

Sample Question Paper 03

BUSINESS STUDIES 12

Time : 3 Hrs.

Max. Marks : 80

General Instructions

1. This question paper contains 34 questions. All questions are compulsory.
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 in about 150 words.
6. Answers to the questions carrying 6 marks may be in about 200 words.
7. Attempt all parts of the questions together.

1. Arrange the following steps of the selection process in the correct order (1)

(i) Selection Decision	(ii) Employment Interview
(iii) Preliminary Screening	(iv) Reference and Background Check
(v) Job Offer	

Codes

(a) (iii), (ii), (iv), (i), (v) (b) (ii), (iii), (iv), (v), (i) (c) (iii), (ii), (i), (iv), (v) (d) (iii), (i), (ii), (iv), (v)

2. A salesman has an order of 2,000 packets of chocolate immediately. The marketing manager is there but he cannot be approached because the salesman can consult the sales manager only. Which demerit of formal organisation is highlighted here? (1)

(a) Instability	(b) Difficult to understand human relationships
(c) Procedural delays	(d) Lack of initiatives

3. A company uses an AI-based test to assess applicants' skills before hiring. Identify which step of the staffing process is represented here? (1)

(a) Selection (b) Recruitment (c) Performance appraisal (d) Orientation

4. Out of the following which is/are component (s) of the economic environment? (1)

(i) Inflation (ii) Income distribution (iii) Political parties (iv) Interest rates

Codes

(a) (i) and (iv) (b) (ii) and (iii) (c) (i), (ii) and (iv) (d) Only (iii)

5. Taam Jhaam Pvt. Ltd. is an event management company. Leela is their head of operations and is responsible for planning all the events. She carefully plans and decides the date of the event alongside the client, discusses the kind of decoration is required, gets the invites made for the guests, plans the gifts to be given and most important of all decides the catering details with the clients. As per her job, she needs to make a new and different plan for each event.

What type of plan does she needs to make? (1)

(a) Standing plan (b) Single-use plan (c) Both (a) and (b) (d) None of these

Stage II : Proficiency Level

6. Assertion (A) Recruitment may be defined as the process of searching for prospective employees and stimulating them to apply for jobs in the organisation.

Reason (R) Objective of recruitment is to create a pool of prospective candidates, for best selection of candidate. (1)

Alternatives

- (a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
- (b) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A)
- (c) Assertion (A) is true, but Reason (R) is false
- (d) Assertion (A) is false, but Reason (R) is true

7. 'Twinkle Stars' is a well-known resort for organising parties, especially for children. However, in past 6 months its popularity has reduced considerably as a new resort with better ambience and facilities has opened within its vicinity.

Name the related feature of business environment which has influenced the business of 'Twinkle Stars' adversely. (1)

- (a) Totality of external forces
- (b) Dynamic nature
- (c) Inter-relatedness
- (d) Uncertainty

8. Match the following (1)

Column I	Column II
A. Overseeing the activities of subordinates	(i) Motivation
B. Influencing the behaviour of subordinates	(ii) Leadership
C. Making subordinates to act in a desired manner	(iii) Supervision

Codes

A B C	A B C	A B C	A B C
(a) (i) (ii) (iii)	(b) (ii) (iii) (i)	(c) (iii) (ii) (i)	(d) (i) (iii) (ii)

9. Aparna's grandmother gave her shares worth ₹ 35 crore in her name and told her that these were gifted to her by Aparna's late grandfather. When Aparna opened the bank locker to get the share certificates, she found many crumpled share certificates inside.

