

-Strictly Confidential: (For Internal and Restricted Use Only)
Senior School Certificate Examination
March -----2024
Marking Scheme---Business Studies(054) 66/1/1

General Instructions:

1	You are aware that evaluation is the most important process in the actual and correct assessment of the candidates. A small mistake in evaluation may lead to serious problems which may affect the future of the candidates, education system and teaching profession. To avoid mistakes, it is requested that before starting evaluation, you must read and understand the spot evaluation guidelines carefully.
2	“Evaluation policy is a confidential policy as it is related to the confidentiality of the examinations conducted, Evaluation done and several other aspects. Its’ leakage to public in any manner could lead to derailment of the examination system and affect the life and future of millions of candidates. Sharing this policy/document to anyone, publishing in any magazine and printing in News Paper/Website etc may invite action under various rules of the Board and IPC.”
3	Evaluation is to be done as per instructions provided in the Marking Scheme. It should not be done according to one’s own interpretation or any other consideration. Marking Scheme should be strictly adhered to and religiously followed. However, while evaluating, answers which are based on latest information or knowledge and/or are innovative, they may be assessed for their correctness otherwise and due marks be awarded to them. In class - XII, while evaluating two competency based questions, please try to understand given answer and even if reply is not from marking scheme but correct competency is enumerated by the candidate due marks should be awarded.
4	The Marking scheme carries only suggested value points for the answers These are in the nature of Guidelines only and do not constitute the complete answer. The students can have their own expression and if the expression is correct, the due marks should be awarded accordingly.
5	The Head-Examiner must go through the first five answer books evaluated by each evaluator on the first day, to ensure that evaluation has been carried out as per the instructions given in the Marking Scheme. If there is any variation, the same should be zero after deliberation and discussion. The remaining answer books meant for evaluation shall be given only after ensuring that there is no significant variation in the marking of individual evaluators.
6	Evaluators will mark(√) wherever answer is correct. For wrong answer CROSS ‘X’ be marked. Evaluators will not put right (✓)while evaluating which gives an impression that answer is correct and no marks are awarded. This is most common mistake which evaluators are committing.
7	If a question has parts, please award marks on the right-hand side for each part. Marks awarded for different parts of the question should then be totaled up and written in the left-hand margin and encircled. This may be followed strictly.
8	If a question does not have any parts, marks must be awarded in the left-hand margin and encircled. This may also be followed strictly.

9	If a student has attempted an extra question, answer of the question deserving more marks should be retained and the other answer scored out with a note “Extra Question” .
10	No marks to be deducted for the cumulative effect of an error. It should be penalized only once.
11	A full scale of marks 80 as given in Question Paper has to be used. Please do not hesitate to award full marks if the answer deserves it.
12	Every examiner has to necessarily do evaluation work for full working hours i.e., 8 hours every day and evaluate 20 answer books per day in main subjects and 25 answer books per day in other subjects (Details are given in Spot Guidelines). This is in view of the reduced syllabus and number of questions in question paper.
13	<p>Ensure that you do not make the following common types of errors committed by the Examiner in the past:-</p> <ul style="list-style-type: none"> ● Leaving answer or part thereof unassessed in an answer book. ● Giving more marks for an answer than assigned to it. ● Wrong totaling of marks awarded on an answer. ● Wrong transfer of marks from the inside pages of the answer book to the title page. ● Wrong question wise totaling on the title page. ● Wrong totaling of marks of the two columns on the title page. ● Wrong grand total. ● Marks in words and figures not tallying/not same. ● Wrong transfer of marks from the answer book to online award list. ● Answers marked as correct, but marks not awarded. (Ensure that the right tick mark is correctly and clearly indicated. It should merely be a line. Same is with the X for incorrect answer.) ● Half or a part of answer marked correct and the rest as wrong, but no marks awarded.
14	While evaluating the answer books if the answer is found to be totally incorrect, it should be marked as cross (X) and awarded zero (0)Marks
15	Any unassessed portion, non-carrying over of marks to the title page, or totaling error detected by the candidate shall damage the prestige of all the personnel engaged in the evaluation work as also of the Board. Hence, in order to uphold the prestige of all concerned, it is again reiterated that the instructions be followed meticulously and judiciously
16	The Examiners should acquaint themselves with the guidelines given in the “Guidelines for spot Evaluation” before starting the actual evaluation.
17	Every Examiner shall also ensure that all the answers are evaluated, marks carried over to the title page, correctly totaled and written in figures and words.
18	The candidates are entitled to obtain photocopy of the Answer Book on request on payment of the prescribed processing fee. All Examiners/Additional Head Examiners/Head Examiners are once again reminded that they must ensure that evaluation is carried out strictly as per value points for each answer as given in the Marking Scheme.


