

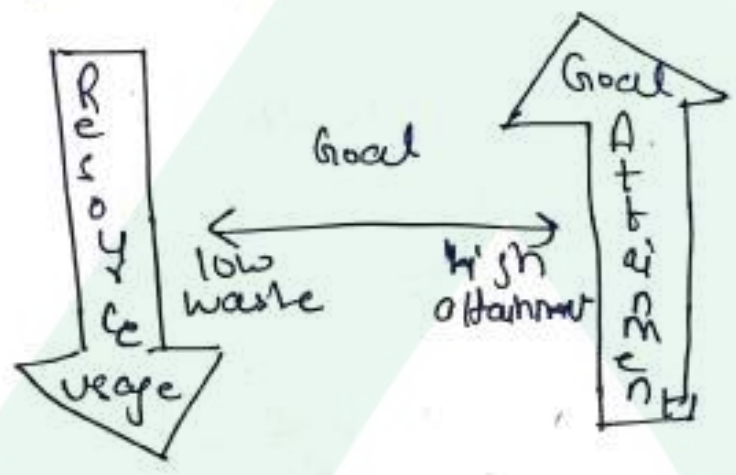
Good Attempt

126.5
250

Q1
(1) The objective of any company's management is to enhance productivity and measure it accurately to remove any bottleneck process.
There are 2 ways of measuring productivity

efficiency

effectiveness



efficiency refers to doing a task correctly with minimum resource wastage

$$= \frac{\text{Output}}{\text{Input}}$$

For 1 unit of input, how many units of output can be generated.

Exeg In a conveyor belt, how many biscuits packets have been packed correctly with minimum wastage of resource.

Effectiveness refers to doing the right things. Objective is to attain an end state which is right as per standards

[for eg] An employee can deliver a report that has all the data which can help the department make better decisions

[i.e. EFFECTIVE]

But, if that report comes after deadline, that's INEFFICIENCY

eg - Tata's Infosys

Effective

Good

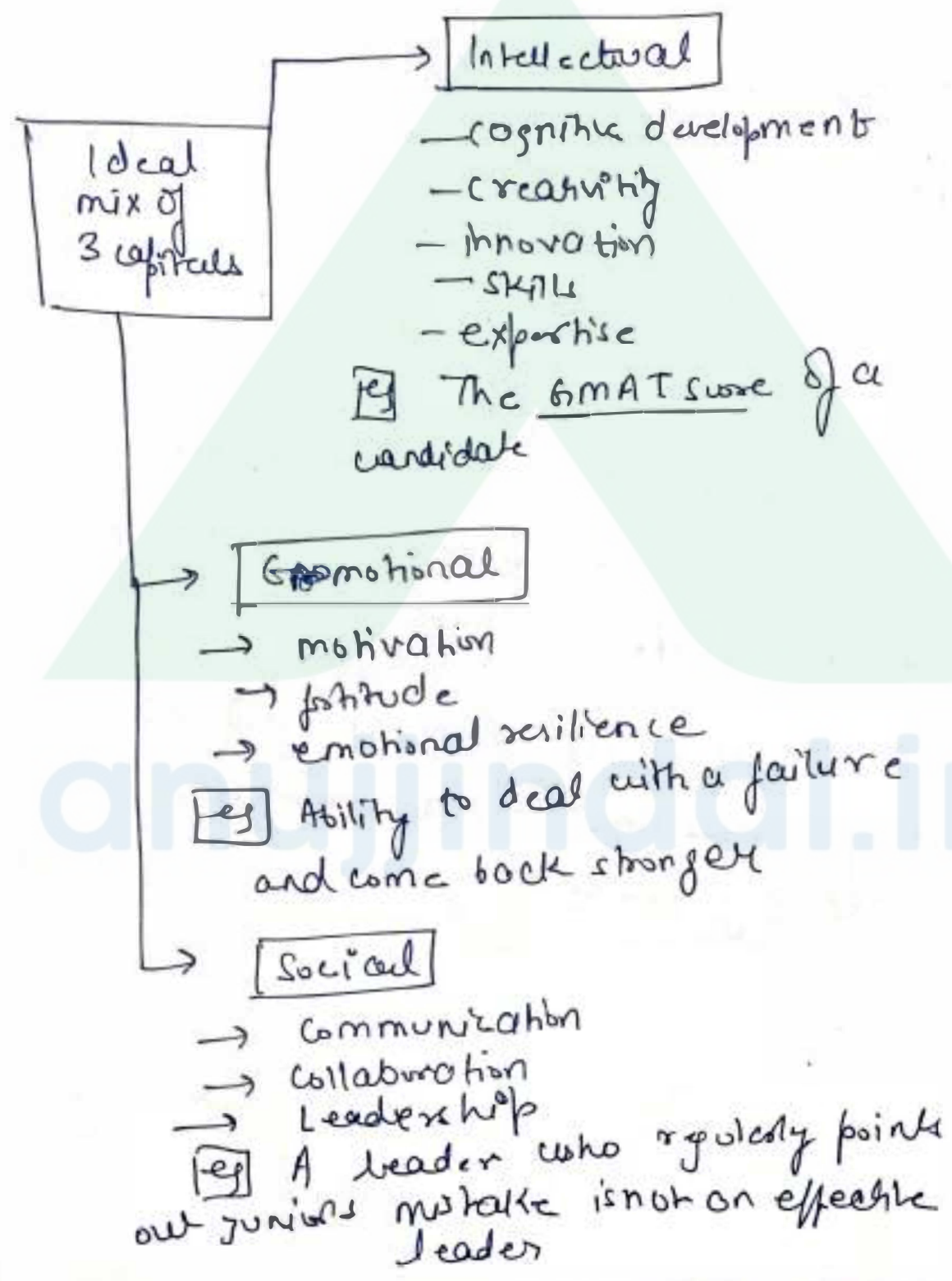
Ineffective

	Efficient	Inefficient
Effective	Right Goals Right means	Right goals High wastage
	→ Profit - High → Customer Satisfaction	→ Low profits → Limited customer satisfaction
Ineffective	Wrong Goals Right means	Wrong Goals Wrong means
	→ High Profit → But long term survival difficult	→ Failure of company

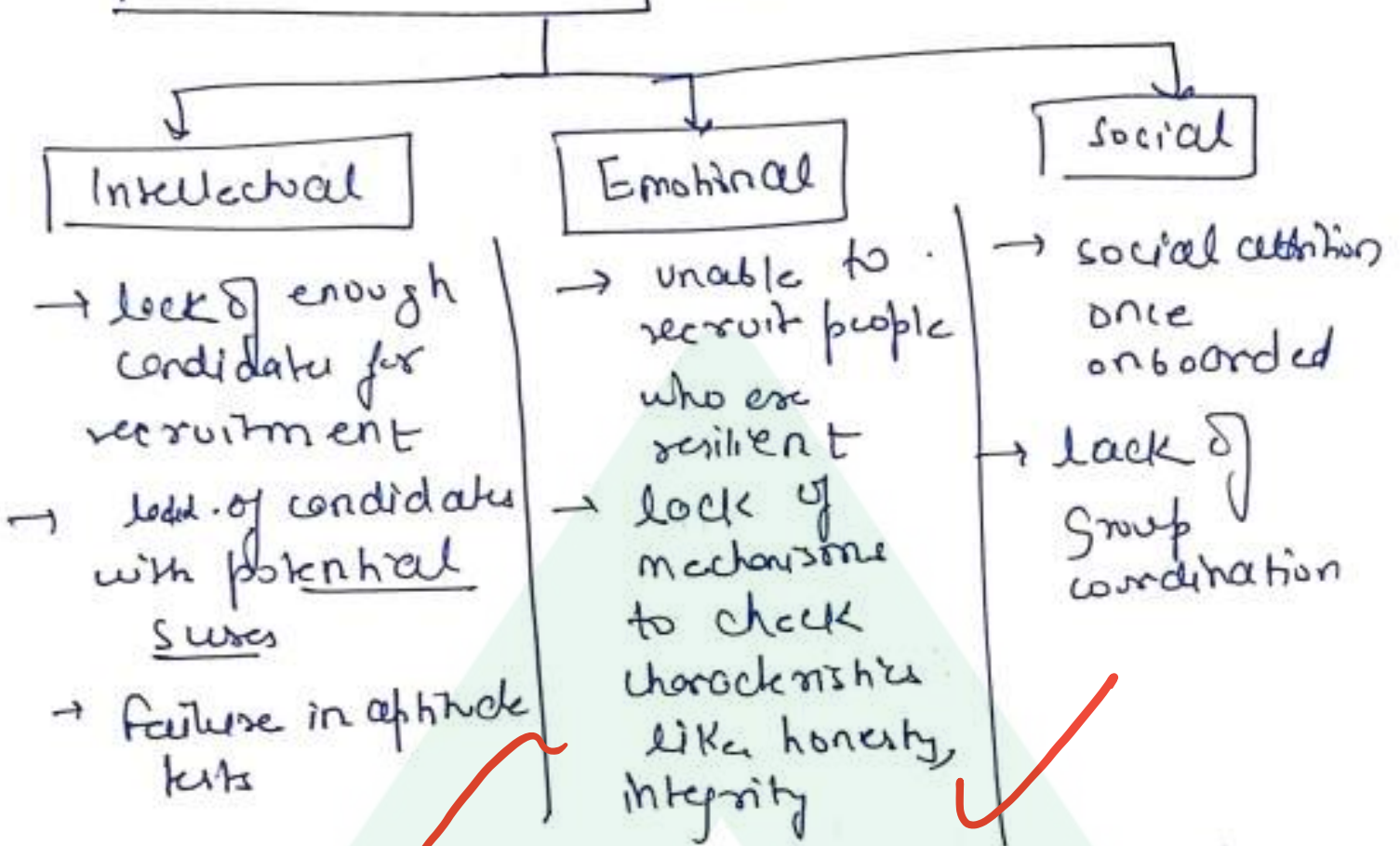
eg → Kingfisher Airlines

Thus, both efficiency and effectiveness are both important tenets of management and should be equally prioritized.