To overcome this problem, financial market has adopted a new concept called (1)

- (a) demutualisation
- (b) dematerialisation
- (c) demonetisation
- (d) None of these

10. Statement I Proper financial management aims at reducing the cost of procurement.

Statement II The success or failure of a business does not depends on the quantity and quality of funds. (1)

Alternatives

- (a) Statement I is true and Statement II is false
- (b) Statement II is true and Statement I is false
- (c) Both the statements are true
- (d) Both the statements are false

11. With reference to principles of management, which of the following statements is/are true? (1)

- (a) These are not rigid as principles of science
- (b) These principles denote a cause and effect relationship
- (c) These help the manager to take decisions while performing various management functions
- (d) All of the above

12. Which of the following statement is not correct with respect to 'formal organisation'? (1)

- (a) It specifies clear boundaries of authority and responsibility
- (b) In it, the communication takes place through the scalar chain
- (c) It is flexible in nature
- (d) It provides stability to the organisation

13. Name the process of comparing actual performance with standards and finding deviations. (1)
 (a) Planning (b) Measuring performance
 (c) Evaluating performance (d) Taking corrective action

14. Name the function of management which includes grouping activities and assigning duties. (1)
 (a) Planning (b) Organising (c) Directing (d) Controlling

15. Ecozone Ltd. business is running successfully since last 2 years in Delhi. The management has decided to focus on other states as well to sell its products.

Identify the organisational objective it is trying to achieve. (1)
 (a) Growth objective (b) Individual objective (c) Social objective (d) None of these

16. **Statement I** Continuity of planning is related with the planning cycle.

Statement II A plan is framed, implemented and is followed by another plan and so on. (1)

Alternatives

(a) Statement I is true and Statement II is false
 (b) Statement II is true and Statement I is false
 (c) Both the statements are true
 (d) Both the statements are false

17. According to this principle of scientific management, "scientific management has for its foundation the firm conviction that true interest of the management and workers are one and the same; the prosperity for the employer cannot exist for a long time unless it is accompanied by prosperity for the employees and *vice-versa*." Identify the principle. (1)

(a) Science, not rule of thumb (b) Cooperation, not individualism
 (c) Harmony, not discord (d) All of these

18. The company promotes employees from within to encourage loyalty and reduce labour turnover. Which principle of Fayol is reflected in this action? (1)

(a) Stability of personnel (b) Order (c) Discipline (d) Equity

19. Identify the process illustrated by the picture above in which the superior 'Mr. Peter' is providing a part of his authority to James for making decisions. (1)



(a) Authority (b) Delegation (c) Responsibility (d) None of these

20. After completing his MBA education, Mr. Rohit took over the business of his father. Now he started making a practical use of his theoretical knowledge of management.

He liked it very much. But right from the very beginning, he faced one problem. For the last three years continuously, he had been observing that whatever the sales target he would fix, he never succeeded to achieve it fully.

He studied this problem thoroughly and found that it so happened because in the first year (of his taking over the business) the government at the centre changed; in the second year, there was a change in fashion and in the third year, several competing firms entered the market.

Now he realised that planning does not foresee everything and that several problems come in the way of effective planning.

Identify the 'limitation of planning' in the event discussed above. (1)

- (a) Planning leads to rigidity
- (b) Planning may not work in a dynamic environment
- (c) Planning reduces creativity
- (d) Planning involves huge costs

21. Ruhani purchased an ISI marked Toaster, from Mahesh Appliances. She made a cash payment of ₹ 2,000. However, she forgot to get a cash memo for the purchase. While making use of the toaster, she observed that it was not working properly. She immediately contacted the shopkeeper and told him the problem. The shopkeeper paid no heed to her complaint and instead said that the above product was not purchased from his shop.

In the absence of the cash memo, Ruhani had no evidence of proving that the toaster was purchased from Mahesh appliances only.

- (i) Can she lodge a complaint and if yes, where? (1)
- (ii) What are the rights of the buyer as per the Consumer Protection Act, 2019? (2)

22. Explain how controlling helps in

- (i) accomplishing organisational goals
- (ii) judging accuracy of standards (3)

Or What else is necessary to inspire employees if "money is not the only motivator"? Describe with two points.

