शिक्षा निदेशालय, राष्ट्रीय राजधानी क्षेत्र दिल्ली
Directorate of Education, GNCT of Delhi

अभ्यास प्रश्न पत्र

Practice Paper

कक्षा – XII

Class – XII

व्यवसाय अध्ययन (कोड: 054)

Business Studies (Code: 054)

TERM II (2021-22)

समय: 2 **घंटे** | **अधिकतम अंक**: 40

Time: 2 hours | **Maximum Marks: 40**

सामान्य निर्देश:

- यह एक वर्णात्मक प्रश्न पत्र है जिसमें 12 प्रश्न हैं।
- इस प्रश्न पत्र में 2 अंक के 4 प्रश्न हैं, 3 अंक के 4 प्रश्न हैं और 5 अंक के 4 प्रश्न हैं।
- 2 अंक के प्रश्न लघु उत्तरीय प्रश्न हैं और जिनका उत्तर 30-50 शब्दों में देना है।
- 3 अंक के प्रश्न लघु उत्तरीय प्रश्न हैं और इनका उत्तर 50-80 शब्दों में देना है।
- 5 अंक के प्रश्न दीर्घ उत्तरीय प्रकार के प्रश्न हैं और जिनका उत्तर 80-120 शब्दों में देना है।
- इस प्रश्न पत्र में केस/स्रोत आधारित प्रश्न हैं।

General Instructions:

- This is a Subjective Question Paper containing 12 questions.
- This paper contains 4 questions of 2 marks each, 4 questions of 3 marks each and 4 questions of 5 marks each.
- 2 marks questions are Short Answer Type Questions and are to be answered in 30-50 words.
- 3 marks questions are Short Answer Type Questions and are to be answered in 50-80 words.
- 5 marks questions are Long Answer Type Questions and are to be answered in 80-120 words.
- This question paper contains Case/Source Based Questions.

प्र. स. Q. No.		**अंक Marks**
1.	अल्फा एंटरप्राइजेज वाटर गीजर बनाने वाली कंपनी है। कंपनी के चार मुख्य कार्यों-उत्पादन, विपणन, वित्त और मानव संसाधन के साथ एक कार्यात्मक संरचना है। जैसे-जैसे उत्पाद की मांग बढ़ी, कंपनी ने और कर्मचारियों को नियुक्त करने का फैसला किया। उस अवधारणा को पहचानें और समझाएं जो मानव संसाधन प्रबंधक को प्रत्येक विभाग में आवश्यक	2

