

**ISC SEMESTER 1 EXAMINATION
SPECIMEN QUESTION PAPER
BUSINESS STUDIES**

Maximum Marks: 80

Time allowed: One and a half hours

(Candidates are allowed additional 15 minutes for only reading the paper.)

ALL QUESTIONS ARE COMPULSORY

The marks intended for questions are given in brackets [].

Select the correct option for each of the following questions.

Question 1 **[1]**

The external sources of recruitment suffer from which of the following limitations?

- (a) It is time consuming and expensive.
- (b) No fresh ideas are brought in.
- (c) It is an incomplete method of recruitment.
- (d) None of the above.

Question 2 **[1]**

Which of the following is an advantage of using Time-rate system of wage payment?

- (a) It provides motivation to workers.
- (b) Close supervision is not required.
- (c) Trade unions support it.
- (d) Inefficient workers are easily identified on the basis of their performance.

Question 3 **[1]**

Which of the following is not one of the steps followed in *selection procedure*?

- (a) Recruitment
- (b) Selection test
- (c) Medical examination
- (d) Checking references

Question 4 [1]

For every completed year of service, _____ days of earned leave are credited to the employee's leave account.

- (a) 08
- (b) 10
- (c) 15
- (d) 20

Question 5 [1]

The cost of _____ is generally paid by the government and / or the individual.

- (a) Recruitment
- (b) Education
- (c) Development
- (d) Employment

Question 6 [1]

As stated by Maslow, _____ include acceptance, affection and association with the social groups.

- (a) Self-actualisation needs
- (b) Esteem needs
- (c) Social needs
- (d) Safety needs

Question 7 [1]

Job specification is another name for:

- (a) Job analysis
- (b) Job description
- (c) Manpower estimation
- (d) Manpower specification

Question 8 [1]

A letter of application in response to a newspaper advertisement is called:

- (a) Solicited application
- (b) Unsolicited application
- (c) Bio-data
- (d) Resume

Question 9

[1]

A process that involves improving the general knowledge and the overall development of a person is called:

- (a) Procurement
- (b) Education
- (c) Development
- (d) Training

Question 10

[1]

A scheme which provides insurance cover on the lives of several persons under one insurance policy is known as:

- (a) Life Insurance
- (b) Group Insurance
- (c) Government Insurance
- (d) National Pension Scheme

Question 11

[1]

An employee is moved from one job to another, carrying higher salary, greater status and more responsibilities. This is known as:

- (a) Promotion
- (b) Transfer
- (c) Upgradation
- (d) Dry promotion

Question 12

[1]

_____ includes employees being shifted from one job to another to widen their job knowledge.

- (a) Shift transfer
- (b) Remedial transfer
- (c) Replacement transfer
- (d) Versatility transfer

Question 13

Freedom to come to work for the prescribed number of hours in a week or month as per the employee's convenience and choice is called:

- (a) Permanent part time [1]
- (b) Flexi time
- (c) Work from home
- (d) Temporary appointment

Question 14

A statement that describes the nature and contents of a job is called:

- (a) Job analysis
- (b) Job description
- (c) Job specification
- (d) Job explanation

Question 15

The training designed to correct the mistakes and short comings in the work behaviour and job performance of employees is known as:

- (a) Job training
- (b) Remedial training
- (c) Refresher training
- (d) Versatility training

Question 16

The transfer that involves employees to be transferred from the overstaffed unit to that unit where vacancies are to be filled up is called:

- (a) Promotional transfer
- (b) Production transfer
- (c) Replacement transfer
- (d) Remedial transfer

Question 17

_____ is earned in the previous year and is enjoyed in the succeeding year.

- (a) Privilege leave
- (b) Sabbatical leave
- (c) Extra ordinary leave
- (d) Special leave

Question 18 [1]

_____ includes compilation of qualifications and attributes needed for the job.

- (a) Job analysis
- (b) Job description
- (c) Job specification
- (d) Manpower estimation

Question 19 [1]

Trade unions do not favour merit based promotion as:

- (a) It is a costly method.
- (b) It leads to less salary for workers.
- (c) It leads to more work for workers.
- (d) It involves discrimination between the workers.

Question 20 [1]

The *satisfiers* in Herzberg's theory are also called:

- (a) Hygiene factors.
- (b) Motivational factors.
- (c) Maintenance factors.
- (d) Environmental factors.