23. In 2019, Himang left his luxurious life in Bengaluru, where he worked as a management head for Xiom Ltd. He shifted to Palwal, Haryana to fulfil his father's dream of converting their 35-acre ancestral land into a fertile farm. For this, he set out specific goals along with the activities to be performed to achieve the goals. Every activity was a challenge as he was clueless about farming. So, he decided to learn every activity from filling the land to sowing the seeds.

Further, he had a thought to aid farmers by launching his own company 'Creative Farming Pvt. Ltd.' The above case highlights the features of planning function of management.

Identify and explain any two such features. (3)

24. Explain any three determinants of working capital requirements. (3)

Or Explain the working of a demat account.

25. Why does a financial manager consider wealth maximisation as the foremost objective? (4)

26. Vijay is a strict manager of ABC Ltd. He gives instructions without involving his subordinates and expects them to follow without questioning. He makes all decisions, and communication is mostly one-way.

- (i) Identify the leadership style used by Vikram. (1)
- (ii) Suggest one feature and one drawback of Vikram's leadership style. What element of directing is most negatively affected here? (3)

Or Discuss any two financial incentives and two non-financial incentives.

27. "Unity of direction ensures organisational effectiveness." State any four points in support of the statement. (4)

28. 'Switch Fibres Ltd.' is an electronic goods manufacturing company situated in Nandan Nagar, Gujarat. It is earning a very low revenue in comparison to a competing electronic goods manufacturing company, 'Switchgears Ltd.' situated in Maharashtra.

Both Switch Fibre's and Switchgear's operations are affected directly by the investors, customers, competitors and suppliers, which are unique to their respective locations.

In addition to this, individuals and firms of this field are affected indirectly by factors like the money supply, composition of families, etc.

- (i) Identify the concept discussed in the above paragraph. (1)
- (ii) Also, state any three points of importance of the concept identified above. (3)

29. Explain briefly the following internal sources of recruitment

- (i) Transfer (ii) Promotion (4)

Or Enumerate the following limitations of controlling.

- (i) Difficulty in setting quantitative standards
- (ii) Resistance from employees

30. Aks is a gold jewellery brand that was set- up by Aakash Jain's forefathers. Initially, they dealt only in silver jewellery. However, Aakash started trading in gold jewellery and grew it in to a famous silver and gold jewellery brand across the country.

He and his son Jai, now intend to expand it further by building a diamond and gemstone vertical. Thus, Jai pursued a course in gemmology from Australia and started a workshop in Jaipur to supplement his father's jewellery business in Delhi. Jai is used to speaking in English but the local skilled workers understand only Hindi and Marwadi.

Hence, he began facing problems in the work due to the miscommunications between him and the workers. Thus, he is not able to get the desired jewellery designs made and getting them redesigned turns out to be very expensive.

- (i) In the context of the above case, which type of communication barrier is faced by Jai? (1)
- (ii) Suggest any three measures by which Jai can improve his communication effectiveness. (3)

31. "Delegation helps a manager to extend his area of operations as without it, his activities would be restricted to only what he himself can do."

In light of the above statement, explain four ways in which effective delegation is important for an organisation. (6)

Or Explain the following steps in the process of organising.

- (i) Identification and division of work
- (ii) Departmentalisation
- (iii) Assignment of duties

32. Solar Energy Pvt. Ltd., a company specialising in solar power, wants to expand its business by raising ₹ 100 crore. It plans to issue bonds (debentures) in the primary market. Meanwhile, investors like Mr Rohit are interested in investing but want to understand how bonds differ from shares, how the primary and secondary markets work, and the role of stock exchanges in facilitating trading.

- (i) Define debentures and shares.
- (ii) Explain how the primary market helps companies raise capital through debentures and how the secondary market benefits investors. Also, describe the role of stock exchanges in this process. (6)

33. Shravan was passionate about owning a start-up and become an entrepreneur. While searching for entrepreneurship opportunities, he came to know about a village in Madhya Pradesh, where in 2011 an initiative was started in which 11 saplings were planted every time a girl child was born.

