

PART-A

1. 'Management is an Art', Explain. 2

Ans: (1) Existence of Theoretical Knowledge: Art is always based on certain theoretical knowledge. On the basis of this knowledge one can understand how a particular work can be accomplished. In this context management is an art as a lot of literature is available in various areas of management.

(2) Based on Practice and Creativity: Just as art can be embellished with the help of practice, in the same way managerial skill also improves with practice.

2. At which level of Organisation are the workers included ? 2

Ans: Workers are included at platform area in an organisation.

3. What is the Objective of Co-ordination ? 2

Ans: (1) Harmony of Goals: There is always a danger of conflicts of goals in the minds of the managers and workers because the perceptions vary from coordination is to create harmony of objectives in the mind of the employees.

(2) Total accomplishment: The other main objectives of the ordination is to achieve total accomplishment rather than individual effort. It has been proved beyond doubt that accomplishment is always much more than the sum of individual efforts.

4. What is the principle of 'Scalar-Chain' ? 2

Ans: According to Fayol scalar chain is a line of authority, a "chain of superiors" from the highest to the lowest ranks. Scalar chain is necessary for good communication because orders and instructions flow through it. This chain must be followed in a strict manner. The important condition here is that no post should be overlooked during communication. However if quick action is necessary, then this chain can be broken by using Gang Plank which enables two subordinates or employees at the same level to communicate directly with each other.

5. Define the term 'Organisation-Structure'. 2

Ans: Organisation-Structure : It refers to that framework within which all managerial and non-managerial tasks are performed. According to William H. Newman, "Organisation structure deals with the overall organisational arrangement in an enterprise.

6. Discuss three differences between Formal and Informal Organisation. 2

Ans:

Basis of Difference	Formal Organisation	Informal Organisation
1. Meaning	An organisation created by the management in the form of structure of authority is called formal organisation.	An organisation born out of mutual relations is called informal organisation and it emerges automatically.
2. Origin	It is established because of the rules and policies of the organisation.	It is established because of social relationship.
3. Authority	Authority is born out of the posts established in the organisation and moves downwards.	Authority comes into existence because of individual virtues. Authority moves downwards or it can be horizontal.

7. "Authority can be delegated, but responsibility cannot". Comment on this statement. 3

Ans: Authority means the power to take decisions. Decision can be related to the use of resources, and to do or not to do something. Authority can be assigned (delegated) to some other person.

Responsibility is the obligation of a subordinate to properly perform the assigned duty. When a superior assigns a job to his subordinate it becomes the responsibility of the subordinate to complete that job.

'Responsibility for' is called Operating Responsibility and 'responsibility to' is called ultimate Responsibility. A superior can delegate only the operating responsibility to his subordinate but not the ultimate responsibility. The ultimate responsibility is always of the delegator, i.e., superior.

8. What do you mean by Motion Study, Time Study and Fatigue Study? 4

Ans: Time Study: It refers to determine the standard time required to complete a particular activity. The standard time is determined on the basis of average time taken by the several experiences of the same work. This study is conducted with the help of a stop watch. The main objective of the study is to get estimated figure of labour costs, to determine the number of required workers and to decide about the suitable incentive plan.

Motion Study: It refers to conduct the study of motions being performed by workers and machines, while doing the job. The movie camera is used to conduct this study. The main objective of this study is to eliminate the unnecessary motions and keep the number of necessary activities at the minimum.

Fatigue Study: It refers to determine the duration and frequency of rest intervals to complete a particular job. The rest refreshes the workers. They work again with their full capacity. The main objective of this study is to maintain the efficiency level of workers. There may be so many causes of fatigue, such as, long working hours, poor working conditions, unsuitable work, unhappy relations with the boss, etc.

9. Explain briefly the meaning and importance of staffing. 4

Ans: Meaning of Staffing: Staffing means appointing competent persons according to the importance of the post in the organisation. It means that more capable persons are appointed on more important posts and comparatively less competent persons can be appointed on less important posts.