Q1 (b) Human Resources are an important component of management of an organization as they bring knowledge, skill and abilities (KSA) which is essential to increase productivity of an organization



Organization facing challenges for these 3 ideal mix



eg major challenge during COVID-19 and work from home environment was overcoming communication barrier.

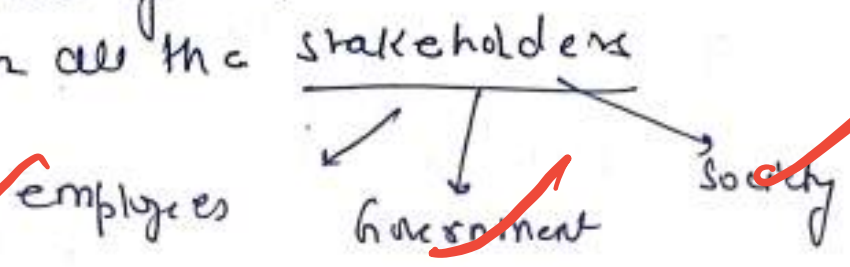
Thus, Human Resources is a very critical aspect of business and must be managed well to meet organizational objectives.

5

Need more explanation

Q) (c) management organizations build over time with a clear set of objectives which have a bearing on all the stakeholders

Triple Bottom Line



management objectives divided into 3 categories

1) organizational objectives

- Profit making business
- customer retention
- increasing brand reputation
- higher profits
- efficiency of processes

Don't repeat

[eg] lean manufacturing at Toyota
→ maximum utilization of resources

2) Societal objectives

- redistributive justice

More points

[eg] - CSR = 2% of profits
Companies Act, 2013

→ compassionate capitalism
(Narayana Murthy)

→ Positive externalities

eg supporting entrepreneurship ✓

→ employment generation

③ Personal objectives

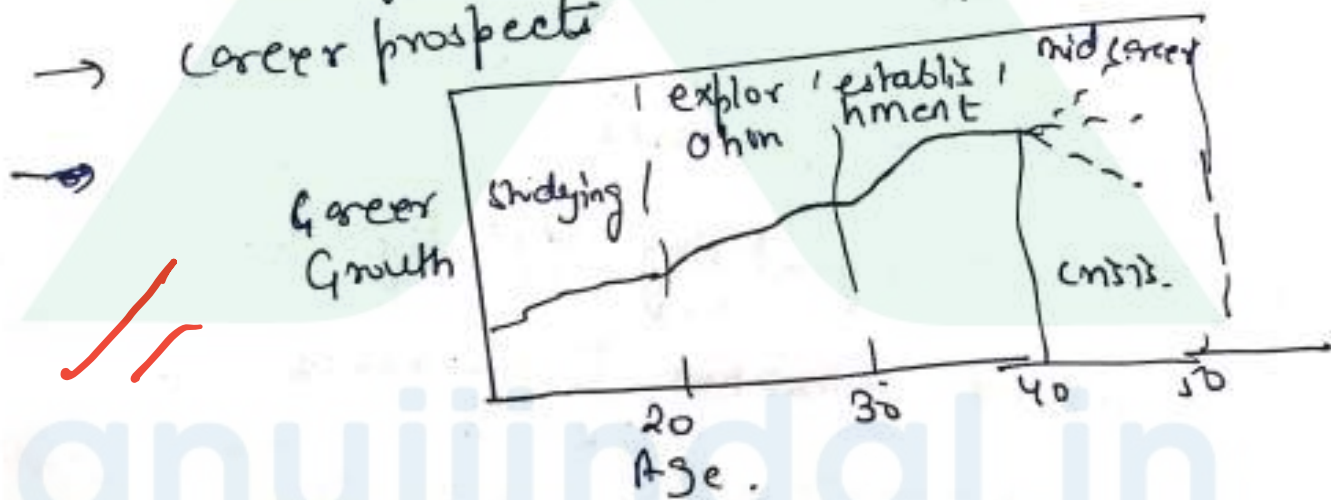
→ employee satisfaction & welfare ✓

→ support to employees during crisis ✓

eg Tata announced lifelong pension to the family of employees who lost lives during covid-19 ✓

→ Training and development

→ Career prospects



→ work life balance ✓

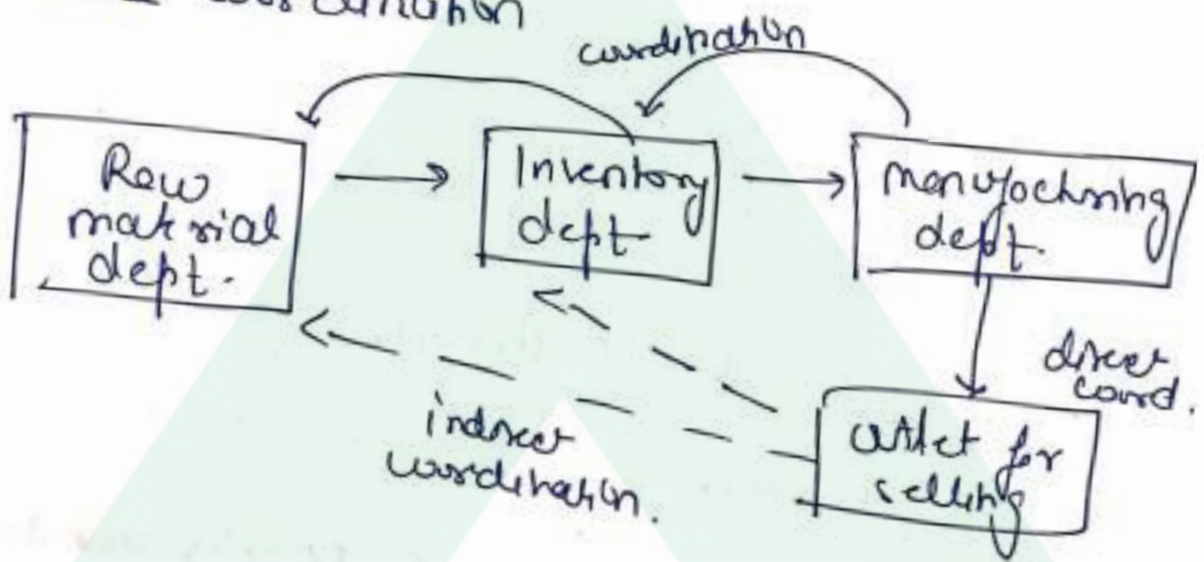
Thus, the synergy of all 3 objectives are essential for an effective management of an organization

S.E.S

Q1
(d) Coordination refers to effective communication and networking be it inter-department or intra-department.

— It helps in better management of resources and increase efficiency.

[eg] In a manufacturing setup, it is essential to have coordination.

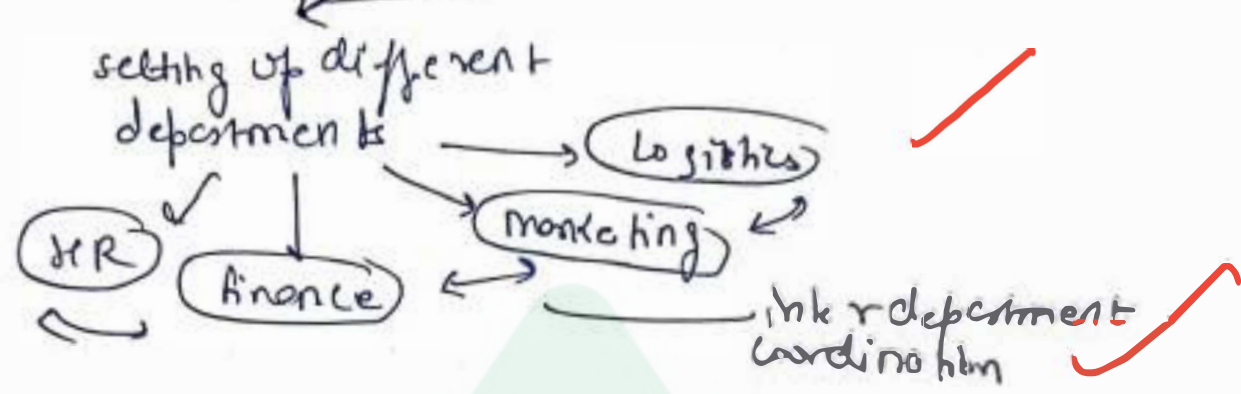


Coordination as essence of management

1) helps in planning the future requirements of resources, employee for a particular task.