Mostly the villagers also planted Cactus around the saplings to protect them. Due to this initiative, the village had high water levels and also millions of cactus plants. Shravan thus decided to visit the village to start a business unit, for the processing of Cactus plants into Vegan leather products and marketing these.

However, on visiting the village he found that the local merchants who were engaged in unscrupulous, exploitative trade practices like hoarding and black marketing of food products were exploiting the villagers and were also selling unsafe and adulterated products to them. After looking at their plight, instead of setting-up a business organisation, he decided to set-up an organisation that could protect and promote the consumer interest of the villagers.

- (i) Identify the type of organisation. (1)
- (ii) State any two consumer rights. (2)
- (iii) State any three functions that the organisation, identified in (i) above, will be performing. (3)

34. Parul, Tanu and Rishika were friends from MBA days and now they are involved in different kinds of businesses.

They catch up regularly, remember the good old days and discuss their business ideas and exchange ideas on customer satisfaction, marketing efforts, product designing, selling techniques, social concerns, etc. One day, they were discussing about marketing of their products and each one of them stated which marketing tool is best in their opinion.

Parul said she likes to hire a company, pay them and then sit back and relax. The company hired promotes the product in all leading newspapers, magazines, television and radio and thus her product reaches the masses.

Tanu stated that her product is a unique kitchen tool that needs demonstration before the customers. Thus, she has her own marketing team of interns who go door-to-door and sell the products.

Rishika said that instead she boosts her sales by giving discounts or free samples with her products. As she deals in cosmetics that have an expiry date, she sells her stock during festival seasons by bringing out 50% off sale or buy 1 get 1 free sale. Quoting lines from the above paragraph identify the three marketing tools that are being discussed here. (6)

Answers

1. (a) (iii), (ii), (iv), (i), (v) 2. (c) Procedural delays
3. (a) Selection 4. (c) (i), (ii) and (iv)
5. (b) Single-use plan
6. (a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
7. (a) Totality of external forces
8. (c) (iii) (ii) (i) 9. (b) dematerialisation
10. (a) The success or failure of a business depends on the quality and quantity of funds.
11. (d) All of the above 12. (c) It is rigid in nature.
13. (c) Evaluating performance
14. (b) Organising 15. (a) Growth objective
16. (c) Both the statements are true
17. (c) Harmony, not discord
18. (a) Stability of personnel
19. (b) Delegation
20. (b) Planning may not work in a dynamic environment
21. (i) Ruhani could have lodged a complaint in the Consumer Forum. But, in the absence of cash memo, a consumer cannot file a complaint in a consumer court. A cash memo is proof of a transaction.
(ii) As per the Consumer Protection Act, 2019, a buyer has the following rights
(a) Right to safety
(b) Right to be informed
(c) Right to be heard (d) Right to be assured
(e) Right to seek redressal
(f) Right to consumer education
22. (i) **Accomplishing Organisational Goals**
The controlling function measures the accomplishment against the standards and corrects deviations. This helps in ensuring that organisation is moving on the right track to achieve organisational goals.
(ii) **Judging Accuracy of Standards** A sound controlling system helps the management to verify whether the standards set are accurate and relevant or not.
It keeps a careful check on the changes, which are taking place in the organisation.
Or “Money is not the only motivator.” This statement is true in this context that an individual has certain psychological, emotional and social needs also. Money cannot satisfy them. In order to satisfy these needs, following non-financial incentives are required
(i) **Promotion** If an individual gets promotion in the organisation, it satisfies him psychologically as he gets a feeling that his hardwork is recognised.

(ii) **Job Security** Every individual needs stability in terms of future income, job, etc. If their job is secure, they do not feel worried and work with greater zeal.