Question 21 [1]

Group life insurance is a contract between:

- (a) Insurance company and the employer.
- (b) Insurance company and an employee.
- (c) Insurance company and a group of employees.
- (d) The employer and an employee

Question 22 [1]

Esteem needs are of the following two types:

- (a) Esteem needs and ego needs.
- (b) Ego needs and satisfaction needs.
- (c) Self-esteem needs and esteem of others.
- (d) Self-esteem and self-actualisation needs.

Question 23 [1]

A male employee is generally granted paternity leave for:

- (a) 8 days.
- (b) 10 days.
- (c) 15 days.
- (d) 30 days.

Question 24 [1]

One of the major limitations of *on the job training* is that:

- (a) The training situation is somewhat artificial.
- (b) It is an economical method of training.
- (c) There is no damage to costly equipment.
- (d) This method is often haphazard and unorganized.

Question 25 [1]

Staff morale is an indicator of:

- (a) Motivational level in the organisation.
- (b) Attitudes of employees towards their job, superior's work environment etc.
- (c) The quantity and quality of work done by the employees.
- (d) Organizational objectives.

Question 26 [1]

Learning by doing is also called:

- (a) On the job training.
- (b) Vestibule training.
- (c) Apprenticeship training.
- (d) Internship training.

Question 27 [1]

Telecommuting is the use of personal computers, networks and other communication devices to work without attending office in person. It is also known as:

- (a) Work from home
- (b) Flexible hours
- (c) Retainership
- (d) Outsourcing

Question 28 [1]

Under which of the following methods of recruitment, a notice is placed on the notice board of the enterprise specifying details of the job available:

- (a) Casual callers
- (b) Advertisement
- (c) Direct Recruitment
- (d) Web publishing

Question 29 [1]

As per Maslow's Theory of Human Needs, how many needs are there?

- (a) Two
- (b) Three
- (c) Four
- (d) Five

Question 30 [1]

Generally how many days of leave are granted as Maternity Leave?

- (a) 90 days
- (b) 120 days
- (c) 180 days
- (d) 210 days

Question 31 [1]

Identify the odd one out based on the remuneration to be received by the employee for the period of leave:

- (a) Privilege leave
- (b) Casual leave
- (c) Maternity leave
- (d) Leave without pay

Question 32 [1]

Human Resource Management focuses on _____ rather than on record keeping or procedures:

- (a) Action
- (b) Methods
- (c) Principles
- (d) Objectives

Question 33 [1]

Which of the following needs are not a part of Maslow's Theory of Human Needs?

- (a) Psychological needs
- (b) Safety needs
- (c) Social needs
- (d) Esteem needs

Question 34 [1]

Non-financial motivation given to staff does not include:

- (a) Status symbol
- (b) Allowances
- (c) Appreciation for work
- (d) Knowledge of results

Question 35 [1]

Job enrichment involves:

- (a) Increasing the depth of a job.
- (b) Increasing the width of a job.
- (c) Describing the nature and content of a job.
- (d) A formal and detailed study of the job.

Question 36 [1]

Campus recruitment proves to be beneficial for:

- (a) The institute where the student is studying.
- (b) The students.
- (c) The organisation appointing students.
- (d) All of the above

Question 37 [1]

Selection is a complex process as:

- (a) It eliminates all unsuitable candidates.
- (b) It is a negative process.
- (c) The candidates are required to cross several hurdles.
- (d) It involves choosing the candidates having necessary qualifications.

Question 38 [1]

In case of _____ the status and responsibilities of an employee remain same, but there is an increase in salary.

- (a) Promotion
- (b) Transfer
- (c) Upgradation
- (d) Dry promotion

Question 39 [1]

Self-management teams can be successful:

- (a) In any organisation
- (b) Only in IT sector.
- (c) Only when the members of the organisation are very competent, motivated and committed.
- (d) Only if flexible work hours are allowed.

Question 40 [1]

_____ provides immediate feedback, permits quick correction of errors and provides extra practice when required besides learning in actual work environment.

- (a) On the job training
- (b) Classroom training
- (c) Vestibule training
- (d) Internship training

Question 41 [1]

_____ shows full information related to the pay (wages or salary) of all the employees working in the organisation.

- (a) Pay slip
- (b) Pay roll
- (c) Attendance Book
- (d) Time Card

Question 42 [1]

One of the major benefits of internal recruitment is that:

- (a) It provides a wide choice
- (b) It is an incomplete source of recruitment
- (c) It is a two way process
- (d) It is a cheap source of recruitment

Question 43 [1]

Employment exchanges run by the government are a good source of external recruitment because:

- (a) They have updated records of candidates.
- (b) They are a good source of recruitment for professionals.
- (c) They are a cheap source of recruitment.
- (d) The government takes guarantee of the candidates enrolled in the employment exchange.