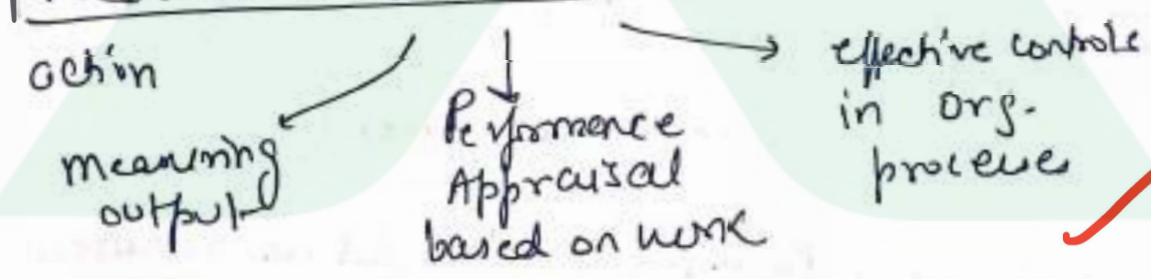
[eg] coordination with colleges or recruitment agencies for placement drive.

2) Helps in organizing departments and allocating tasks



3) Helps in creating a hierarchy so that employees may report to superiors and a deadline can be achieved

4) Helps in controlling through effective Feedback mechanism to take corrective



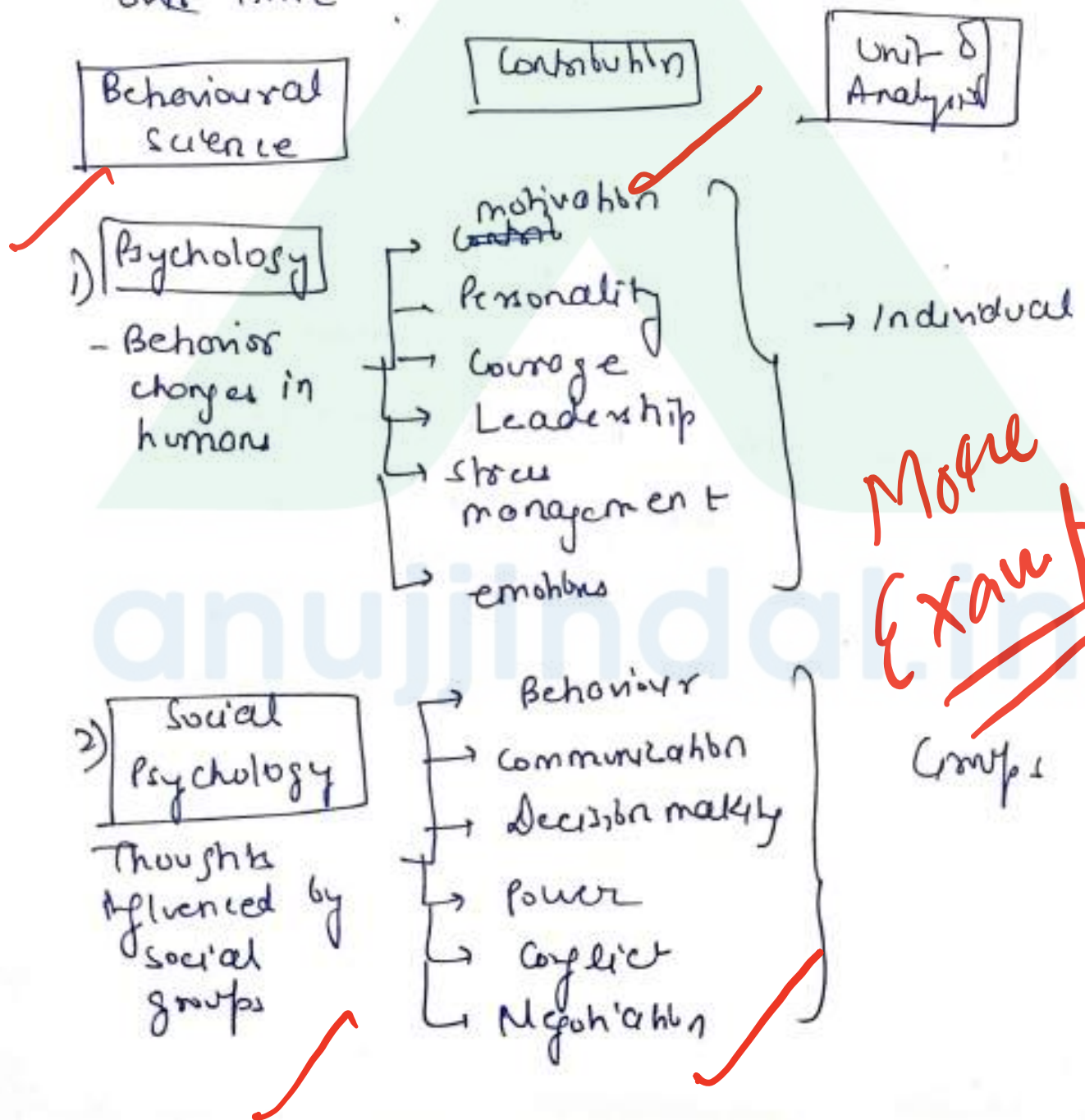
5

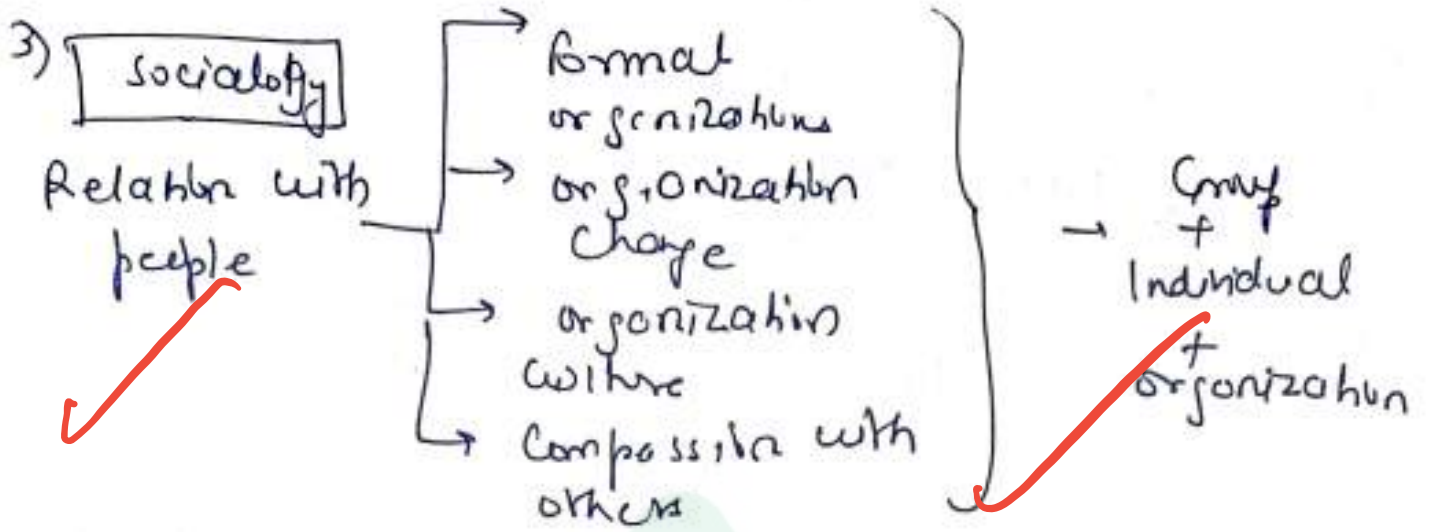
Thus, coordination is essential to enhance the efficiency of management and bring transformative changes.

More explanation

Q.3) Organization Behaviour is a field of study that measures the impacts of individuals, groups and structure have on behaviour within an organization to measure the performance.

Organization Behaviour has been built based on contribution from a number of disciplines over time.