	व्यक्तियों की वास्तविक संख्या तय करने में मदद करेगी। Alpha Enterprises is a company manufacturing water geysers. The company has a functional structure with four main functions-Production, Marketing, Finance and Human Resource. As the demand for the product grew, the company decided to hire more employees. Identify and Explain the concept which will help the Human Resource Manager in deciding the actual number of persons required in each department.	
2.	स्क्विब लिमिटेड कश्मीर घाटी में काम करने वाली एक बड़ी साख योग्य कंपनी है। यह एक निर्यात-उन्मुख इकाई है, जो विशेष कढ़ाई वाले शॉल में काम करती है। घाटी में आई बाढ़ ने कंपनी के लिए कई मुश्किलें खड़ी कर दी हैं। कई शिल्पकारों और श्रमिकों को विस्थापित कर दिया गया है और कच्चे माल को नष्ट कर दिया गया है। इसलिए फर्म कच्चे माल की निर्बाध आपूर्ति प्राप्त करने में असमर्थ है और उत्पादन चक्र की अवधि भी बढ़ गई है। संगठन की समस्याओं को जोड़ने के लिए, कच्चे माल के आपूर्तिकर्ता जो पहले क्रेडिट पर बेच रहे थे, कंपनी से अग्रिम भुगतान या डिलीवरी पर नकद भुगतान के लिए कह रहे हैं। कंपनी नकदी संकट का सामना कर रही है। कंपनी के सीईओ को लगता है कि बैंक से कर्ज लेना ही कंपनी के पास नकदी की अल्पकालिक कमी को पूरा करने का एकमात्र विकल्प है। कंपनी के वित्त प्रबंधक के रूप में, बैंक उधार के विकल्प का नाम और व्याख्या करें जिसका उपयोग कंपनी संकट को हल करने के लिए कर सकती है। Squib Ltd. is a large creditworthy company operating in the Kashmir Valley. It is an export-oriented unit, dealing in exclusive embroidered shawls. The floods in the Valley have created many problems for the company. Many craftsmen and workers have been dislocated and raw material has been destroyed. The firm is therefore, unable to get an uninterrupted supply of raw materials and the duration of the production cycle has also increased. To add to the problems of the organisation, the suppliers of raw materials who were earlier selling on credit are asking the company for advance payment or cash payment on delivery. The company is facing a liquidity crisis. The CEO of the company feels that taking a bank loan is the only option with the company to meet its short-term shortage of cash. As a finance manager of the company, name and explain the alternative to bank borrowings that the company can use to resolve the crisis.	2
3.	गर्ग्या लिमिटेड के कर्मचारी बढ़ी हुई मांग को पूरा करने के लिए कंपनी द्वारा आयातित नई कम्प्यूटरीकृत मशीनों पर काम करने में असमर्थ हैं। इसलिए, कार्यकर्ता पर्यवेक्षक से अतिरिक्त मार्गदर्शन की मांग कर रहे हैं और पर्यवेक्षक श्रमिकों के बार-बार कॉल करने के बोझ से दबे हुए हैं। सुझाव दें कि पर्यवेक्षक, श्रमिकों के कौशल और ज्ञान को बढ़ाकर, उन्हें स्वतंत्र रूप से अपना काम कैसे संभाल सकता है। The workers of Gargya Ltd. are unable to work on new computerised machines imported by the company to fulfill the increased demand. Therefore, the workers are seeking extra guidance from the supervisor and the supervisor is overburdened with frequent calls of the workers. Suggest how the supervisor, by increasing the skills and knowledge of workers, can make them handle their work independently.	2
4.	"मानकों की सटीकता का निर्धारण" और "आदेश और अनुशासन सुनिश्चित करने" में नियंत्रण कैसे मदद करता है? How does controlling help in “Judging accuracy of standards” and “Ensuring order and discipline”?	2
5.	निम्नलिखित मामलों में निर्देशन के तत्वों की पहचान करें: 1. अरुण जो अपने संगठन के विभागीय प्रमुख हैं, अपने विभाग के प्रदर्शन में सुधार करने का निर्णय लेते हैं।	3

वह अपने अधीनस्थों को कुछ वित्तीय और गैर वित्तीय प्रोत्साहन देने का फैसला करता है। वह जानता है कि ये प्रोत्साहन उनकी जरूरतों को पूरा करेंगे। इसलिए उन्हें अपनी तरफ से कार्रवाई करने के लिए प्रेरित किया जाएगा।

2. राजीव एक मानव संसाधन प्रबंधक हैं जो 12 लोगों की टीम का नेतृत्व करते हैं। वह जानता है कि मानव संसाधन कर्मचारी के कर्तव्य और जिम्मेदारियां चुनौतीपूर्ण हैं। वह जानता है कि अपनी टीम को सकारात्मक सोच के साथ काम करने के लिए, उसे एक रोल मॉडल के रूप में एक व्यक्तिगत उदाहरण स्थापित करना होगा और अपनी टीम के आउटपुट को बढ़ाने के लिए उनके व्यवहार और कार्यशैली को प्रभावित करना होगा।

3. प्रिया और राघव निर्देशन के एक तत्व के बारे में चर्चा कर रहे हैं। उनका कहना है कि इस तत्व के बिना कोई भी समूह या लोग एक सामान्य समझ हासिल नहीं कर सकते। इस तत्व को दोनों पक्षों के प्रयास की आवश्यकता होती है और एक प्रबंधक के 90% समय का उपभोग करता है।