Importance of Staffing:

Following facts highlight the importance of staffing:

(1) Helpful in Discovering and Obtaining Competent Personnel: Under staffing latest techniques are used for recruiting and selecting the employees, As a result, it becomes possible to search for and to select able employees for different posts. Under the process of recruitment, search for employees is conducted and through selection they are selected.

(2) Helpful in Better Performance: Through the medium of staffing; right people are posted at right places. Thus, suitable people are selected, keeping in mind the importance of organisational posts. As a result, it increases the efficiency and effectiveness of employees.

(3) Helpful in Continuous Survival and Growth of the Enterprise: Every enterprise aspires for its continuous survival and growth. This aspiration of an enterprise can be fulfilled through staffing. Under this planning is done for the development of managers. They are made able to face contingent complexities. These managers do planning for the development of an organisation and ensure its survival.

(4) Helpful in Optimum utilization of the Human Resources: Under staffing all the activities related to human resource are performed systematically. By doing this the situation of overmanning never arises. As a result, optimum utilization of employees takes place and subsequently, labour cost is reduced.

10. Explain briefly on the Job-Training. 4

Ans: Job-Training: It refers to that method of training the basic theme of which is – ‘learning while doing’. This method is applied to the workplace. Under this method, the trainees are asked to do a particular job on a machine or in a workshop or

labouratory. They are taught the technique of operating a machine or using tools and equipments by an experienced employee or a special supervisor. In this way, the trainees learn a job and also produce goods. Supervisor examines the work done by them from time to time and in case of any defect suggests the way to mend it. Success of this method depends on the experience and ability of the supervisor and the interest he takes in imparting training.

Main methods of on-job training are as under:

(1) Apprenticeship Programmes: It refers to that training method where the trainee is put under the guidance of an expert to acquire higher level of skills.

(2) Coaching: In this methods, a newly appointed person is made an assistant of an experienced manager. For sometime he observes the functioning of the senior manager and tries to understand it.

(3) Intership Training: Under intership training, technical institutions and business organisations jointly impart training to their memners.

(4) Job Rotation: The objective of this methos is to provide full knowledge of all the departments to an officer. Initially, he is appointed in one department, say, production department. When he comes to know each and every thing of the department, he transferred to another department.

11. What are the qualities of a good leader ? Explain.

5

Ans: Good leader: It refers to that person who has the ability to influence others.

Qualities of Good Leaders:

A person should have the following qualities for being a successful leader:

(1) Physical Features: The first need of leadership ability is the physical and mental health of a leader. It is clear that only a healthy body possesses a healthy mind. On this basis, it can be said that a leader should be physically healthy so that he can influence his followers effectively. Mental health signifies that he shouldbe a person of sound and clear thoughts. In other words, he should quickly understand him easily.

(2) Knowledge: A leader has to face various problems. It requires a lot of knowledge and wisdom to handle problems successfully. A leader can face the problems successfully and with the help of his wisdom and knowledge can sove them quickly and impartially.

(3) Integrity: It is of vital importance that a leader has integrity. Integrity signifies the fact that a leader's working method should reflect goodwill, truth, benevolence

and morality. A leader is a link between the employer and the employees. He should, therefore, work with total dedication. For example, the employer should be made aware of any possible loss before hand and simultaneously, he should not hold any false promises to the employees.

(4) Initiative: It is important for a leader to have initiative. A leader possessed of this quality does not wait for opportunities but creates them.

(5) Communication Skill: A leader has to communicate various sorts of information, orders ideas, etc. to the employees and other people. That is his major activity It has to be done keeping in view the ability of the people receiveing such a communication. It has therefore to be in simple language to convey its rel meaning so that it is properly understood by the people receiving the communication. The more the communication skill of a person, the more quick and effective it will be.

(6) Motivation Skill: Leadership means encouraging the followers to follow the leader. It clearly shows that to make leadership meaningful a leader must possess the ability to motivate people. A leader should know about the various techniques of motivation so that the employees can be motivated according to their nature.