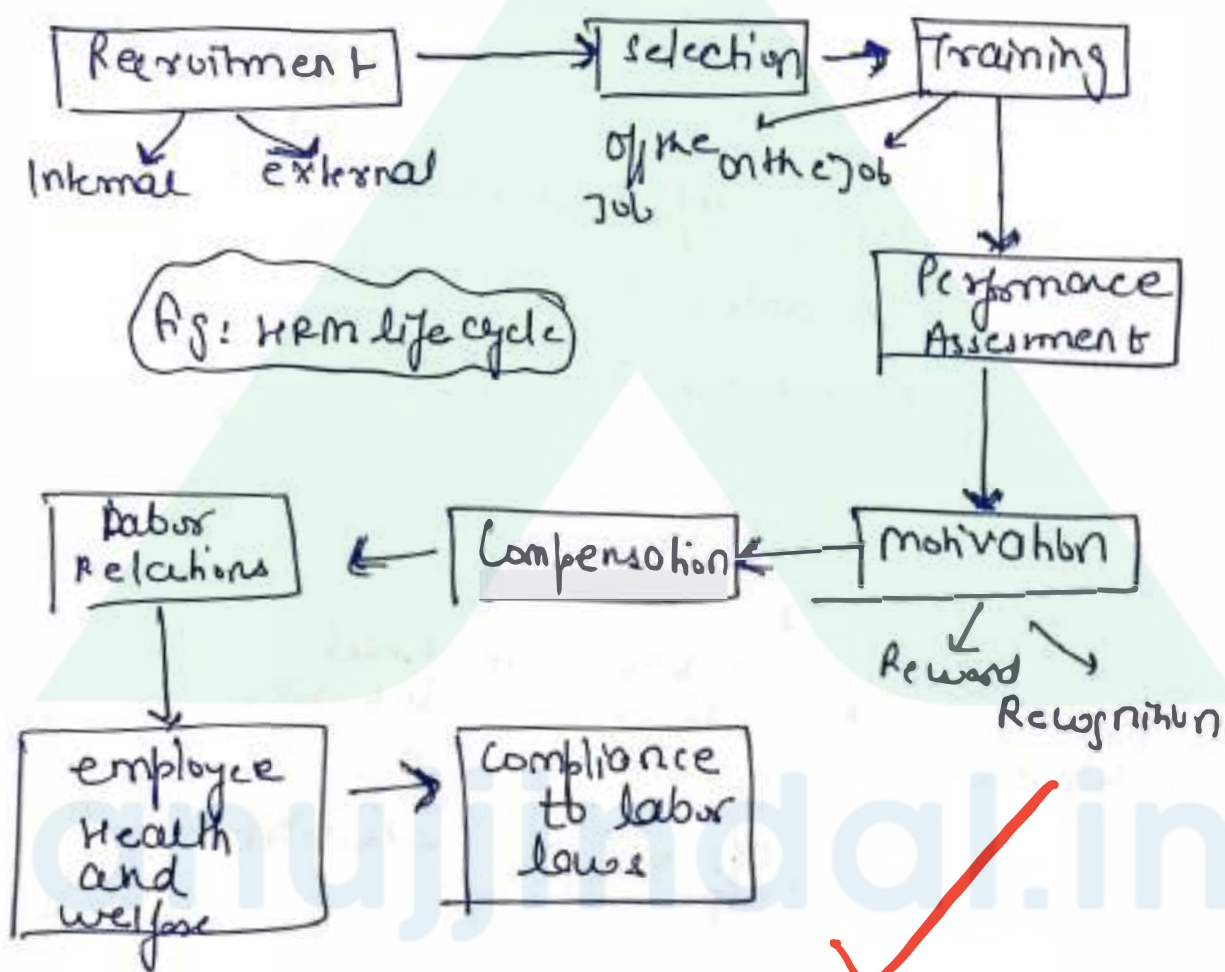


All the above applied behavioural sciences
 enrich the organization and promote better
 performance through increased cooperation
 and coordination among the employees.

Q2

Human Resource management is a process of selecting and recruiting an appropriate number of employees that can effectively manage organization's tasks and improve results

HRM includes a series of steps



① **Recruitment** involves attracting as many candidates as possible from a list of eligible job seekers

External

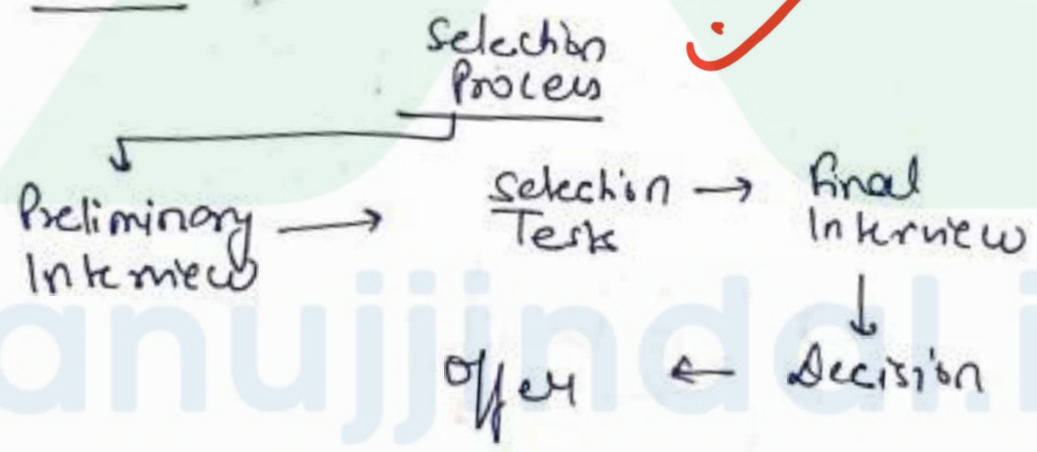
- Demand and supply
- unemployment
- Labour market
- Political-legal envt.

← **factors affecting Recruitment**

Internal

- Retrenchment Policy
- Human Resource Planning
- size of firm

② **selection** process of differentiating between applications in order to identify and hire those with a greater likelihood of success



③ **Training** To prepare employees for better performance by providing knowledge and skills

④ Performance Assessment by comparing it against against a benchmark ✓

[eg] management by objectives (MBO) where employee and employer together set goals ✓

[eg] 360° Performance Appraisal

⑤ Motivating employees through promotions, salary hike, rewards ✓

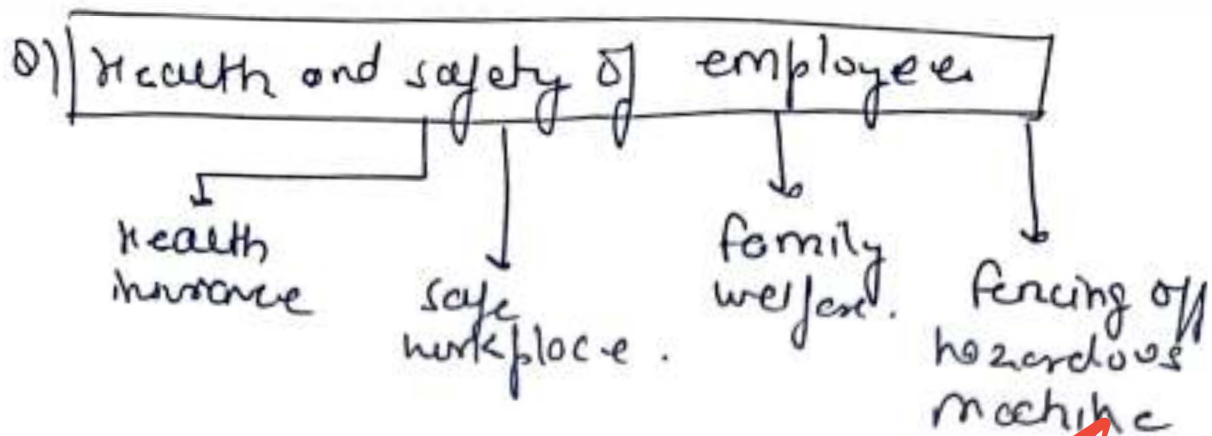
⑥ Compensation Adequate compensation in line with

- company policies
- employee skills
- employee performance
- industry standards [eg - Equity Theory]

Very General Answer

⑦ Maintaining Labor Relations with Labor and trade unions for effective Grievance Redressal mechanism ✓

[eg] Wingstar company → labor protested and violent outbreak due to non-payment of salaries ✓



All these led to employee satisfaction and improve productivity at work

9) Compliance to Labor Laws

- eg) Child Labor Prohibition Act, 1986
- minimum wages Act.
- code on social safety.

11

Thus, Human Resource management process is a comprehensive process that affects the organization from Board of Directors to even the lowest level of employee. It thus plays a very crucial role

Q2 (b) Human Resource Management involves the comprehensive process of hiring right candidates & their effective performance on the job.

HRM has two types of functions



Planning	Leading
organizing	controlling

- Procuring
- Develop
- Compensate
- Integrate
- maintain

① Procure → hiring the right number of people with right skills

It includes processes like

→ Job Analysis → to create job specification and description

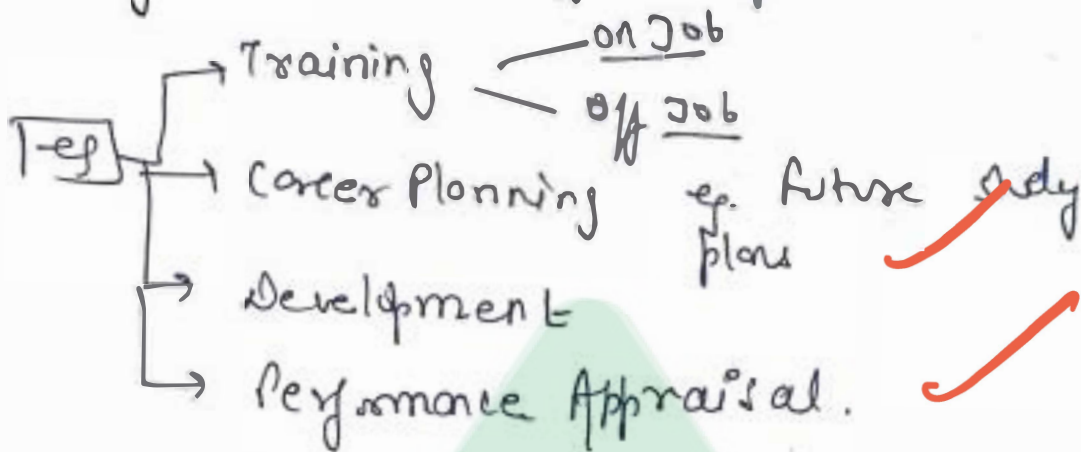
→ Recruitment

→ selection

→ Transfer

Explain?

② Develop involves skill training to perform on organization task effectively.