23. Following are the features highlighted in the above said case

(i) **Planning Focuses on Achieving Objectives**

Planning involves the determination of activities required to be undertaken to achieve objectives of organisation. Thus, it can be said that it focuses on achieving objectives.

(ii) **Planning is a Continuous Process** Planning is a never ending process. Plans are made for a specific time period. At the end of such time period, new plans have to be drawn.

When plans are objective based and goals are achieved, new plans are drawn with new objectives. In the above case study, Himang is following a plan until he has created his own company.

★ Value Points

- Determination of activities by planning
- Plans for specific period of time

24. Following are the determinants of working capital requirements

(i) **Nature of Business** A trading organisation and a service industry firm usually needs a smaller amount of working capital as compared to a manufacturing organisation.

(ii) **Scale of Operations** Organisations which operate on a large scale, their quantum of inventory and debtors required is generally high.

Such organisations, therefore, require large amount of working capital as compared to the organisations which operate on a lower scale.

(iii) **Credit Availed** Just as a firm allows credit to its customers, it also may get credit from its suppliers.

To the extent, it avails the credit on purchase, the working capital requirements are reduced.

Or The working of a demat account is stated in the points below

(i) The Depository Participant (DP) either a bank, broker or financial services company may be identified.

(ii) An account opening form is filled giving details of PAN Card, photograph and power of attorney.

(iii) The physical certificate is to be given to the DP alongwith a dematerialisation request form.

25. The main and foremost objective of financial management is to maximise the wealth of equity shareholders. The financial manager of a company takes this decision because the shareholders are the owners of the company. Financial decisions taken will determine the manner in which the funds are invested. The return earned on investment will determine the value and price of the shares.

The market price of the shares will increase if the benefit from the decision has exceeded its cost. Secondly, the objective of increase in value of equity shares automatically fulfils many other objectives like, increasing the profitability, maintaining liquidity, effective utilisation of funds and growth of the company.

26.

- (i) Autocratic leadership style
- (ii) **Feature** All decision-making power is centralised in the leader. He does not give the subordinates any freedom to influence his decision.
- (iii) **Drawback** Autocratic leaders may become overburdened with decision-making and tasks, leading to stress and burnout.

Or Financial incentives used to motivate employees are

- (i) **Pay and Allowances** For every employee, salary is the basic monetary incentive. It includes basic pay, dearness allowance, house rent allowance, etc. Some organisations provide pay hikes and increments for better performance.
- (ii) **Bonus** It is a one time reward for high performance. Bonus may be paid in cash or kind over and above the salary, e.g. performance bonus, 100% attendance bonus, festive bonus, etc.

Non-financial incentives used to motivate employees are

- (i) **Status** In business terms, status means ranking of positions in the organisation. The authority, responsibility, rewards, recognition, perquisites and prestige of job indicate the status given to a person holding a managerial position. It satisfies psychological and social needs of an individual.
- (ii) **Organisational Climate** Better conditions in an organisation like individual autonomy, reward orientation, consideration to employees, risk taking, etc. provide an organisation to be different from the other organisations. Positive measures taken in these aspects helps to develop better organisational climate.

27. Unity of Direction means that all activities of an organisation should be guided by one plan and directed towards common objectives. Its importance is explained below

- (i) **Focus on Common Goals** It ensures that everyone in the organisation works towards the same objectives, avoiding confusion or conflicting priorities.
- (ii) **Coordination** All departments and employees align their efforts, which facilitates smooth coordination and collaboration.

(iii) **Avoids Duplication of Work** When efforts are unified, resources are used efficiently without repeating tasks.

(iv) **Enhances Efficiency** Helps in optimal utilisation of time, energy, and resources, leading to increased productivity and organisational success.

28. (i) The concept discussed here is 'business environment'.

(ii) Importance of business environment are as follows

- (a) **It enables the Firm to Identify Opportunities and get the First Mover Advantage** Opportunities are the positive trends that help firms to grow.

A good knowledge of business environment helps a manager to identify such opportunities earlier to take its benefit, rather than losing it to other competing enterprises.