66 /1 /1	MARKING SCHEME– 2024 BUSINESS STUDIES-054 66/1/1 EXPECTED ANSWERS / VALUE POINTS	Marks
1	<p>Q. For taking the company out of losses, Ravi Kumar took over as the Managing Director of the struggling Vova Watch Company' in January 2020. As soon as he joined, he tried to find out the reason for the company not doing well. He found that the employees were not involved in decision-making and they had to just follow orders, resulting in low morale of employees.</p> <p>Recognising the need for change, Ravi Kumar started on a journey to bring back the enthusiasm and motivation of the employees. He initiated open dialogues and encouraged them to actively participate in decision-making. Together, they developed action plans to address the company's challenges regarding outdated designs and inefficient production processes etc.</p> <p>As time passed, Vova Watch Company' transformed from a struggling enterprise to a profit making enterprise. Identify the leadership style of Ravi Kumar:</p> <p>(A) Autocratic leadership style (B) Democratic leadership style (C) Free-rein leadership style (D) Both (A) and (B)</p> <p>Ans. (B) Democratic leadership style</p>	1 mark
2	<p>Q. Which of the following is an element of 'Social Environment'?</p> <p>(A) Rates of saving and investment (B) Expectations from the workforce (C) The nature of relationship of our country with foreign countries (D) Planned outlay in public and private sectors</p> <p>Ans. (B) Expectations from the workforce</p>	1 mark
3	<p>Q. Statement I: Delegation is the entrustment of responsibility and authority to another, and the creation of</p>	

	<p>accountability for performance.</p> <p>Statement II: Irrespective of the extent of delegated authority, the manager shall still be accountable to the same extent as before delegation.</p> <p>Choose the correct option from the following: (A) Statement I is true and Statement II is false. (B) Statement II is true and Statement I is false. (C) Both the Statements are true. (D) Both the Statements are false.</p> <p>Ans. (C) Both the Statements are true.</p>	1 mark
4	<p>Q. _----- refers to doing the task correctly and with minimum cost. (A) Effectiveness (B) Coordination (C) Process (D) Efficiency</p> <p>Ans. (D) Efficiency</p>	1 mark
5	<p>Q. 'Dovex' was a large company with a renowned name in healthcare industry, specialising in the development and production of life saving medications and medical devices. With a strong reputation for ethical practices, 'Dovex' attracted a large number of investors who had great faith in the company's future. This allowed 'Dovex' to raise capital easily from the market whenever expansion or new projects were to be undertaken. As a result, it could pay high dividends to the shareholders. The factor affecting dividend decision discussed above, which allowed 'Dovex' to pay high dividends to the shareholders is: (A) Cash flow position (B) Stock market reaction (C) Legal constraints (D) Access to capital market</p> <p>Ans. (D) Access to capital market</p>	1 mark
6	<p>Q. "It is a career oriented process designed to help the</p>	

	<p>employees in the progress towards maturity and actualization of their potential capabilities." Identify the process:</p> <p>(A) Staffing (B) Selection (C) Development (D) Training</p> <p>Ans. (C) Development</p>	1 mark
7	<p>Q. 'SK Builders' became the market leader in the designer house segment as it was the first to recognize the need of using Artificial Intelligence in designing houses in the changing environment of technological advancement. This highlights the following point of importance of business environment:</p> <p>(A) It helps to identify threats and early warning signals. (B) It enables the firm to identify opportunities and getting the first mover advantage. (C) It helps in tapping useful resources. (D) It helps in improving performance.</p> <p>Ans. (B) It enables the firm to identify opportunities and getting the first mover advantage.</p>	1 mark
8	<p>Q. In the ----- market, prices are determined and decided by the management of the company.</p> <p>(A) Primary (B) Secondary (C) Money (D) Stock</p> <p>Ans. (A) Primary</p>	1 mark
9	<p>Q. The process of estimating fund requirements of a business and specifying the sources of funds is called:</p> <p>(A) Capital structure (B) Financial planning (C) Financial management (D) Capital budgeting</p> <p>Ans. (B) Financial planning</p>	1 mark