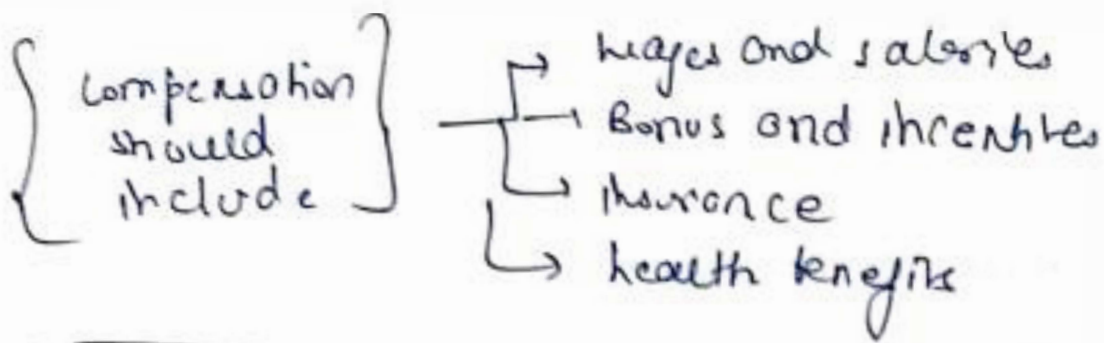
③ Compensate It's essential to adequately compensate employees due to two factors

a) employees bring knowledge and skills to gain competitive advantage to an organization ✓

Ex Google's high innovation due to skilled workforce ✓

b) Reduce attrition rate due to higher pay in other organizations

Ex After COVID-19, there is a great resignation wave ✓



⑨ **Integrate** is to be open and communicate for healthy competition among employees
→ It encourages networking and better labor relations [eg] - communication became extremely important during COVID and work from home

Thus, the above functions of HRM help in generating operational efficiencies and better employee experience.

anujjindal.in

Q2
(C) Personality refers to how a person affects others and how he/she understands and views himself/herself.

Better Definition!

[eg] A leader who views fellow employees as supportive, friendly, hardworking has a positive personality. He/she would appreciate and motivate others.

Ratan Tata
↓
lifelong pension for workers losing life during COVID.

Norayan Moorthy
↓
gave the idea of compassionate capitalism

Factors that shape personality are

(1) Biological factors
→ **Heredity** transmission of qualities from ancestors through biological process
→ social attractiveness
Genes like height

→ **Physical** external appearance of a person also affects his/her personality
eg → height, weight

↳ Cognitive Ability Intellectual ability and aptitude.

② Family Factors Family is the first agent of socialization
→ huge investment of time and money lead to ~~the~~ inculcation of values, morals

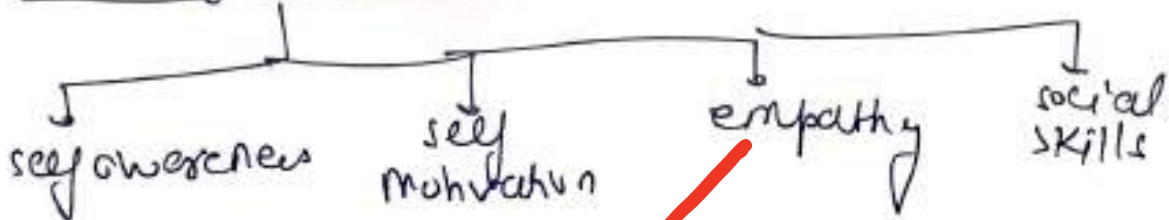
③ Situational Factors Different situations provide varied experience to a person that lead to personality development

[ex] A situation of intense work and tight deadlines → develops persistence

[ex] blon musk used to work for 22 hours a day in a garage

7.5

④ Temperament emotional response to a situation helps in building emotional intelligence which leads to personality development



⑤ Schema refers to an individual's belief, perception and attitude which influence a person's personality ✓

Ex A person who believes in team empowerment proves to be a good leader ✓

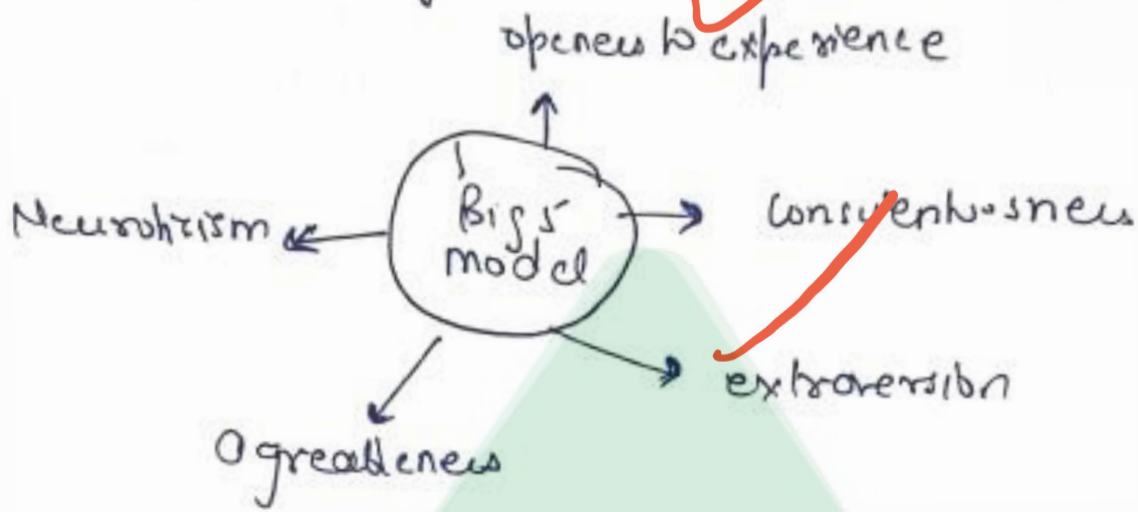
→ leaders like Satyam Nadella, Sundar Pichai invite employee suggestions

⑥ Motives refers to an inner drive of an individual. The inner motivation to succeed develops will-power which enhances performance ✓

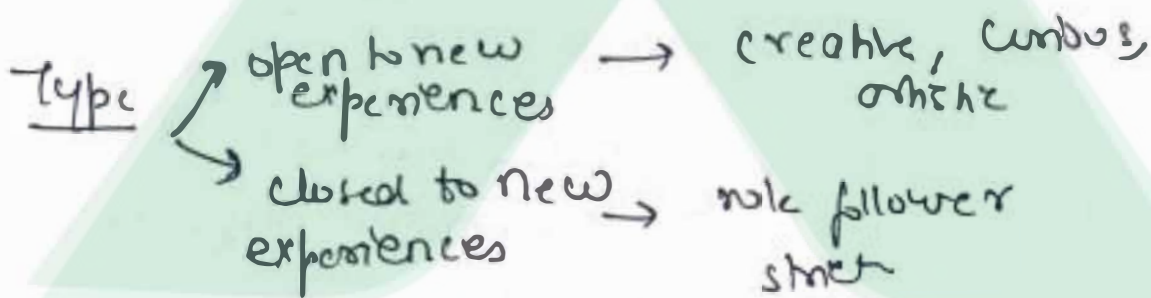
Ex Virat Kohli's inner drive to perform the best

Thus, personality is a sum total of many different factors that has a major impact on one's behaviour and attitude ✓

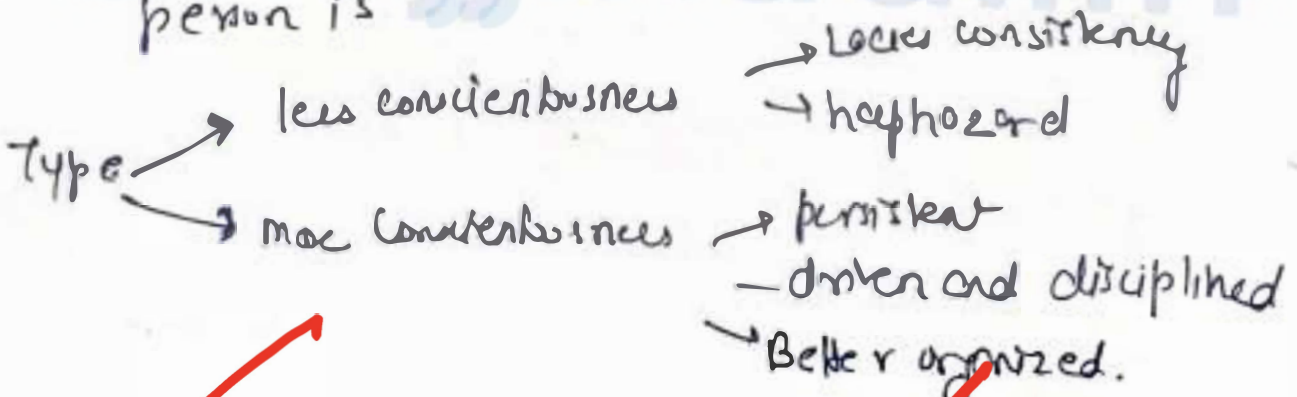
Q3 Big 5 personality model proposes a range of factors that together affect human personality