- (b) **It helps the Firm to Identify Threats and Early Warning Signals** Threats refer to the negative trends, which will hinder the performance of the enterprise.

The businessmen, who are able to scan and understand the business environment on time get a warning signal to deal with such negative changes.

- (c) **It helps in Tapping Useful Resources** Environment is a source of various resources for business like finance, machinery, raw materials, etc.

Contrary to this, business enterprise supplies goods and services to the society in the form of taxes, products, return on investment, etc. A good understanding of environment helps the firm to convert such resources into output required by the environment and society.

★ Value Points

- Dealing with negative changes in business environment.
- Environment as a source of various resources.

29. (i) **Transfer** It refers to shifting of an employee from one job to another or from one department to another department without any change in the responsibilities or position of an employee.

It is an important source of filling the vacancy in an organisation by shifting an employee from another department. It is also referred to as horizontal movement of employees.

- (ii) **Promotion** It refers to shifting of employees from one job position to the other with higher level of authority. Here, employees move in upward direction within an organisational structure. There is also an increase in compensation or salary e.g. Promotion of a clerk to the post of an accountant.

Or (i) **Difficulty in Setting Quantitative Standards**

Control system losses its effectiveness when standard cannot be defined in quantitative terms.

This makes it difficult to compare and measure the performance with the standards.

This may lead to create problems in human behaviour, job satisfaction and employee morale.

(ii) **Resistance from Employees** Employees often resist control as they consider it as restriction or boundation on their freedom. e.g. Employees might resist working under close supervision of CCTV's and cameras.

30. (i) Jai is facing semantic barrier which is concerned with problems and obstructions in the process of encoding and decoding of message into words or impressions. Normally, this kind of barrier results on account of use of wrong words, faulty translations, different interpretations, etc.

(ii) The three measures by which Jai can improve his communication effectiveness are suggested below

(a) **Communicate According to the Needs of Receiver** Jai should adjust his communication according to the education and understanding levels of his workers.

(b) **Be aware of Languages, Tone and Content of Message** The contents of the message, tone and language used and the manner in which the message is to be communicated are the important aspects of effective communication. He should use a language that is understandable by the workers.

(c) **Ensure Proper Feedback** He may ensure the success of communication by asking questions regarding the message conveyed. Thus, the communication process may be improved by the feedback received to ensure that the workers have understood his ideas clearly.

31. Delegation of authority is important for an organisation because of the reasons discussed below

(i) **Motivation of Employees** Delegation provides a feeling of status and recognition to subordinates, as it is not only a process of sharing workload, but also involves trust of the superior on his subordinate.

Entrustment of responsibility builds up his esteem and encourages him to perform better.

(ii) **Facilitation of Growth** Delegation helps in the expansion of an organisation by providing a ready workforce to take up leading positions in new ventures. Trained and experienced employees are able to play significant role in launching new projects of the organisation.

(iii) **Basis of Management Hierarchy** Delegation of authority establishes superior-subordinate relationships, which are the basis of hierarchy of management. This helps employees to know 'who has to report to whom'. Thus, duties and powers of each individual becomes clear.

(iv) **Better Coordination** The elements of delegation namely authority, responsibility and accountability helps to define the powers, duties and responsibilities related to various positions in an organisation.

This helps to avoid overlapping and duplication of work and facilitates coordination, as it gives a clear picture of the work being done at various levels.

A. Mistake Alert

Students sometimes get confused between features and the importance of Delegation. Students need to learn them under separate headings accordingly.

Or (i) **Identification and Division of Work** The first step in the process of organising involves identifying and dividing the work that has to be done in accordance with previously determined plans.

Work is divided into manageable tasks, so that duplication can be avoided and workload can be shared among employees.

(ii) **Departmentalisation** Once work has been divided into small and manageable activities, then those activities which are similar in nature, are grouped together.