12. Explain the advantages and limitations of Formal Communication. 5

Ans: Advantages:

The formal communication has the following adavantegees:

(1) Maintenance of Authrity of the Officers: Formal communication maintains constant relations among the superiors and the subordinates as a result of which the dignity of the line superiors is maintained. Consequently, it is convenient to control the subordinates and fix their responsibility which is absolutely needed for effective and successful control.

(2) Clear and Effective Communication: In formal communication there is a direct contact among the managers and the subordinates. Both understand the capability, feelings, etc. of one another. Managers know as to when and under which conditions their subordinates need information. In this way, this communication is capable of making avilable timely information. Hence it is clear and effective.

(3) Orderly Flow of Information: The information has to pass through a definite route from one person to another. Hence, the flow of information is systematic.

Meaning of Formal Communication: Formal communication refers to interchange of information officially. If refers to the communication within an organisation that is officially sanctioned.

Limitations: Following are the disadvantages or limitations of the formal communication:

(1) Overload of Work: In a modern business organisation much information, many messages and other things have to be communicated. Under formal communication, they are routed through a definite channel and this consumes much of the time of the superiors and thus some other important works are left unattended.

(2) Distortion of Information: This method can be a hindrance in the flow of information. Sometimes the distance between the sender and the receiver is so big that the information has to pass through many hands and by the time it, reaches the receiver it is distorted. Thus it fails to serve its purpose.

(3) Overlooking by the Officers: The officers do not pay much attention to the suggestions and complaints of the subordinates. In such a case a subordinate may come to lose his faith in the effectiveness of communication.

13. Explain the importance of Planning.

6

Ans: Planning: Planning is the first and most important function of management. It is needed at every level of management. In the absence of planning all the business activities of the organisation will become meaningless. The importance of planning has increased all the more in view of the increasing size of organisations and their complexities. Planning has gained importance because of uncertain and constantly changing business environment. In the absence of planning, it may not be impossible but certainly difficult to guess the uncertain events of future.

Importance of planning:

(1) Planning provide direction: Under the process of planning the objectives of the organisation are defined in simple and clear words. The obvious outcome of this is that all the employees get a direction and all their efforts are focussed towards a particular end. In this way, planning has an important role in the attainment of the objectives of the organisation.

(2) Planning reduces risks of uncertainty: Planning is always done for future and future is uncertain. With the help of planning possible changes in future are anticipated and various activities are planned in the best possible way. In this way, the risk of future uncertainties can be minimised.

(3) Planning reduces Overlapping and Wasteful activities: Under planning future activities are planned in order to achieve objectives. Consequently, the problems of when, where, what and why are almost decided. This puts an end to disorder and suspicion. In such a situation coordination is established among different activities and departments. It puts an end to overlapping and wasteful

activities. Consequently, wastages moves towards nil, efficiency increases and costs get to the lowest level.

(4) Planning promotes innovative ideas: It is clear that planning selects the best alternative out of the many available. All these alternatives do not come to the manager on their own, but they have to be discovered. While making such an effort of discovery, many new ideas emerge and they are studied intensively in order to determine the best out of them. In this way, planning imparts a real power of thinking in the managers. It leads to the birth of innovative and creative ideas.

(5) Planning facilitates Decision Making: Decision making means the process of taking decisions. Under it, a variety of alternatives are discovered and the best alternative is chosen. The planning sets the target for decision making. It also lays down the criteria for evaluating courses of action. In this way, planning facilitates decision making.

(6) Planning establishes Standards for Controlling: By determining the objectives of the organisation through planning all the people working in the organisation and all the departments are informed about 'when', 'what' and 'how' to do things. Standards are laid down about their work, time and cost, etc. Under controlling at the time of completing the work, the actual work done is compared with the standard work and deviations are found out and if the work has not been done as desired the person concerned is held responsible.

OR

Discuss the limitations of Planning.