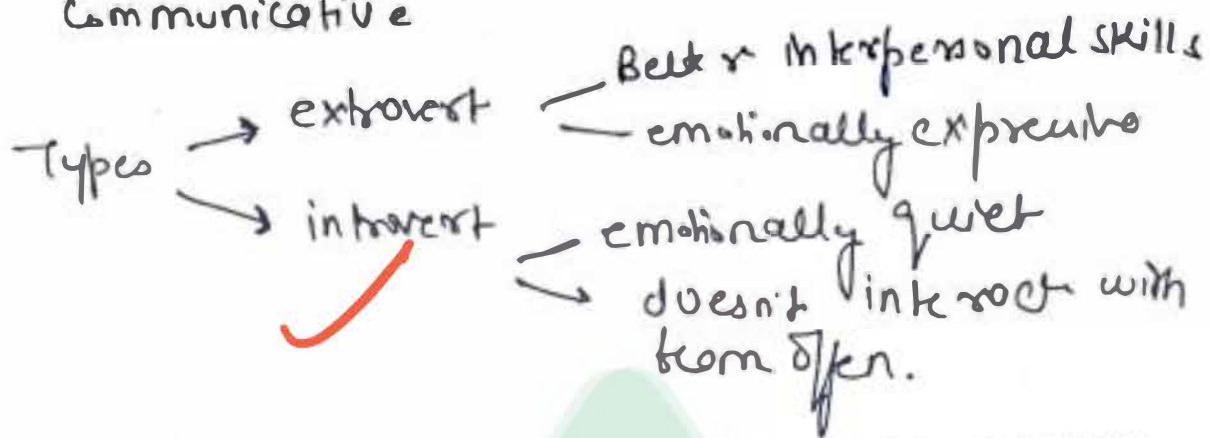
1) Openness to experience → degree of a person to events and issues
 experience different



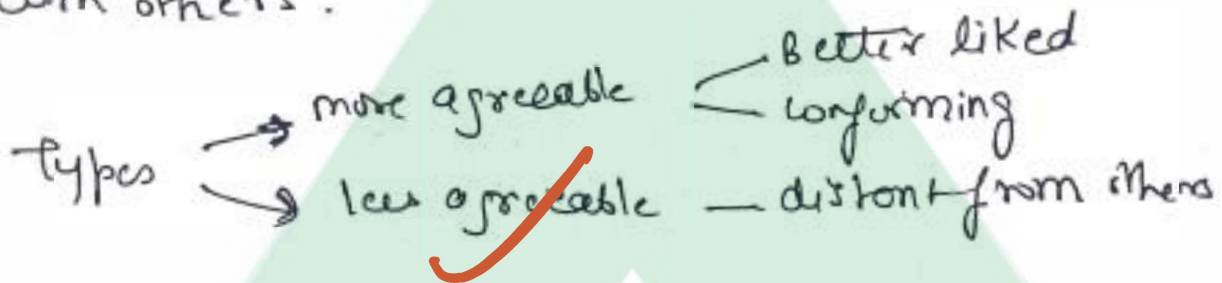
2) Conscientiousness person is → it measures how reliable a



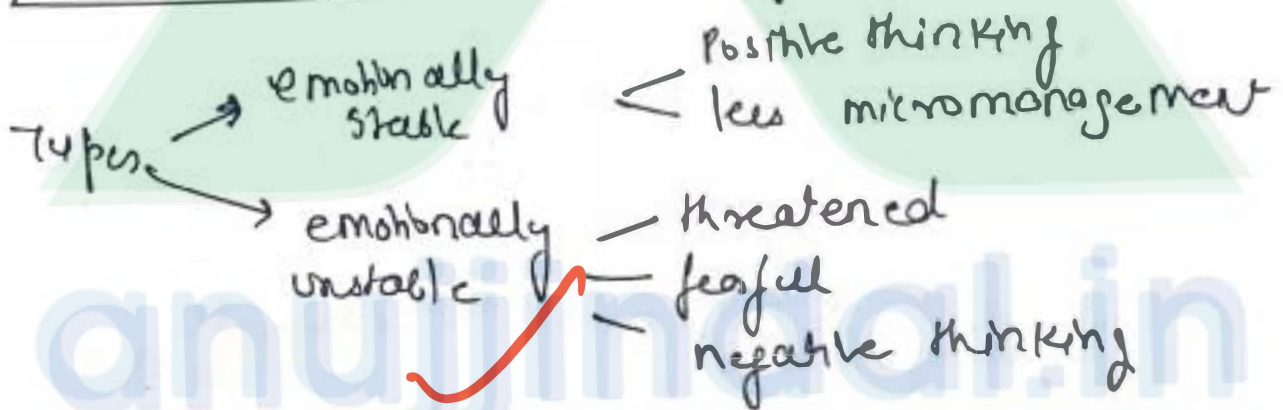
③ **Extroversion** how easy a person can be open and communicative



④ **Agreeableness** measures the level of agreeableness with others.



⑤ **Neuroticism** or **emotionally stable**



As Mr Sehgal qualities

Qualities

Personality Traits

- Team Leader
- mixes well with Juniors
- does job sincerely and confidence and confidence
- cooperate with others
- able to meet deadlines by creatively changing the work pattern that reduces time
- panics about the deadline

extraversion

conscientiousness

Agreeableness

Openness to experience

low emotionally stable

Thus, Mr Sehgal ranks low on neuroticism i.e. emotional stability as he panics the about the deadline showcasing low confidence to deal with challenging situations.

and more

12

4000 words

But his readiness and quickness in adapting well to the situation and changing strategy is appreciable, which proves that he is a good leader.



anujjindal.in

Q 3

(b) Management is a complex process that provides information on what's to be done, when it is to be done and who will be doing tasks in an organization.

This will ensure maximum utilization of resources with minimum cost and wastage

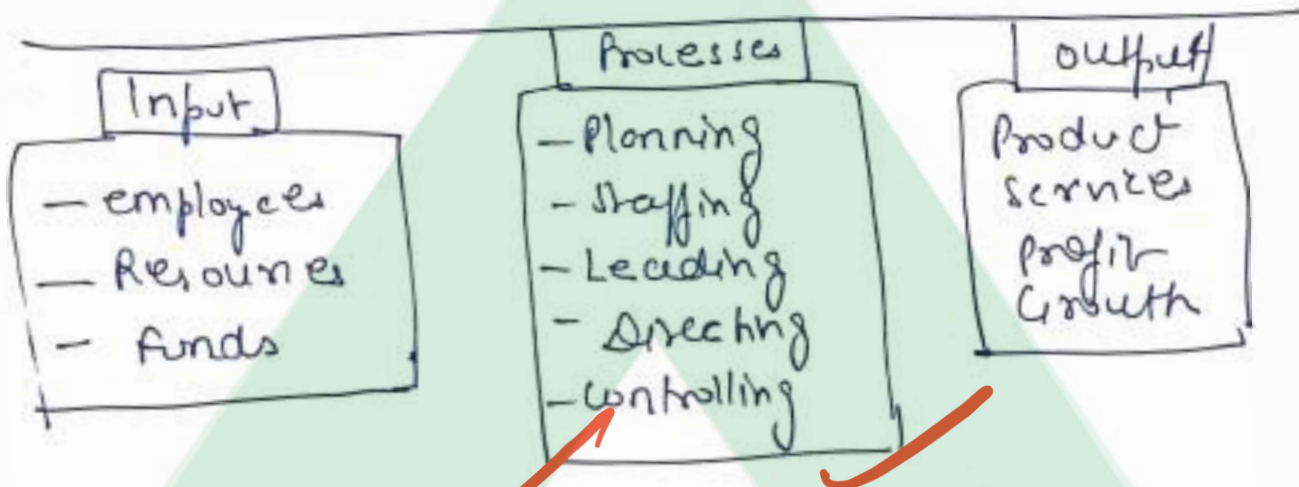


Fig: management process components

Functions of management

① Planning

refers to strategy making on

goal establishment

Resource utilization.

Planning essentially bridges the gap between where we are today and where we want to be

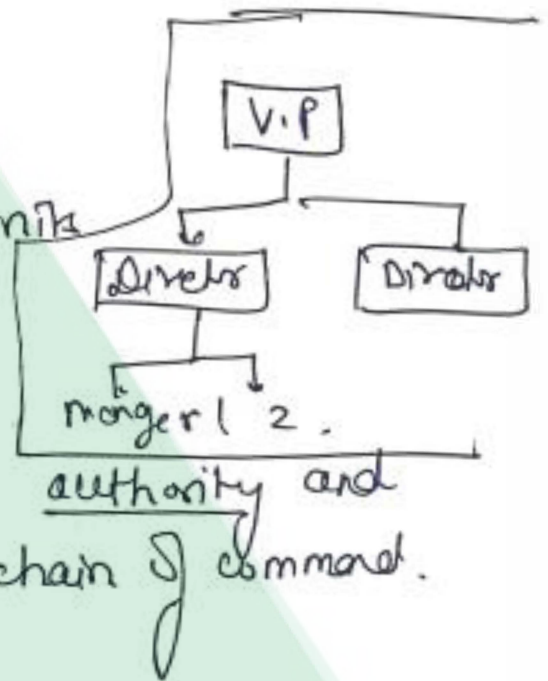
ref

month	Task1	Task2	Task3
Aug	✓		
sep		✓	
oct		✓	
Nov			✓

Planning monthly tasks using Gantt chart helps in meeting deadlines and providing feedback on work completion

② Organizing refers to-

- allocation of resources to units
- assigning tasks
- setting deadlines



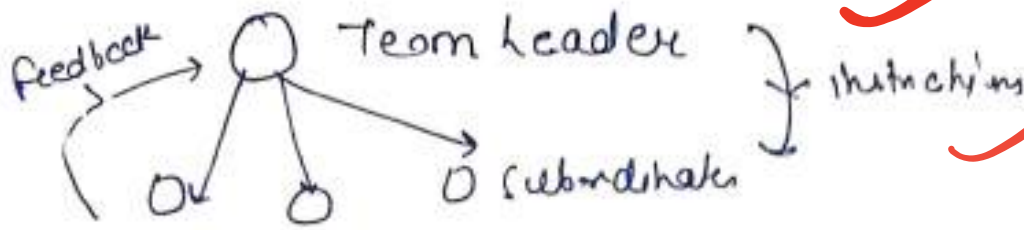
It thus creates a structure of authority and responsibility and a proper chain of command.