This process is called departmentalisation. Departments can be created on the basis of products, functions and territory.

(iii) **Assignment of Duties** Once the departments are created, each department is placed under the charge of an individual, called department head. Then, each job is allocated to an individual, according to his knowledge and skill.

There should be a proper match between the nature of jobs and the ability of an individual.

32. (i) **Debentures** These are long-term debt instruments issued by companies to borrow money from the public at a fixed interest rate. Debenture holders are creditors of the company.

Shares These represent ownership in a company. Shareholders are part-owners and may receive dividends and voting rights.

(ii) **Role of primary market, secondary market and stock exchanges**

(a) **Primary Market** Solar Energy Pvt. Ltd. issues debentures to raise ₹ 100 crore directly from investors in the primary market. This helps the company get the required funds for expansion without diluting ownership.

(b) **Secondary Market** Once issued, debentures and shares can be traded among investors on the secondary market, providing liquidity. Investors like Mr Rohit can buy or sell these securities anytime, making investing flexible and attractive.

(c) **Stock Exchanges** Stock exchanges provide a regulated, transparent platform for trading shares and debentures. They ensure fair pricing through demand and supply and protect investor interests by enforcing regulations, reducing fraud, and enabling smooth transactions.

33. (i) Shravan has set-up an NGO or consumer organisation in the village for the protection and promotion of the consumer interests. These organisations have a constitution of their own and are free from government interference.

(ii) Two consumer rights are as follows

- Right to Safety** It means a consumer has a right to be protected against the marketing of such goods and services that are hazardous to life and health.
- Right to be Informed** A consumer has a right to get true and complete information about the ingredients, quality, quantity, price, expiry date of goods and services, etc. which he intends to buy.

(iii) The key functions highlighting the role of a consumer association and NGO are listed below (any three)

- Educating the general public about consumer rights by conducting training programmes, conferences, seminars and workshops.
- Publishing periodicals and other publications to provide knowledge about consumer problems, legal reporting, reliefs available and other matters of interest.
- Carrying out comparative testing of consumer products in accredited laboratories to test relative qualities of competing brands and publishing the test results for the benefit of consumers.
- Encouraging consumers to strongly protest and take an action against unscrupulous, exploitative and unfair trade practices of sellers.
- Providing legal assistance to consumers by way of providing aid, legal advice, etc. in seeking legal remedy.

34. The three marketing tools discussed in the above paragraph are as under

(i) **Advertising**

Parul said masses.

Advertising is the most commonly used tool of promotion. It is an impersonal form of communication.

It is a form of communication which is paid for by the marketers (sponsors) to promote some goods or service. The most common modes of advertising are 'newspapers', 'magazines', 'television' and 'radio'. It has a mass reach. However, it may turn out to be a costly affair and it may also promote products of inferior quality, thereby deceiving the customers.

(ii) **Personal Selling**

Tanu stated products.

Personal selling is a personal form of communication and involves oral presentation of the message in the form of conversation with one or more prospective customers for the purpose of making sales.

Companies appoint salespersons to contact prospective buyers and create awareness about the product and develop product preferences with the aim of making sale. In this tool, personal relationships are developed and direct feedback is received.

It not only helps the businesses and the customers but is also beneficial for the society as it provides employment to persons selling goods.

(iii) **Sales Promotion**

Rishika free sale.

Sales promotion refers to short-term incentives given to encourage the buyers to make immediate purchase of a product or service. Sales promotion activities include offering cash discounts, sales contests, free gift offers, and free sample distribution. This tool is mostly helpful when a new product is launched. However, if a business constantly uses this tool, the consumers may feel that the goods are of inferior quality and may refrain from buying them.

My Reflection & Problem Points

Write down any difficulties, doubts, or mistakes you faced in this paper.

Discuss these points with your teacher and sort them out

Concept (s) I got stuck on

Question (s) I couldn't complete

What confused me most

Time issue faced in