6

Ans: Limitation of Planning: Planning is the first and most important function of management. It is needed at every level of management. In the absence of planning all the business activities of the organisation will become meaningless. The importance of planning has increased all the more in view of the increasing size of organisations and their complexities. Planning has gained importance because of uncertain and constantly changing business environment. In the absence of planning, it may not be impossible but certainly difficult to guess the uncertain events of future.

(1) Planning Creates Rigidity: Although the quality of flexibility is inherent in planning meaning thereby that in case of need changes can be brought in but it must be admitted that only small changes can be brought in, but it must be admitted that only small changes are possible. Big changes are neither possible nor in the interest of the organisation. Since it is not possible to introduce desired changes according to the changed situations, the organisation loses many chances of earning profits. For

this limited flexibility in planning, both the internal as well as external factors are responsible. These facts are called internal and external inflexibility.

(2) Planning does not work in a Dynamic Environment : Planning is based on the anticipation of future happenings. Since future is uncertain and dynamic, therefore, the future anticipation are not always true. Therefore, to consider planning as the basis of success is like a leap in the dark. Generally, a longer period of planning makes it less effective. Therefore, it can be said that planning does not work in dynamic environment.

(3) Planning Reduces Creativity: Under planning all the activities connected with the attainment of objectives of the organisation are pre-determined. Consequently, everybody works as they have been directed to do and as it has been made clear in the plans. Therefore, it checks their incisiveness. It means that they do not think about appropriate ways of discovering new alternatives. According to Terry, ' "Planning strangulates the initiative of the employees and compels them to work in an inflexible manner."

(4) Planning Involves Huge Costs: Planning is a small work but its process is really big. Planning becomes meaningful only after traversing a long path. It takes a lot of time to cover this path. During this entire period the managers remain busy in collecting a lot of information and analyzing it. In this way, when so many people remain busy in the same activity, the organisation is bound to face huge costs.

(5) planning is a Time Consuming Process: Planning is a blessing in facing a definite situation but because of its long process it cannot face sudden emergencies. In such a situation, if the manager thinks of completing the planning process before taking some decision, it may be possible that the situations may worsen or the chance of earning profit may slip away. Thus, planning is time consuming and it delays action.

(6) Planning does not Guarantee Success: Sometimes the managers think that planning solves all their problems. Such a thinking makes them neglect their real work and the adverse effect of such an attitude has to be faced by the organisation. In this way, planning offers the managers a false sense of security and makes them careless. Hence, we can say that mere planning does not ensure success, rather efforts have to be made for it.

14. What is the meaning of Controlling ? Explain its importance.

6

Ans: Meaning of Controlling:

In management control means that in order to achieve the desired objectives efficiently, economically and successfully the real progress of the work should be assessed from time to time so that the actual progress of the work is in accordance with the

expected progress. Under controlling deviations are sought to be noticed in the actual work progress and the standards already determined, the causes of deviations are found out and corrective action is taken so that in future the mistakes are not repeated. In short, the chief function of controlling is to ensure actual progress with relevance to the objectives.

Definition:-

According to Philip Kotler, : Control is the process of taking steps to bring actual results and desired results closer together." It refers to bringing the actual results closer to the desired results.

Importance of Controlling:

(1) Accomplishing Organisational Goals: The controlling process is implemented to take care of the plans. With the help of controlling, deviations are immediately detected and corrective action is taken. Therefore, the difference between the expected results and the actual results is reduced to the minimum. In this way, controlling is helpful in achieving the goals of the organisation.

(2) Judging Accuracy of Standards: While performing the function of controlling, a manager compares the actual work performance with the standards. He tries to find out whether the laid down standards are not more or less than the general standards. In case of need, they are redefined.

(3) Making Efficient Use of Resources: Controlling makes it possible to use human and physical resources efficiently. Under controlling it is ensured that no employees deliberately delays his work performance. In the same way, wastage in all the physical resources is checked.

(4) Improving Employee Motivation: Through the medium of controlling, an effort is made to motivate the employees. The implementation of controlling makes all the employees to work with complete dedication because they know that their work performance will be evaluated and if the progress report is satisfactory, they will have their identity established and if the organisation.