③ Leading essentially refers to human resource

- management through
- Staff selection
 - recruitment
 - development & training

It ensures human resources are well trained and have skills to do the job efficiently.

④ **Directing** process of giving instructions and providing guidance to the team

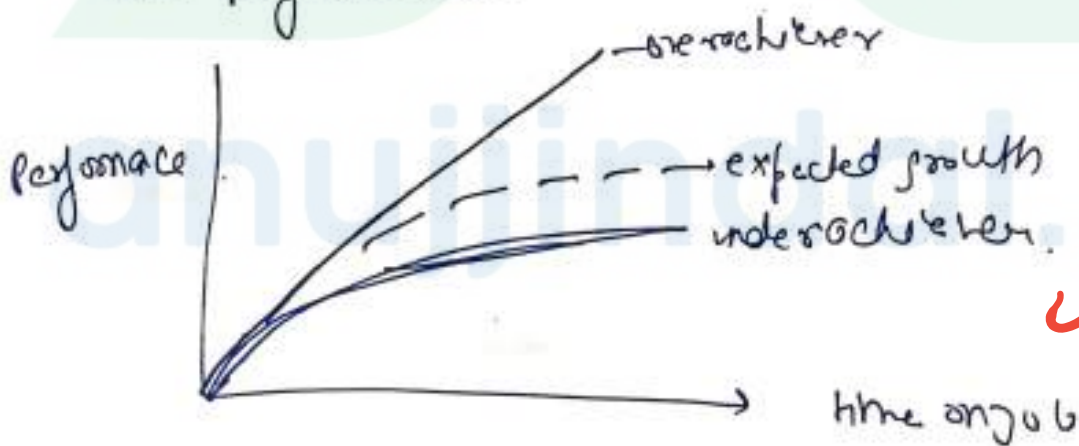


Components of Directing

- Leader motivates employees to be efficient and meet deadlines

- his/her job is delegation of work to ensure all subordinates have equal work according to subordinate competencies

⑤ **Controlling** a set of tasks to measure employee performance against a benchmark and take corrective action if there is less performance



It also ensures grievance redressal of any employee facing issues at work.

[ey] → Harassment at work
lack of motivation

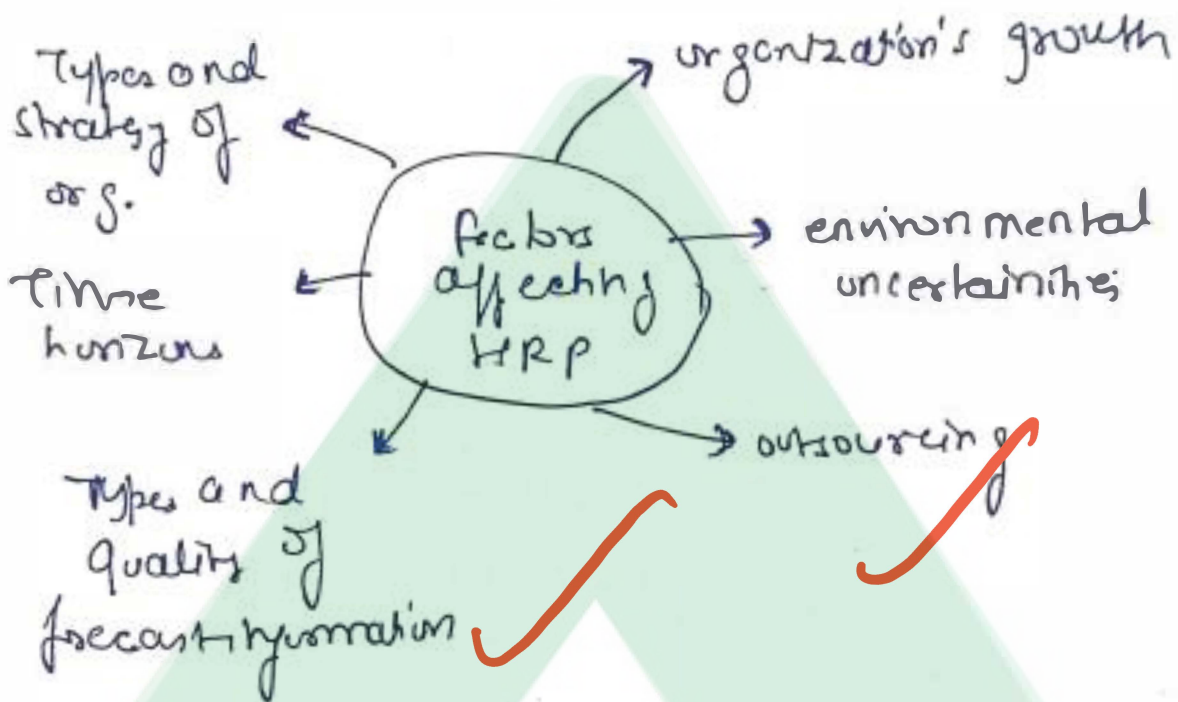
management is thus combination of these 5 interrelated functions that must work in sync for on effective organizational performance.

POSDC (7)

anujjindal.in

Q3

(c) Human Resource Planning (HRP) is a process of forecasting an organization's future demand ~~for~~ and supply of ~~right~~ type of people in the right number.



Significance of Human Resource Planning

1) HR needs taken care of

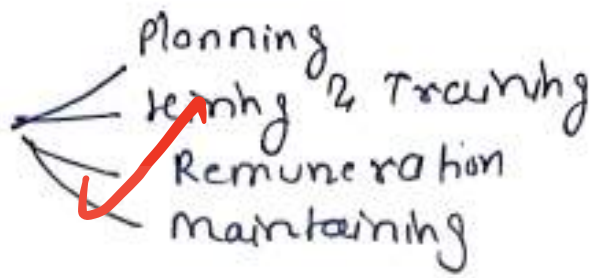
→ Required number of people for uninterrupted business

— skills and abilities of employees are essential features which are measured from HR planning.

② Part of Strategic Planning

HRM

all activities of



one part of
Corporate
strategy

③ Replacement Needs

— Due to high
attrition / turnover rate in the industry,
continuous replacement is necessary

HRP engages with

- colleges
- 3rd party recruiters
- TV/newspaper ads
- walk in interviews

④ Merge and Acquisition

require coordination

of employees of both entities

— HR planning is essential to maintain
cultural cohesion and team spirit

⑤ Expansion Needs

of the firm are

fulfilled when human resources are
able to work in uncertain environments
and can correlate with organization's
vision

Human Resource planning has truly evolved from a traditional role to modern role according to exigencies of time

Traditional HRM

- 1) Narrow and restricted
- 2) Once a year
- 3) Administrative activity limited in isolation
- 4) Little considering current skill need
- 5) Concept of separate HR managers

modern HRM

- 1) Broad and proactive
- 2) Quarterly
- 3) Strategic activity integrated with business
- 4) Little considering future skills need
- 5) Concept of line managers

(Not required)

Section B

Q5 (a) Finance manager's role has become crucial especially in the present uncertain world where capital and money markets have become volatile due to geopolitical conflicts and currency wars.

Role of finance manager is essential to perform/take three important decisions

① Finance Decision To analyse different sources of finances
→ objective is to minimize cost of capital and maximize revenue stream

→ proper analysis of debt and equity is needed to measure the exposure and risk.

→ As many financial intermediaries like LIC, ICI, etc. invest heavily in growing firms, it's essential to raise funds keeping in mind market reputation and stability of capital market to have an adequate debt-equity mix.

② Dividend Decision one major decision is to analyse whether the dividend should be distributed or be kept as retained earnings.

Dividend
→ Shareholders satisfied

→ Firms will have to borrow from external sources to meet investment needs

Retained Earnings (RE)

→ Shareholders rely on short term gains rather than long term capital gains

→ R.C. reduces cost of raising additional capital and helps the firm remain liquid.

③ Investment Decision as crucial as the finance manager must decide where to invest keeping in mind scarce resources and shareholder's wealth.

Few factors to be considered

- Short term investment vs long term
- Net Present value
- Rate of return
- time at which cash flow would be received.

Thus, finance manager's role has become all pervasive in modern management

Capital Budgeting

6

Q1(b) with increasing shareholder power and say in company's policies, there has been a debate around profit vs wealth maximization

Profit maximization

Wealth Maximization

- focus is on enhancing the profit of the company
- It is a narrow approach as it only concerns with factors leading to profit
- It leads to oversimplification of risk parameters and ignores the volatility in market

→ focus is on increasing the wealth of shareholders

- It is a broader concept as it includes other stakeholders like employees, creditors and overall society
- It takes into account risk and volatility in market and leads to well researched investments

Key focusing only on revenue stream without looking at capital and money market risk

Key this is sync with market, dividend policy of firm and investment analysis to come to a well researched plan.