Identify the elements of directing in the following cases:

1. Arun who is the departmental head of his organisation decides to improve the performance of his department. He decides to give some financial and non-financial incentives to his subordinates. He knows these incentives will satisfy their needs. Therefore they will be stimulated to take actions from their side.
2. Rajeev is an HR manager leading a team of 12 people. He knows that the duties and responsibilities of an HR employee are challenging. He knows in order to make his team work with a positive frame of mind, he will have to set a personal example as a role model and influence their behaviour and working style to increase the output of his team.
3. Priya and Raghav are discussing about an element of directing. They say that without this element no group or people can achieve a common understanding. This element requires effort from both the sides and consumes 90% of the time of a manager.

6.	संगठन के कुशल और प्रभावी कामकाज में निर्देशन कैसे मदद करता है? कोई तीन बिन्दु देकर स्पष्ट कीजिए। How directing helps in efficient and effective functioning of the organisation? Explain by giving any three points. **अथवा/OR** वित्तीय प्रोत्साहन से क्या तात्पर्य है? कोई दो वित्तीय प्रोत्साहन बताइए। What is meant by financial incentives? State any two financial incentives.	3
7.	किसी कंपनी की पूंजी संरचना के चुनाव को प्रभावित करने वाले किन्हीं तीन कारकों को संक्षेप में समझाइए। Explain briefly any three factors which affect the choice of capital structure of a company.	3
8.	'एएस लिमिटेड' एयर-कंडीशनर के संयोजन में लगी एक बड़ी कंपनी है। हाल ही में कंपनी ने 'टाइम' और 'मोशन' अध्ययन किया था और यह निष्कर्ष निकाला था कि एक कर्मचारी औसतन एक दिन में दस एयर-कंडीशनर असेंबल कर सकता है। एक दिन में कंपनी का टारगेट वॉल्यूम एयर कंडीशनर की 1,000 यूनिट असेंबल करना है। कंपनी लेबर टर्नओवर और अनुपस्थिति को कम करने के लिए आकर्षक भत्ते प्रदान कर रही है। सभी कार्यकर्ता खुश हैं। फिर भी प्रति दिन एयर कंडीशनर की असेंबलिंग 800 यूनिट ही होती है। इसका कारण जानने के लिए, कंपनी ने प्रत्येक कार्यकर्ता के वास्तविक प्रदर्शन की तुलना की और सीसीटीवी के माध्यम से देखा कि कुछ कर्मचारी गपशप करने में व्यस्त थे।	3