(5) Ensuring Order and Discipline: Controlling ensures order and discipline. With its implementation, all the undesirable activities like theft, corruption, delay in work and uncooperative attitude are checked.

(6) Facilitating Coordination in Action: Coordination among all the departments of the organisation is necessary in order to achieve the organisational objectives successfully. All the departments of the organisation are interdependent. For example, the supply of orders by the sales department depends on the production of goods by the production department. Through the medium of

controlling an effort is made to find out whether the production is being carried out in accordance with the orders received. If not, the causes of deviation are found out and corrective action is initiated and hence, coordination between both the departments is established.

PART-B

15. What is meant by 'Working Capital' ? 2

Ans: It refers to the portion of capital invested in short-term assets of a business. Difference between current assets and current liabilities is called working capital. Regarding the meaning of working capital, two concepts widely prevalent are: firstly, net working capital concept and secondly, gross working capital concept. Difference between current assets and current liabilities are called net working capital. On the other hand, aggregate of current assets is called gross working capital.

16. Write full form of SEBI. 2

Ans: The full form of SEBI is Securities and Exchange Board of India. Share market is the foundation of the economic condition of a country. Through its medium, the people wishing to invest in securities get good chances. It is very important to control the share market in order to strengthen the economic condition of the country and protect the rights of the investors. Keeping this thing in view, the Capital Issue Act, 1947 was enforced, But the Act failed to control fully the share market. In order to remove its drawbacks. Securities and Exchange Board of India (SEBI) was established in 1992.

17. What do you mean by Primary Market ? 2

Ans: It refers to the market in which securities are sold for the first time for collecting long-term capital. The market is concerned with new issues. Therefore, the primary market is also called New Issue Market. Through the medium of this market both the newly established companies as well as the existing companies collect capital. In this market, the flow of funds is from savers to borrowers, hence, it helps directly in the capital formation of the country. The money collected from this market is generally used by the companies to modernize the plant, machinery and building for expanding business and for setting up new business unit.

18. What do you mean by Trading on Equity ? 3

Ans: Trading on Equity: Trading on equity means to raise fixed cost capital (i.e., borrowed capital and preference share capital) on the basis of equity share capital so as to increase the income of equity shareholders. Although it is possible only

when the rate of return of the company is greater than the rate of interest on borrowed capital or the rate of dividend on preference shares.

Those investors who provide fixed cost capital to the company have limited share in Hence, they want their investment to remain safe by owner's capital. In other words, lenders will be willing to give loan to the company only when the base of the company is strong, meaning thereby, when the company has sufficient equity share capital. Lenders desire it to be so, because in case the company suffers heavy loss or goes bankrupt then equity shareholders alone will suffer. Because of priority payment to the lender their loans will remain safe.

Significance of Trading on Equity:- Significance of trading on equity lies in the fact that if the company is earning more profit then it can increase the earning of the equity shareholders by making use of the fixed cost capital.

19. Explain three characteristics of Marketing.

3

Ans: Characteristics of Marketing: On the basis of the above analysis the following features of marketing become clear.

(1) Need and Want: Marketing is the process of fulfilling the needs and wants of the consumers. This is why people get attracted to this process. All the people have almost the same needs but their wants happen to be different, e.g., feeling hungry is a need but satisfying it by eating only sambhar and dosa is a want. A seller tries to find out the needs of the consumers and how those needs are to be satisfied.

(2) Creating a Market Offering: The second feature of marketing is creating market offering. It refers to providing complete information about the product and services, e.g., providing information about the name of the product and service, type, price, size, centre of availability, etc. A good market offer is always prepared keeping in mind the needs and priorities of the customers.

(3) Customer Value: A buyer analyses the cost and the satisfaction that a product provides before buying it. When he finds that the satisfaction that it provides outweighs the cost factors, only then he buys it. The seller should manufacture the product keeping in view this tendency of the customer. A seller who does not pay attention to the importance that a buyer pays to a product is sure to lag behind in the race of competition.