Vague concept of Profit

Benefits of wealth maximization

(1) Based on cash flow estimates and thus the timing of inflow is important

	Company A profit motive	Company B wealth motive
	T ₁ → 50 lakh inv.	T ₁ → 50 lakh investment
Return	T ₂ → 10 lakh	T ₂ → 20 lakh
	T ₃ → 15 lakh	T ₃ → 20 lakh
	T ₄ → 25 lakh	T ₄ → 10 lakh

Time value of money not considered

Better cash flow and quicker returns

(2) Risk estimation is proper considering all the factors

← economy

↓ geopolitical risk

→ Hedging

→ currency crisis

(3) Long term in perspective leads to overall growth of all stakeholders

6.5

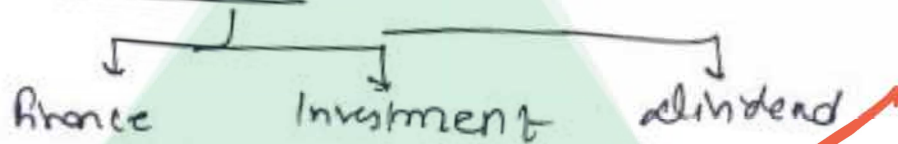
Thus, an organization should focus more on wealth maximization to enhance overall profits and ensure shareholder satisfaction

Q1

(c) The above method discussed refers to cost accounting

→ It involves ascertaining costs by recording them accurately which provides data to management.

→ The costs recorded are analysed from different perspectives which help the management take better decisions



→ Overall, the costs thus remain within control and help in positive revenue generation.

Advantages of cost accounting

- 1) Helps in controlling costs
- 2) leads to better decision making
- 3) Helps to differentiate between profitable and unprofitable business aspects

- 4) Helps in cost reduction by cutting out non-profitable divisions ✓
- 3) Helps in improving efficiency through better utilization of resources
- 2) Helps in business evaluation by comparing with leading companies in the industry ✓
- 1) Helps in standardization of processes using benchmarks ✓
- 0) Helps in better inventory control and reduce waste.

6

eg) using Just in Time (JIT) manufacturing to reduce ordering and carrying cost. ✓

Thus, cost accounting is an indispensable part of any organization and must be prescribed by management. ✓

www.india.in

Q1(d)

marketing refers to evaluation of customer needs and wants accurately and satisfying it by quality products and service.

[ex] when people wanted furniture at low cost, IKEA developed knock-down furniture that reduced cost and made furniture more assemble

with the rise of Internet and Communication Technology (ICT), customers have become key part of marketing process. through following ways:-

① Customer is the king, and his/her needs are the priority for any company.

② Customers have become more aware and have more knowledge of products

[ex] focus on more healthy fruit food led to sale of Saffola oils and fruit drinks than cola drinks.

③ Customer has become more environment friendly and purchases from companies that are driven towards sustainable development

eg IITC diversifying from cigarettes to hotels, notebooks

eg Recycling and reusing of electronic waste → customers relying more on

refurbished items

④ Customers focus on ethical aspects of marketing and do not promote companies that rely on mis-stated facts

eg Volkswagen made false claims about its engine capacity leading to loss in sales and revenue due to

eg Fair and lovely over-emphasis on complexion

with use of management information system (MIS) and data analytics customers should be studied more to have long term profitable business.

⑤

More focus on Customer Driven

Q5 (e) Marketing mix refers to efficient usage of different parameters of marketing to enhance company's profits and enhance customer value.

original marketing mix → 4Ps

1) Product → quality of product is of essence to provide value.

eg A product like ms office sells itself due to high demand and ease of access.

2) Price - customers are price sensitive and focus on products that are valuable at least cost.

eg Cars with higher mileage are preferred.

eg Price of annual subscription of Youtube is lower than cumulative monthly cost.

3) Place - Place of service and goods delivery is equally important.

eg with internet penetration, all services are at finger tips. This leads to huge attraction of social media especially.

of young users

(4) Promotion activities leave an indelible mark on customers as this is the first point of contact

[eg] use of ethical marketing practices by Tatas also enhance customer value.

Extended marketing mix include 3 more factors

(5) People - Customers also focus on those who are providing goods & services depending on

- Power | eg. Prime Minister promoting swachh Bharat
- Credibility | eg. Satya Nadella
- Attractiveness | eg. Amitabh Bachchan promoting polio vaccination

(6) Processes are key to efficient utilization strategy

[eg] Allen Muralidhar one ford strategy led to reduction of costs due to standardization

[eg] lean manufacturing of Toyota

(7) Physical evidence refers to attractiveness of store, retail layout etc and customer service etc

[eg] Woodsrom's ambience in store leads to higher sale.

Thus, careful strategy needs to be followed to enhance customer experience using marketing mix

6

Q8 (a) The above concept talks of the concept of share split

→ It involves increasing the number of shares in the capital market and corresponding reduction in share price

→ The reduction in price leads to higher trading capacity as more small investors can invest and take active participation in equity market.

→ overall, no further shares are issued by the company

Bonus share are given to existing shareholders by ~~new~~ capitalization of reserve and premium.

eg paid up capital [1 crore shares, Rs 10 per share]
share premium
Reserve
Total net worth

	<u>Reserve</u>
	10
	15
	8
<hr/>	
	33

1) 1:10 bonus shares are issued

eg for 10 shares - 1 bonus.

As bonus shares are issued at market price

eg $\text{Rs } 30 \rightarrow (\text{Rs } 10 + 20)$

face value

premium

Paid up capital [10 shares x 10] = 100 cr

Share Premium = 17 cr

Reserves = 5 cr

Total paid up capital = Rs 33 cr

Net worth

Thus, net worth remains same.

unlike in share split

the number of

shares and price differs.

Paid up capital = 100 cr

[100 x 10Rs]

Share Premium = 15 cr

Reserves = 8 cr

Net worth = 33 cr

Paid up capital = 100 cr

[200 x 5Rs]

Share Premium = 15 cr

Reserves = 8 cr

Net worth = 33 cr

Difference between Bonus share and share split

Bonus share

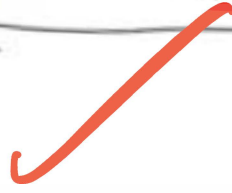
share split

- 1) They are additional shares given to the existing shareholders
- 2) The trading price and the face value of share remains the same, only the shareholders get additional shares
- eg) For 1:10, every 10 shares lead to addition of 1 share
- 3) It leads to reduction in Reserves of the company to capitalize on the market

- 1) They refer to division of shares at a lower trading price in the market.
- 2) The ~~face value~~ ^{face value} of share reduces and number of shares outstanding in the market increase to maintain the paid up capital
- 3) The share premium and share premium account of company remains intact.

10 Most Differences

They are 2 methods of providing
enhanced income to shareholders and ensure
easy trading of the company's shares in
the capital market



anujjindal.in



Q8 (b) Working capital refers to firm's investment in current assets which can be converted into cash within an accounting year and include cash, short term securities, debtors etc

$$\text{Net Working Capital} = \text{Current Assets} - \text{Current Liabilities}$$

There are several factors that affect the working capital requirements of the firm

(1) Nature of Business

→ Investments in fixed asset require a large sum of money to be invested in working capital

Ex) A retail store like Reliance mart must carry a huge stock of variety of goods to satisfy varied and continuous demand of their customers.

In contrast Public utilities may have limited need for working capital

② Market and demand conditions

- Growing firms may need to invest funds in fixed assets to sustain growing production and sales
- They need funds continuously — both internal and external.
- Sales also depend on demand conditions as firms experience seasonal and cyclical fluctuations

eg Demand of AC during summer and heaters during winter.

- during peak demand, production may be expensive leading to higher working capital demand.

③ Technology and manufacturing Policy

- longer the manufacturing cycle, longer will be the firm's working capital requirements

eg manufacturing cycle of a boiler may range between 6-12 months while manufacturing cycle of a detergent powder may be a few hours

④ Credit Policy — a liberal credit policy will be detrimental to firm ✓
— may create collection problem

⑤ Operating efficiency meaning optimum utilization of resources at minimum cost

eg Inventory control using Just in time or ABC analysis ✓

⑥ Price level changes if higher prices in the market, leads to higher amount of working capital to hedge against future price hike

Thus, a multiple factors must be considered before designing working capital policy of firm.

Good

⑦

Q8 (c) Rural marketing scope has widely increased due to over 70% of India's population residing in rural areas (Census 2011) and increase in customer awareness.

4A's of rural marketing

1) Availability

- easy availability of products in rural areas.
- connectivity and logistics issue to reach the rural market.

2) Affordability

with 28% of India's population in multidimensional poverty, pricing of products is crucial

- low income in rural areas leads to challenging task for marketers

3) Acceptability

- Needs of the rural market are different

Ex) Need of 100 gm pulses packet instead of 500 gm.

4) Awareness

— since advertising was not aimed at rural market, more innovative ideas like

word of mouth

Radio & TV ads

low cost pricing.

Case study 1

1) Accessibility Campaign by Coca Cola.

— introduction of Chota Coke which was smaller in size and lower cost.

— This strategy helped in closing the gap between Coke and other refreshments like tea in rural areas

— It increased sales by 60%

Case study 2

Utsov Campaign by Asian Paints
→ muktija's home in villages was painted 6 months before launching the paint. as a demonstration.

— It led to people's autochthonous experiences of others to the product due to word of mouth.

- It grabbed the attention of rural customers and could be afforded at a lower cost

Case study - 3

- Kushyon Ki Doli campaign by HUL or Caravan of Happiness

- Purpose was to establish the HUL brand in rural areas and to develop awareness in remote areas
- Products like Surya Excel, Lifeboy sale increased dramatically.

Thus, rural marketing is an efficient technique to increase the marketing footprint especially in developing countries with huge untapped rural market

V. Gool
Answer

