NCERT SOLUTIONS CLASS-12 BUSINESS STUDIES CHAPTER-7

Question1. Which one of the following is not an element of direction?

- a. Motivation
- b. Communication
- c. Delegation
- d. Supervision

Answer -: (c) Delegation

Question 2. The motivation theory which classifies needs in hierarchical order is developed by

- a. Fred Luthans
- b. Scott
- c. Abraham Maslow
- d. Peter F. Drucker

Answer -: (c) Abraham Maslow

Question3. Which of the following is a financial incentive?

- a. Promotion
- b. Stock Incentive
- c. Job Security
- d. Employee Participation

Answer -: (b) Stock Incentive

Ifelement Question 4. Which of the following is not an element of communication process?

- a. Decoding
- b. Communication
- c. Channel
- d. Receiver

Answer -: (a) Decoding

Question5. Grapevine is

- a. Formal communication
- b. Barrier to communication
- c. Lateral communication
- d. Informal communication

Answer -: (d) Informal communication

Question6. Status comes under the following type of barriers

- a. Semantic barrier
- b. Organisational barrier
- c. Non Semantic barrier
- d. Psychological barrier

Answer -: (b) Organisational barrier

Question 7. The software company promoted by Narayana Murthy is

- a. Wipro
- b. Infosys
- c. Satyam
- d. HCL

Answer -: (b) Infosys

Question8. The highest level need in the need Hierarchy of

Abraham Maslow:

- b. Belongingness need
 c. Self actualisation need feelent
 d. Prestige need
- d. Prestige need

Answer -: (c) Self actualisation need

Question 9. The process of converting the message into communication symbols is known as-

- a. Media
- b. Encoding
- c. Feedback
- d. Decoding

Answer -: (b) Encoding

Question 10. The communication network in which all subordinates under a supervisor communicate through supervisor only is:

- a. Single chain
- b. Inverted V
- c. Wheel
- d. Free flow

Answer -: (c) Wheel

Short Answer Type

Question1. Distinguish between leaders and managers.

Answer -: Following table shows distinction between a manager and a leader:

Basis of Distinction	Manager	Leader
(i) Existence	Managers exist only as a part of formal organisation.	Leaders exist as a part of formal as well as informal organisation.
(ii) Focus	Focus of managers is on achieving the organisational goals.	Focus of leaders is on achieving the expectations and aspirations of their followers.
(iii) Authority	Managers enjoy formal authority.	Leaders enjoy acceptance authority. Followers willingly grant them right to lead them.

Question2. Define Motivation.

Answer -: Motivation may be defined as the process of stimulating people to work enthusiastically for the attainment of organisational goals. It involves arousing needs and desires in people to initiate and direct their behaviour in a particular manner. Motivation is a psychological phenomenon which arouses the feeling of needs and wants of individuals. It causes a behavioural pattern which is goal oriented.

Question3. What is informal communication?

Answer -: Informal communication is often verbal or gestural and hence lacks the maintenance of proves. This type of communication is the result of social interaction and satisfies social needs. Such informal paths are referred to as 'grapevine'.

Question4. What are semantic barriers of communication?

Answer -: Communication problems arising due to use of faulty translation form part of semantic barriers. Semantic barriers are concerned with problems and obstructions in the process of encoding and decoding of message into words or impressions. Normally, such barriers result on account of use of wrong words, faulty translation, different interpretations, etc.

Question 5. Who is a supervisor?

Answer -: Supervision means monitoring the progress of routine work of subordinates and guiding them. A supervisor performs following functions that are vital to any organisation:

- 1. He maintains day-to-day contact and friendly relations with the workers.
- 2. He acts as a connecting link between the workers and management by conveying its policies and ideas to the workers and workers' problems to the management.
- 3. He ensures that the workers perform efficiently as per the predefined targets to achieve overall goals of the organisation.
- 4. Supervisors build high morale among workers through good leadership.

Question6. What are the elements of directing?

Answer -: The four main elements of directing are leadership, communication, supervision and motivation. Supervision refers to instructing, guiding, monitoring and observing the work of the subordinates. Motivation refers to stimulating, inspiring and inducing the employees to perform to their best capacity. Leadership is the process of influencing the behaviour of people at work towards the achievement of specified goal. Communication refers to transmission or exchange of ideas, views, messages, information or instructions between two or more people.

Question7. Explain the process of motivation?

Answer -: The steps in motivation process are:

- 1. Awareness of Needs: The process begins with awareness of need. Need creates anxiety or tension in the person.
- 2. Stimulus for action: To remove tension, a person takes some action.
- Fulfilment of need: In case person is successful in satisfying need, he feels motivated, otherwise result is unsatisfactory.
- 4. Discovery of new need: If one need is satisfied, a new need arises and the process is repeated again.

Question8. Explain different networks of grapevine communications?

Answer -: Generally Informal communication is termed as grapevine.

Informal communication grows in all directions as it is the communication between individuals and groups, which are not officially recognised. This type of communication is the result of social interaction and satisfies social needs. Such informal paths are referred to as 'grapevine'. Different networks of grapevine communications are:

- 1. Single Strand: In single strand network, each person communicates to the other in sequence.
- 2. Gossip: In gossip network, each person communicates with all on nonselective basis.
- 3. Cluster: In cluster, the individual communicates with only those people whom he trusts of these four types of networks.
- 4. Probability: In probability network, the individual communicates randomly with other individual.