(4) Exchange Mechanism: Exchange has a special importance in marketing. Literal meaning of marketing is exchanging things. Marketing has two sides-buyer and seller. Marketing becomes possible only by the medium of exchange the buyer gives money or something equivalent to it. These days the distance between the place of production and the place of consumption has increased. To lessen this distance the help of many intermediaries like the agents, wholesalers, retailers, etc. is taken. All

these reduce this distance through the medium of marketing. Therefore, it can be said that exchange is the essence of marketing.

20. Explain the four characteristics of Share Market. 4

Ans: Characteristics of Share Market:

(1) Organised Market: Stock Exchange is an organised market. Every Stock Exchange has a management. All the transaction taking place in the Stock Exchange are done as per the prescribed procedure under the guidance of the Management Committee.

(2) Dealings in Securities issued by various Concerns: Only those securities are traded in the Stock Exchange which are listed there. After fulfilling certain terms and conditions, security gets listed on the Stock Exchange.

(3) Dealing only through Authorised Members: Investors can sell and purchase securities in stock exchange only through the authorised members. Stock Exchange is a specified market place where only the authorised members can go. Investor has to take their help to sell and purchase.

(4) Necessary to Obey the Rules and Bye-Laws: While transacting in stock Exchange, it is necessary to obey the rules and bye-laws determined by the Stock Exchange.

21. What is the meaning and characterisitc of Personal Selling ? 4

Ans: Meaning of Personal Selling:

Personal selling is a medium of increasing sales wherein both the buyer and the seller directly face each other. The seller presents his product before the buyer, describes its features and fully satisfies the prodable buyer by removing all his doubts. It refers to the oral presentation of the message in the form of conversation with prospective customers for the purpose of making sales.

Features of Personal Selling:

Main features of personal selling are as under:

(1) Personal Form: Under personal selling a personal contact is established between the buyers and the salesman. In other, words both the parties face each other.

(2) Development of Relationship: Personal selling results in the development of personal relationship between the sales person and the possible buyer. Such a relationship has an important place in sales.

(3) Oral Conversation: There is oral conversation between the sales person and the buyer regarding the features of the product, i.e., price, colour, shape, design, method of using, etc.

(4) Quick solution of Queries: The prospective buyer can make inquiries regarding the product, salesman answer these queries quickly and removes any doubts in the mind of the buyer.

(5) Receipt of Additional Information: Normally, before introducing its product, a company is aware of the preferences of the probable buyers. Nevertheless, during the course of personal selling, when the sales person is in direct contact with the buyers he gathers additional information regarding their tastes and likings.

(6) Real Sale: Under personal selling, the buyers are not only informed about the product but the goods are actually sold to them.

22. Explain the role of Financial Management. [5]

Ans: Meaning: It refers to that branch of management which is concerned with the effective acquisition and use of money.

Definition: In the words of J.L. Massie, "Financial Management is the operational activity of a business that is responsible for obtaining and effectively utilizing the funds necessary for efficient operations." It refers to that branch of management which is concerned with the effective acquisition and use of money.

Role of Financial Management:

(1) Determination of Fixed Assets: Fixed assets have an important contribution in the profits of a business organisation. Under the financial management, the total investment in the fixed assets and every separate fixed asset is determined. This is done through capital budgeting. For example, if it has been decided in the capital budgeting to invest rupees 500 crore, there will be an increase of rupee 500 crore in the fixed assets.

(2) Determination of Current Assets: Current assets are needed in the day to day transactions of business. Under the financial management, the total investment in current assets and every separate current asset is determined. For example, if the investment in current assets is rupees 100 crore, it will then be determined how much should be invested in cash, stock, debtors, etc.

(3) Determination of Proportion of Long term and Short term finance:- All the financial needs of business are fulfilled through long term and short term sources. Long long term sources provide capital for business for a long time. Therefore, their use increases liquidity. At the same time, the cost of long term sources is higher than

the cost of short term sources. Therefore, if more liquidity is required in business, more cost shall have to be borne, and vice-versa. Under financial management, the proportion of both these sources is determined on the basis of liquidity and cost analysis.