	1. ऊपर चर्चा की गई प्रबंधन के कार्यों की पहचान करें। 2. पहचाने गए कार्य की प्रक्रिया में किन्हीं दो चरणों का उल्लेख करें जिनकी चर्चा उपरोक्त पैराग्राफ में की गई है। 'AS Ltd.' is a large company engaged in assembling of air-conditioners. Recently the company had conducted the 'Time' and 'Motion' study and concluded that on an average, a worker can assemble ten air-conditioners in a day. The target volume of the company in a day is assembling of 1,000 units of air-conditioners. The company is providing attractive allowances to reduce labour turnover and absenteeism. All the workers are happy. Even then the assembling of air-conditioners per day is 800 units only. To find out the reason, the company compared actual performance of each worker and observed through CCTV that some of the workers were busy in gossiping. 1. Identify the function of management discussed above. 2. State any two steps in the process of the function identified which are discussed in the above paragraph.	
9.	एक सुविज्ञ उपभोक्ता के रूप में, आप 'उत्पाद' खरीदने से पहले किस प्रकार के गुणवत्ता प्रमाणन चिह्नों की तलाश करेंगे? कोई 5 बिंदु निर्दिष्ट करें। As a well-informed consumer, what kind of quality certification marks you will look for before buying 'products? Specify any 5 points. **अथवा/OR** रीना ने एक दुकानदार से एक लीटर शुद्ध देसी घी खरीदा। इसके इस्तेमाल के बाद उसे शक हुआ कि यह मिलावटी है। उसने इसे प्रयोगशाला परीक्षण के लिए भेजा जिसमें पुष्टि हुई कि घी मिलावटी है। यदि रीना शिकायत करती है और उपभोक्ता अदालत शिकायत की वास्तविकता से संतुष्ट है, तो उसे उपलब्ध किन्हीं पाँच राहतों का उल्लेख करें। Reena purchased one litre of pure desi ghee from a shopkeeper. After using it, she had a doubt that it is adulterated. She sent it for a laboratory test which confirmed that the ghee is adulterated. State any five reliefs available to Reena, if she complains and the consumer court is satisfied about the genuineness of the complaint.	5
10	**मुद्रा बाजार के किन्हीं पाँच प्रपत्रों का उल्लेख कीजिए।** State any five instruments of Money Market.	5
11.	विमुद्रीकरण के बाद बढ़े हुए कार्यभार के कारण, कर्नाटक और गोवा क्षेत्र के आयकर कर्मचारियों ने केंद्र से 35% रिक्तियों को भरकर I-T विभाग की जनशक्ति बढ़ाने का आग्रह किया था जो खाली पड़ी थीं। जैसा कि बैंक खातों के दुरुपयोग, विदेशी मुद्रा तंत्र, सोने की खरीद और बेहिसाब नकदी के निवेश के लिए विभिन्न अन्य संदिग्ध साधनों को अपनाने के बारे में पुष्टि की गई थी। उपरोक्त मामले के संदर्भ में: 1. उपरोक्त पंक्तियों में चर्चा किए जा रहे प्रबंधन के कार्यों को पहचानें और समझाएं। 2. प्रश्न के भाग (1) में पहचाने गए प्रबंधन के कार्य से संबंधित विशेष चरण को पहचानें और समझाएं जो पहले ही किया जा चुका है। साथ ही, इस चरण के बाद किए जाने वाले अगले तीन चरणों का भी उल्लेख करें। Owing to the increased workload after demonetisation, the income tax employees of Karnataka	5

	and Goa region had urged the centre to increase manpower of the I-T department by filling up 35% vacancies which were laying vacant. As there were confirmed reports about misuse of bank accounts, foreign exchange mechanism, gold purchases and adoption of various other dubious means for investing the unaccounted cash. In context of the above case: 1. Identify and explain the function of management being discussed in the above lines. 2. Identify and explain the particular step related to the function of management as identified in part (1) of the question which has already been performed. Also, state the next three steps to be performed after this step.	
12.	अरुण कागज उद्योग के एक सफल व्यवसायी हैं। हाल ही में मैसूर में अपने दोस्त के घर की यात्रा के दौरान, वह वहां उपलब्ध विशेष प्रकार की अगरबत्ती से मोहित हो गया था। उसका दोस्त उसे बताता है कि मैसूर क्षेत्र अगरबत्ती निर्माण की गतिविधि में अग्रणी के रूप में जाना जाता है क्योंकि इसमें वन उत्पादों का एक प्राकृतिक भंडार है, विशेष रूप से चंदन के उत्पादन में उपयोग की जाने वाली आधार सामग्री प्रदान करने के लिए। इसके अलावा, उत्पादन के लिए आवश्यक अन्य प्रकार के कच्चे माल के आपूर्तिकर्ता उदार ऋण नीति का पालन करते हैं और अगरबत्ती के निर्माण में लगने वाला समय अपेक्षाकृत कम होता है। विभिन्न कारकों को ध्यान में रखते हुए, अरुण ने मैसूर में एक निर्माण इकाई स्थापित करके व्यवसाय की इस पंक्ति में उद्यम करने का निर्णय लिया। उपरोक्त मामले के संदर्भ में: अरुण द्वारा लिए गए वित्तीय निर्णयों के प्रकार को पहचानें और समझाएं। पैराग्राफ में उल्लिखित तीन कारकों की पहचान करें जो उसके व्यवसाय की कार्यशील पूंजी आवश्यकताओं को प्रभावित करने की संभावना रखते हैं। Arun is a successful businessman in the paper industry. During his recent visit to his friend's place in Mysore, he was fascinated by the exclusive variety of incense sticks available there. His friend tells him that Mysore region is known as a pioneer in the activity of Agarbathi manufacturing because it has a natural reserve of forest products especially Sandalwood to provide for the base material used in production. Moreover, the suppliers of other types of raw material needed for production follow a liberal credit policy and the time required to manufacture incense sticks is relatively less. Considering the various factors, Arun decides to venture into this line of business by setting up a manufacturing unit in Mysore. In context of the above case: 1. Identify and explain the type of financial decision taken by Arun. 2. Identify the three factors mentioned in the paragraph which are likely to affect the working capital requirements of his business. **अथवा/OR** अद्वितया फूड ब्रांड सेगमेंट में मार्केट लीडरशिप का आनंद लेने वाली कंपनी है। इसके पोर्टफोलियो में फूड्स बिजनेस में तीन श्रेणियां शामिल हैं, जैसे स्नैक फूड्स, जूस और कन्फेक्शनरी। पैकेज्ड फूड की बढ़ती मांग को	5