Question 44 [1]

Seniority based promotion is better than merit based promotion because:

- (a) It stimulates the employees to improve their performance.
- (b) It reduces labour turnover.
- (c) It rewards the ability of the employees.
- (d) It brings in fresh ideas.

Question 45 [1]

e-Recruitment is gaining popularity because:

- (a) It can be done for any kind of job – unskilled, semiskilled and professionals.
- (b) A wide choice of candidates is available.
- (c) No amount of money needs to be spent by the recruiter and / or candidate.
- (d) It boosts the morale of the existing employees.

Question 46 [1]

Motivation is a very strong tool in the hands of the employer as:

- (a) It helps in recruiting good employees.
- (b) It gives financial and non-financial incentives.
- (c) It is a continuous process.
- (d) It helps in optimum utilization of human resources.

Question 47 [1]

Flexible work hours are not completely flexible since:

- (a) All employees are expected to be present during core period.
- (b) The management may withdraw the choice anytime.
- (c) The employees are supposed to be in the office at the same time every day.
- (d) The employee has to work a fixed number of hours per day/ week as decided by the management.

Question 48 [1]

Motivation is the core of management as:

- (a) It can be financial or non-financial.
- (b) Well-motivated people can give extraordinary results.
- (c) Money is the biggest motivator.
- (d) Motivation and morale are interrelated.

Question 49 [1]

A linking activity that brings together those with jobs and those seeking jobs is called:

- (a) Recruitment
- (b) Selection
- (c) Employment
- (d) Advertisement

Question 50 [1]

A form containing columns for name, age, address, education, job experience etc. of a candidate for a job, is known as:

- (a) Letter of application
- (b) Application blank
- (c) Bio-data
- (d) Resume

Question 51 [1]

Quite a few organisations like to follow piece-rate system of wages because:

- (a) Quantity of work tends to be high.
- (b) Quality of work tends to be high.
- (c) There are lesser chances of misuse of machines and material.
- (d) Trade unions support this system.

Question 52 [1]

Seniority cum merit-based promotion is very popular because:

- (a) It is able to counter the limitations of both the approaches - seniority basis and merit basis.
- (b) It is easier for the organisation to follow it.
- (c) Trade unions prefer it.
- (d) It is very cheap and fast.

Question 53 [1]

Human Resource Management is significant for an enterprise as:

- (a) It accelerates the process of economic growth.
- (b) It provides social and psychological satisfaction to people.
- (c) It helps develop a team of competent and dedicated employees.
- (d) All of the above.

Question 54 [1]

Which of the following is a long-term process and takes place throughout the life of a person?

- (a) Education
- (b) Development
- (c) Training
- (d) Internship

Question 55 [1]

During which step of a selection procedure, the minimum qualification of the employee is checked?

- (a) Preliminary interview
- (b) Application Blank
- (c) Selection Test
- (d) Reference check

Question 56 [1]

Which of the following is not a method of Training?

- (a) Vestibule training
- (b) Apprenticeship training
- (c) On the job training
- (d) Refreshers training

Question 57 [1]

Which of the following is also known as ‘unsolicited applicants’?

- (a) Casual callers
- (b) Placement agencies
- (c) Employment exchange
- (d) None of the above

[1]

Question 58

Which of the following is a characteristic of Vestibule Training?

- (a) Training is given in a replica model.
- (b) Training is given by expert trainers.
- (c) Training is given in an accident free environment.
- (d) All of the above.

Question 59**[1]**

One of the objectives of human resource management is:

- (a) Development of people
- (b) Punishment of people.
- (c) Adoption of people.
- (d) None of the above.

Question 60**[1]**

When an outside expert is hired by an organisation to do a specialised work, it is called:

- (a) Retainership
- (b) Virtual team
- (c) Self management teams
- (d) Permanent part time.

Question 61

SPEED, a reputed automobile company has 100 employees. Sakshi was appointed by the Managing Director as she is his daughter. Rahul, an engineer, was selected by the company directly from his college to work on the shop floor.

(i) What was the source of Recruitment used while appointing Sakshi? **[1]**

- (a) Advertisement
- (b) Campus recruitment
- (c) Promotion
- (d) Recommendation by employees

(ii) What was the source of Recruitment used while appointing Rahul? **[1]**

- (a) Advertisement
- (b) Campus recruitment
- (c) Promotion
- (d) Recommendation by employees

- (iii) What type of training should be provided to Rahul? [1]
- (a) Job training
 - (b) Refresher training
 - (c) Promotional Training
 - (d) Remedial Training
- (iv) What method of training should be used to provide training to Rahul? [1]
- (a) On the job training
 - (b) Vestibule training
 - (c) Internship training
 - (d) Classroom training

Question 62

Sherlock detective agency put up an advertisement in the newspaper for the post of security guards for their office which holds valuable information as well as equipment. They received 200 applications and the appointment needs to be done as soon as possible.