(4) Determination of Proportion of Various Sources of Long-term Finance:-

Long-term financial sources include primarily equity share capital, preference share capital, retained earning, debenture, long-term loan, etc. Under financial management, the proportion of various long term financial sources is determined. All the sources have their merits and demerits. After making an analysis of their merits and demerits, a balanced decision is taken.

(5) Determination of Various Items of Profit and Loss Account: Various items included in the profit and loss get influenced or affected by different financial decisions. For example, interest is related to the amount of debt, depreciation is related to the amount of long-term assets, discount is related to the position of liquidity (which means that if the position of liquidity is good, discount can be earned by making timely payments) etc.

23. Define Advertising. What are its benefits ?

5

Ans: Advertising: It refers to paid and non-personal communication to a target market from an identified sponsor using mass communication channels.

According to the words of Wheeler, "Advertising is any form of paid non-personal presentation of ideas, goods and services for the purpose of inducing people to buy."

Advertising means providing adequate knowledge about some special product, service, idea to potential consumers so that they are stimulated to buy it.

Benefits of Advertising:

(1) Enhancing Customers' satisfaction and Confidence: Through the medium of advertisement the manufacturers spread information about their product to the consumers. Only after having information about the new products, people decide to buy them. In the way, there is an increase in customers confidence and satisfaction.

(2) Helpful in increasing the Demand of Existing Products: The manufacturers regularly give information about their existing products through the medium of advertisement. As a result of it, people get acquainted with those products and their manufacturers and they purchase those products time and again. When the old customers repeatedly buy the same product, it also has a positive effect on the new customers. In this way advertisement helps in increasing the demand for the old products.

(3) Helpful in Generating More Employment: Advertising is instrumental in generating more employment opportunities and creating diverse kinds of jobs. It provides jobs to artists, screen printers, script-writers, painter, etc. Today, advertising has become a profession. Some companies do only advertising job.

(4) Helpful in Improving the Standard of living: Through the medium of advertising people get information regarding new products. As people use these new and latest goods, the standard of living gets a boost. Advertising is helpful in providing employment and increasing income of the people. Both have a positive effect on their standard of living.

(5) Knowledge of Various Products: People come to know about different kinds of products by means of advertising. Thus, the customer has a large variety of goods to choose from. He picks up the best from among them.

24. What is Consumer Protection ? Explain its importance. 5

Ans: Consumer Protection: It refers to the steps taken to protect the consumer against the unfair practices of the producers and the sellers.

Importance: The importance of consumer protection can be clear with the help of the following points.

(i) Consumer's Ignorance: Geerally consumers are not aware of their rights. They are ignorant about the quality and quantity of the product. Some suppliers exploit the consumers by selling sub-standard goods. Consumer protection provides information to the ignorant consumers about their rights and remedies available to them.

(ii) Unorganised Consumers: In comparison to the size of population in India, the number of consumer organisations is very small. Consumer protection provides direction to protect the interest of consumers and make the consumer organisations powerful.

(iii) Widespread Explotation of consumers: Consumers are widely exploited by unfair trade practices like adulteration, false and misleading advertising, hoarding, black-marketing etc. Consumer protection provides protection against such malpractices of the sellers.

(iv) Long-term Interest of Business: Every business wants long-term existence. This is possible when the business provides satisfaction to customers. Satisfied customers not only lead to repeat sales but also provide feedback to prospective customers and hence the number of customes is increased. Thus, every business organisation should aim at long-term profit maximisation through customer satisfaction.

(v) Business uses society's Resources: Business organisations use the resources of society. It is the responsibility of the business to supply such products and render such services which are in the public interest.

(vi) Social Responsibilities: A business has social responsibilities towards various interest groups. Business organisations earn money by selling goods and providing services to consumers. The consumers are also the stakeholders of business like other stakeholders, their interest has to be well taken care of.