Long Answer Type

Question1. Explain the principles of Directing?

Answer -:

- 1. Maximum individual contribution: It emphasises that directing techniques must help every individual in the organization to contribute to his maximum potential.
- Harmony of objectives: Individual objectives of employees and the organizational objectives as understood are conflicting to each other. Direction helps in bringing harmony.

- 3. Unity of Command: This principle suggests that a person in the organisation should receive instructions from one superior only.
- 4. Appropriateness of direction technique: Appropriate motivational and leadership technique should be used while directing the people based on subordinate needs.
- 5. Managerial Communication: Directing should convey clear instructions to create total understanding to subordinates.
- 6. Use of Informal communication: This type of communication is the result of social interaction and satisfies social needs.
- 7. Follow through: Giving of an order is not sufficient. Managers should follow it up by reviewing continuously whether orders are being implemented.

Question2. Explain the qualities of a good leader? Do the qualities alone ensure leadership success?

Answer -: Leadership may be defined as the art of influencing the people so that they will strive willingly towards the realisation of common goals. In other words, leadership refers to the equality of the behaviour of the individuals whereby they guide people and their activities in organised efforts.

The qualities of a good leader are:

- 1. A good leader should have knowledge and competence so that he can easily instruct his subordinates.
- 2. A leader should possess high level of integrity and honesty to be a role model to others regarding the ethics and value.
- A leader should be an effective motivator. He should understand the needs of people and motivate them through satisfying their needs.

Question3. Discuss Maslow's Need Hierarchy theory of motivation.

Answer -:

- Motivation may be defined as the process of stimulating people to work enthusiastically for the
 attainment of organisational goals. It involves arousing needs and desires in people to initiate and
 direct their behaviour in a particular manner. Motivation is a psychological phenomenon which
 arouses the feeling of needs and wants of individuals. It causes a behavioural pattern which is goal
 oriented.
- 2. Abraham Maslow, a psychologist, propounded the 'Malow's Need Hierarchy Theory', which was based on human needs.
- 3. As per Maslow, there is a hierarchy of five needs which governs human motivation:
- 4. Physiological needs: These needs are basic for human survival and include need for food, water, air, shelter, sleep, thirst, etc.
- Security or Safety needs: These are the needs for physical safety as well as psychological security and include safety of person and property, security of job and need for a predictable, secure and safe environment.
- Social/ Belonging needs: These are needs for belongingness, friendship, love, affection, attention and social acceptance.
- 7. Esteem or ego needs: These needs are needs for self esteem and need for other esteem. Self-esteem needs include needs for self-respect, self- confidence, competence, autonomy and knowledge.
- Self-actualisation needs: This is the need 'to be what one is capable of becoming' and includes need for
 optimal development of potential abilities, knowledge and skills, need to be creative and achieve selffulfillment.

Question4. What are the common barriers to effective communication? Suggest measures to overcome them.

Answer -: There are four major barriers to Effective communication:

- 1. Semantic Barriers: These are basically language related Barriers.
- 2. Psychological or Emotional Barriers: These are the outcome of the mental condition of the parties involved in the process of communication.
- 3. Organisational Barriers: Organisational structure greatly affects the capability of the employees with reference to communication process.

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4. Personal Barriers: These are directly connected with the sender and the receiver.

These are further subdivided as:

Barriers to Effective Communication:

- 1. Semantic Barriers
- 2. Badly Expressed Message
- 3. Symbols or words with different meanings
- 4. Faulty Translation
- 5. Unclarified Assumption
- 6. Technical Jargon
- 7. Body Language and gesture decoding

Psychological and emotional barriers:

- 1. Premature Evaluation
- 2. Lack of Attention
- 3. Loss by transmission and poor retention
- 4. Distrust

Organisational Barriers:

- 1. Organisational Policies
- 2. Rules and Regulations
- 3. Status
- 4. Complexity in organisational Structure
- 5. Organisational Facilities

Personal Barriers:

Barriers Related to superiors like:

- 1. Fear of Challenge of authority,
- 2. Lack of confidence in subordinates

Barriers Related to subordinates:

- 1. Non willingness to communicate,
- 2. Lack of proper Incentive.

Question5. Explain different financial and non-financial incentives used to motivate employees of a company?

Answer -: Financial Incentives:

- 1. Pay and allowances: It includes basic pay, dearness allowance and other allowances.
- 2. <u>Productivity linked wage incentives</u>: Wage incentive plans aims at linking payment of wages to increase in productivity at individual or group level.
- 3. Bonus: Bonus is an incentive offered over and above the wages/ salary to the employees.
- 4. Profit sharing: provide a share to employees in the profits of the organisation.
- 5. Stock options: The employees are given stock at lower rate than market price.

Non Financial Incentives:

- 1. <u>Job enrichment:</u> is concerned with designing jobs that include greater variety of work content, require higher level of knowledge and skill; give workers more autonomy and responsibility.
- 2. <u>Career advancement:</u> Appropriate skill development programmes, and sound promotion policy will help employees to achieve promotions. Promotion works as a tonic.
- 3. <u>Job security:</u> Employees want certain stability about future income and work so that they do not feel worried on these aspects and work with greater zeal.

