the performance as per set targets, explain what further steps a manager has to take.

2. Which two steps in the process of control are concerned with compelling events to conform to the plan?

3. "A control technique should check each and every activity in an organization." Do you agree?

4. Rajeev and Sanjeev are managers in the same organization having different units. While discussing about the function of management, Rajeev says "Planning is looking ahead whereas controlling is looking back." But Sanjeev says, "You are wrong because planning is looking back whereas controlling is looking ahead." Both are giving reasons in favor of their statements. Explain the possible reasons given by both and justify who is correct.

5. Is controlling 'the end' of management functions cycle? Give reason in support of your answer.

### **VALUE BASED QUESTIONS:**

6. In controlling process, standards were set according to the efficiency of the average employee. Which value has been kept in mind while setting the standards?

7. On coming to know the negative deviations, fines are imposed on employees. Which value is being violated here?

8. In company employees achieved quantitative standard but could not attain qualitative standards.

a. Which values have been ignored here?

9. A manager observes that an old employee is not doing the required work. Manager scolds him rudely without asking him the reasons. In your view how the manager should have behaved and which values he should have kept in the mind?

10. A supervisor observes that during working hours some employees were busy in gossiping instead of working. In spite of instructions they did not start working. When the matter was brought to the notice of management the union threatened to go on strike. In your view was the behavior of employees and the union justified.

### **VERY SHORT ANSWER TYPE/SHORT ANSWER QUESTIONS: .**

11. Name the function of management under which performance is compared with standards.

12. Give meaning of the term 'Deviation' as used in the control function of management.

13. You are the manager of Asfia Chemicals Ltd. It is reported to you that postal expenses have increased by 10% over standard rates and cost of raw materials has increased by 2%. Which of the two deviations will be more critical to you?

14. Planning is looking ahead and controlling is look back'' Comment.

### **Long Answer Type**

15. ''Controlling requires a systematic process'' Explain?

16. Planning and Controlling are interrelated .'' Comment.

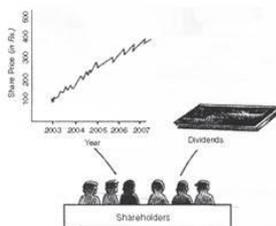
17. Taking corrective /remedial action is the last step in the process of one of the functions of management .

a) Name of Function

b) Explain the other steps of the above function

### **PART- B : Financial Management**

**Q1.** The cartoon demonstrates the primary objective of Financial Management. Name and explain it.



**Q2.** Bharti Ltd. is a leading mobile company. It is planning to acquire Queen Ltd's (its close competitor) business worth Rs. 1,000 crore. Which financial decision is involved in it?

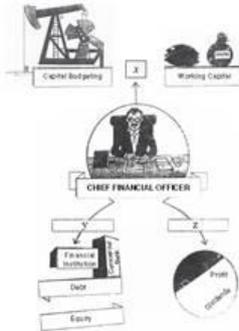
**Q3.** Chandra Ltd. is a manufacturer of Laptops. It made a profit of 1000crores. The directors has proposed a dividend of 38%. As a finance manager of the company. What factors would you consider while formulating a dividend policy of the company?

**Q4.** How overall financial risk is calculated?

**Q5.** Pankaj is engaged in Warehousing - Business Identify the working capital requirements of Pankaj stating the reason in support of your answer. Pankaj is also

planning to start his Transport business. Explain any two factors that will affect his fixed capital requirements.

**Q6.** Identify x, y and z from the cartoon and explain them.



**Q7.** How financial Management, helps in maximization of shareholders' wealth?

**Q8.** How does 'Trading on Equity' affect the Capital structure off a company? Explain with the help of a suitable example.

**Q.9** What is the cost of raising funds called?

**Q10.** A tax benefit is available only in case of payment of interest and not on the payment of preference dividend. Why?

**Q.11**What is meant by financial management? State any two financial decisions taken by a financial manager.

**Q12**What is meant by financial planning? Explain the importance of financial planning.

**Q.13**The Return on Investment (ROI) of a company ranges between 10%-12% for the past three years. To finance in future fixed capital needs, it has the following option for borrowing debts.

Option A: Rate of Interest 9%

Option B: Rate of Interest 13%

Which source of debts, Option A or Option B is better? Give reason in support of your answer. Also, state the concept used in taking the decision.

**Q.14**Explain briefly any four factors affecting the fixed capital requirements of an organisation.