ध्यान में रखते हुए अब यह रेडी-टू-ईट फूड पेश करने की योजना बना रहा है। इसलिए, कंपनी ने व्यापार की अपनी नई लाइन के लिए लगभग 450 करोड़ रु का निवेश करने की योजना बनाई है। वर्तमान वित्तीय रिपोर्ट के अनुसार, कंपनी का ब्याज कवरेज अनुपात और निवेश पर लाभ अधिक है। इसके अलावा, कॉर्पोरेट टैक्स की दर अधिक है।

उपरोक्त मामले के संदर्भ में:

1. कंपनी के वित्तीय प्रबंधक के रूप में, पूंजी की आवश्यक राशि जुटाने के लिए आप ऋण या समता में से वित्त का कौन सा स्रोत चुनेंगे? अपने उत्तर के समर्थन में कोई दो उपयुक्त कारण देते हुए स्पष्ट कीजिए।

2. कंपनी के अंशधारक कंपनी द्वारा ऋण के निर्गमन से लाभ क्यों प्राप्त करना पसंद करते हैं?

'Adwitiya' is a company enjoying market leadership in the food brands segment. Its portfolio includes three categories in the Foods business namely Snack Foods, Juices and Confectionery. Keeping in line with the growing demand for packaged food it now plans to introduce Ready- To-Eat Foods. Therefore, the company has planned to undertake investments of nearly Rs. 450 crores for its new line of business. As per the current financial report, the interest coverage ratio of the company and return on investment is higher. Moreover, the corporate tax rate is high.
In context of the above case:

1. As a financial manager of the company, which source of finance will you opt for debt or equity, to raise the required amount of capital? Explain by giving any two suitable reasons in support of your answer.
2. Why are the shareholders of the company like to gain from the issue of debt by the company?

शिक्षा निदेशालय, राष्ट्रीय राजधानी क्षेत्र दिल्ली

Directorate of Education, GNCT of Delhi

Suggestive Answers of Practice Paper

कक्षा – XII

Class – XII

व्यवसाय अध्ययन (कोड: 054)

Business Studies (Code: 054)

TERM II (2021-22)