- (i) Which source of recruitment was used by the agency? [1]
- (a) Internal source
 - (b) External source
 - (c) Internet
 - (d) None of the above.
- (ii) Which is the most important selection procedure step that cannot be missed in this case? [1]
- (a) Application blank
 - (b) Selection test
 - (c) Group discussion
 - (d) Reference check
- (iii) Which of the following will help the organisation shortlist from the 200 applicants for the next round? [1]
- (a) Preliminary Screening
 - (b) Medical Examination
 - (c) Selection test
 - (d) Reference check

- (iv) Which of the following is not a feature of recruitment? [1]
- (a) It is a linking activity.
 - (b) It is a pervasive function.
 - (c) It is a one way function.
 - (d) It is a positive function.

Question 63

Ram and Shyam Company has two units. The first one headed by Ram manufactures paper bags and the second one headed by Shyam manufactures hand-painted designer envelopes. There is a transparency in their wage payment.

- (i) Which method of wage payment should be used by Ram? [1]
- (a) Time Rate system
 - (b) Piece rate system
 - (c) Cash
 - (d) None of the above
- (ii) Which method of wage payment should be used by Shyam? [1]
- (a) Time Rate system
 - (b) Piece rate system
 - (c) Cash
 - (d) None of the above
- (iii) Identify one advantage of time rate system of wage payment: [1]
- (a) Determination of labour cost.
 - (b) Employee Development.
 - (c) Increased Supervision.
 - (d) Higher quality of work.
- (iv) Identify one advantage of piece rate system of wage payment: [1]
- (a) Optimum use of resources.
 - (b) Labour cost control per unit.
 - (c) Acceptance by Trade Unions.
 - (d) Sense of security among workers.

Question 64

Reflections Pvt. Ltd. is a publishing company. Its book on the subject Business Studies for Class 12 is in great demand. As a result, the base level employees are always racing against time and have to work overtime and on holidays to cater to the ever increasing demand. Managers in the marketing department are under stress as they have to handle dealers pan India. The work stress has led to dissatisfaction among the employees and managers.

- (i) Name the step of staffing process that has not been performed properly. [1]
- (a) Manpower Estimation
 - (b) Selection
 - (c) Recruitment
 - (d) Training
- (ii) Which of the following is not a characteristic of staff morale? [1]
- (a) It is a by product of group relationships.
 - (b) It may be financial or non financial.
 - (c) It is contagious.
 - (d) It is dynamic in nature.
- (iii) Employees of this publishing company are in which state of morale productivity matrix? [1]
- (a) High morale, low productivity
 - (b) High morale, high productivity
 - (c) Low morale, low productivity
 - (d) Low morale, high productivity
- (iv) Which type of need of the base level employees is being satisfied? [1]
- (a) Safety
 - (b) Self esteem
 - (c) Esteem of others
 - (d) Self actualisation

Question 65

Siddharth has done MBA in Finance and has a job experience of 5 years in the organisation. He has received a rating of 2 on merit scale which is 'excellent'. Another employee Kapil, has a tenure of 7 years. He also has a rating of 2 on the merit scale.

Sanjay has a tenure of 8 years and has received a rating of 3 on the merit scale which is 'Very good'. Amol has a tenure of 3 years and his rating is 1 on the merit scale which is 'outstanding'.

- (i) If seniority based promotion is adopted by the organisation, who should be promoted? [1]
- (a) Siddharth
 - (b) Kapil
 - (c) Sanjay
 - (d) Amol
- (ii) If merit based promotion is adopted by the organisation, who should be promoted? [1]
- (a) Siddharth
 - (b) Kapil
 - (c) Sanjay
 - (d) Amol
- (iii) Identify one advantage of seniority based promotion. [1]
- (a) Nepotism and favouritism is eliminated.
 - (b) Employees' solidarity is affected.
 - (c) It stimulates the employees to improve their efficiency.
 - (d) Grey hair is a sure sign of maturity and wisdom.
- (iv) Identify one advantage of merit based promotion. [1]
- (a) It increases loyalty and commitment of employees towards the organisation.
 - (b) Trade unions support it.
 - (c) It is easy to measure merit of employees.
 - (d) It increases productivity and profits of the organisation.