अधिकतम अंक: 40

Maximum Marks: 40

Q. No.	Suggestive Answers	अंक Marks
1.	Workload analysis is the concept which will help the Human Resource Manager in deciding the actual number of persons required in each department. It is related to assessment of the number and types of human resources necessary for the performance of various jobs and accomplishment of organisational objectives.	**2**
2.	Commercial Papers may be used by Squib Ltd. as it is a popular short term instrument which is issued by large and credit worthy companies. The instrument is an unsecured promissory note and is freely transferable by endorsement. Its maturity period may range from a fortnight to a year. It is sold at discount and redeemed at par.	**2**
3	The supervisor may provide Vestibule training to the workers in order to enable them handle their work independently. Vestibule training is a popular method for providing off the job training during which the trainees learn their jobs on the equipment they will be using at their actual work place. This is usually done when employees are required to handle sophisticated machinery and equipment.	**2**
4	Controlling helps in "Judging accuracy of standards" and "Ensuring order and discipline" as explained below: • **Judging accuracy of standards:** An efficient control system enables management to determine whether the standards set are accurate and objective. This is because it helps to helps to review and revise the standards in light the changes taking place in the organisation and in the environment. • **Ensuring order and discipline:** Controlling helps to minimise dishonest behaviour on the part of the employees by keeping a close check on their activities. Thus, it creates an atmosphere of order and discipline in the organisation.	**2**
5	**The elements of directing identified in respective cases are:** 1. Motivation	**3**

	2. Leadership 3. Communication	
6	Directing helps in efficient and effective functioning of management because: **(i) It integrates employees** Directing integrates employees' efforts in the organisation in such a way that every individual's efforts contributes to the welfare of the organisation. Thus, it ensures that employees work efficiently for the attainment of goals. **(ii) It improves efficiency** Directing guides employees to fully realise their potentials and capabilities. Through this function, managers utilise the potential of employees and persuade them to work with the best of their ability and contribute their maximum efforts towards the achievement of organisational objectives. **(iii) It facilitates change** Business environment is changing very frequently, but the people generally have a tendency to resist change. In this context, directing helps manager to persuade his subordinates to carry out changes from time to time to cope with changes in the environment as the changes are necessary to adapt and it is the need of modern business **OR** Financial incentives refer to incentives which are in direct monetary form and serves to motivate people for better performance. Two financial incentives are: i. **Pay and allowances:** Salary is the basic monetary incentive for every employee. It includes basic pay, dearness allowance and other allowances. ii. **Productivity linked wage incentives:** Many wage incentives are linked with the increase in productivity at individual or group level. For example, a worker is paid 50 rupees per piece if he produces 50 pieces a day but if he produces more than 50 pieces a day, he is paid 5 rupees extra per piece. Thus, on the 51st piece, he will be paid 55 rupees.	**3**
7	The three factors which affect the choice of capital structure of a company are described below: • **Risk:** Financial risk refers to a situation when a company is unable to meet its fixed financial charges. Financial risk of the company increases with the higher use of debt. This is because issue of debt involves fixed commitment in terms of payment of interest and repayment of capital. • **Flexibility:** Too much dependence on debt reduces the firm's ability to raise debt during unexpected situations. Therefore, it should maintain flexibility by not using debt to its full potential. • **Interest Coverage ratio (ICR):** The interest coverage ratio refers to the number of times earnings before interest and taxes of a company covers the interest obligation. This may be calculated as follows: ICR = EBIT/Interest. If the ratio is higher, lower is the risk of company failing to meet its interest payment obligations hence debt may be issued or vice versa. But besides interest payment related repayment obligations should also be considered.	**3**
8	1. The function of management discussed above is controlling. 2. The steps involved in the process of controlling which are discussed in the above paragraph are: o **Setting standards of performance:** "concluded that on an average, a worker can assemble ten air-conditioners in a day." "The target volume of the company in a day is assembling of 1,000 units of air-conditioners." o **Measurement of actual performance:**" Even then the assembling of air-conditioners per day is	**3**

	800 units only."	
9	Some of the quality certification marks are: i. **FPO (Fruit Products Order 1955) –** It contains specification and quality control requirements regarding the production and marketing of processed fruits and vegetables, sweetened aerated water, vinegar and synthetic syrups. ii. **ISI**– On consumer durable products. ISI mark is a certification mark for industrial products in India. It is the most popular and recognised certification mark in the Indian subcontinent. This mark ensures that the product conforms to the Indian standards mentioned by the Indian Standard Institute. iii. **Hallmark**– BIS certification scheme for gold jewellery items. iv. **Earthen Pitche**r- for Labelling Environment-friendly products. v. **AGMARK** – It is a grade standard for agricultural commodities and like stock products. OR In case of genuineness of the complaint, the court can issue one or more directions to the opposite party. Five reliefs available to Reena, if she complains are i. **To remove defect from goods or services:** If there is defect in the goods or services then the court can pass the order to remove defect from goods or services. For example, if there is defect in TV then court can pass the order to remove the defect from TV. i. **To refund the price:** If the seller is failed to remove defect from the product, order can be passed to refund the customer. In above example if seller fails to remove defect from TV then court can pass order to refund the price paid by the customer. i. **To replace the defective good with a new one:** If the seller is failed to remove defect from the product, order can be passed to replace the product immediately. In above example if seller fails to remove defect from TV then court can pass order to replace the TV immediately. /. To pay a reasonable amount of compensation for any loss or injury suffered: Seller is liable to pay appropriate compensation if Loss or injury suffered from defective product. /. **To pay punitive damages:** Punitive damages may be recovered from seller in some cases.	**5**
10	**Instruments of Money Market** (i) **Treasury bill** (T-bill) It is a short-term instrument for borrowing issued by RBI on behalf of India Government. (ii)**Commercial paper** A commercial paper is an unsecured instrument issued in the form of a promissory note. (iii)**Call money** It is a method by which commercial banks borrow from each other. (iv)**Certificate of deposit** They are unsecured, negotiable, short-term instruments in bearer form, issued by commercial banks. (v) **Commercial bill** A commercial bill is T a bill of exchange used to finance the working capital requirements of business firms.	**5**
11	1. Staffing is the function of management which is being referred to in the above lines. The managerial function of staffing is concerned with obtaining and maintaining a satisfactory and satisfied workforce. 2. The step in the process of staffing which has already been carried out is estimating manpower requirements. Estimating the Manpower Requirements: It is the first step in the staffing process and is carried out with the help of workload analysis (assessment of the number and types of human resources necessary for the performance of various jobs and accomplishment of organisational objectives) and work force analysis (assessment of the number and type available). The next three steps to be performed after estimating manpower requirements are described below: o Recruitment: Recruitment may be defined as the process of searching for prospective employees and stimulating them to apply for jobs in the organisation. o Selection: Selection is the process of choosing the best candidate from the pool of applicants.	**5**

	○ Placement and Orientation: Placement refers to the process of giving the charge of the job for which they have been appointed. Orientation may involve a series of activities related to introducing the new employee to other employees and familiarising him with the rules and policies of the organisation. Moreover, he is taken around the workplace and made aware of the fire safety policy, canteen, conference room etc.	
12	1. Investment decision has been taken by Arun. Investment decision seeks to determine as to how the firm's funds are invested in different assets. It helps to evaluate new investment proposals and select the best option on the basis of associated risk and return. Investment decision can be long term or short-term. A long-term investment decision is also called a Capital Budgeting decision 2. The three factors mentioned in the paragraph which are likely to reduce the working capital requirements of his business are as follows: . ○ **Availability of raw material:** As there is easy availability of Sandalwood which is used as the base material for production, the working capital requirements of his business will be less as there is no need to stock the raw materials. ○ **Production cycle:** The production cycle is shorter and less time is required to manufacture incense sticks. Thus, the working capital requirements of his business will be low. ○ **Credit availed:** Due to the fact that the suppliers of other types of raw material needed for production follow a liberal credit policy, the business can be operated on minimum working capital. **OR** 1. As a financial manager of the company, I will opt for debt to raise the required amount of capital. I support my decision by giving the following reasons: ○ **Interest coverage ratio:** The interest coverage ratio of the company is high so it can easily meet its fixed commitment of payment of interest and repayment of capital. ○ **Tax rate:** The tax rate is high which makes debt relatively cheaper as the amount of interest paid on debt is treated as a tax deductible expense. 2. The shareholders of the company are likely to gain from the issue 6f debt by the company because the return on investment is higher. It helps a company to take advantage of trading on equity to increase the earnings per share.	**5**