10	<p>Q. Statement I: A financial market facilitates the transfer of savings from savers to investors.</p> <p>Statement II: It gives savers the choice of different investments and helps to channelise surplus funds into the most productive use.</p> <p>Choose the correct option from the following: (A) Statement I is true and Statement II is false. (B) Statement II is true and Statement I is false. (C) Both the Statements are true. (D) Both the Statements are false.</p> <p>Ans. (C) Both the Statements are true.</p>	1 mark
11	<p>Q. Choose the <i>incorrect</i> statement from the following about functions of a Stock Exchange: (A) Provides liquidity and marketability to new securities (B) Ensures safety of transactions (C) Contributes to economic growth (D) Provides scope for speculation</p> <p>Ans. (A) Provides liquidity and marketability to new securities</p>	1 mark
12	<p>Q. Online retailer 'Bizen' has grown to be the biggest provider worldwide in the field of e-commerce. Its revenues are growing steadily year after year. It owes its success to the rapid rate of digitisation and its organisational structure. 'Bizen's Managing Director, Mohit makes strategic decisions and has control over the entire organisation. In 'Bizen', jobs of similar nature are grouped together into Human Resource Department, Marketing Department, Purchase Department and Research and Development Department. These departments are further divided into sections and all departmental heads report to Mohit who is the co-ordinating head. This ensures efficiency in the utilization of manpower and minimizes duplication of efforts. The type of organizational structure of 'Bizen' is: (A) Informal organisational structure</p>	

	<p>(B) Divisional organisational structure (C) Functional organisational structure (D) Both (B) and (C)</p> <p>Ans. (C) Functional organisational structure</p>	1 mark										
13	<p>Q. Match the terms given in Column I with their meanings in Column II:</p> <table><tr><th>Column I</th><th>Column II</th></tr><tr><td>1. Placement</td><td>(i) Introducing the selected employee to other employees and familiarising him with the rules and policies of the organization</td></tr><tr><td>2. Recruitment</td><td>(ii) It refers to the employee occupying the position or post for which he/she has been selected</td></tr><tr><td>3. Orientation</td><td>(iii) Evaluating an employee's current and/or past performance as against certain predetermined standards</td></tr><tr><td>4. Performance Appraisal</td><td>(iv) The process of searching for prospective employees and stimulating them to apply for jobs in the organization</td></tr></table> <p>Choose the correct option from the following: (A) 1-(i), 2-(ii), 3-(iii), 4-(iv) (B) 1-(ii), 2-(iii), 3-(i), 4-(iv) (C) 1-(ii), 2-(iv), 3-(i), 4-(iii) (D) 1-(ii), 2-(i), 3-(iv), 4-(iii)</p> <p>Ans. (C) 1-(ii), 2-(iv), 3-(i), 4-(iii)</p>	Column I	Column II	1. Placement	(i) Introducing the selected employee to other employees and familiarising him with the rules and policies of the organization	2. Recruitment	(ii) It refers to the employee occupying the position or post for which he/she has been selected	3. Orientation	(iii) Evaluating an employee's current and/or past performance as against certain predetermined standards	4. Performance Appraisal	(iv) The process of searching for prospective employees and stimulating them to apply for jobs in the organization	1 mark
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14	<p>Q. Plans are prepared for a specific period of time, may be for a month, a quarter or a year. At the end of that period, there is a need for a new plan to be drawn on the basis of new requirements and future conditions. The feature of planning reflected in the above lines is:</p> <p>(A) Planning is futuristic</p>											

	<p>(B) Planning is continuous (C) Planning is pervasive (D) Planning is a mental exercise</p> <p>Ans. (B) Planning is continuous</p>	1 mark
15	<p>Q. The marketing management philosophy which uses availability and affordability as a means to achieve the objectives is:</p> <p>(A) Marketing concept (B) Selling concept (C) Product concept (D) Production concept</p> <p>Ans. (D) Production concept</p>	1 mark
16	<p>Q. Identify the tool of promotion used by 'Mehta Sons Garments' to boost its sales:</p> <p>(A) Advertising (B) Personal selling (C) Sales promotion (D) Public relations</p>  <p>Ans. (C) Sales promotion</p>	1 mark
17	<p>Q. Read the following statements: Assertion (A) and Reason (R). Choose the correct alternative from the options given below:</p> <p>Assertion (A): Many enlightened business firms have set up their own consumer service and grievance cells.</p>	

	<p>Reason (R): The consumer has a right to file a complaint and to be heard in case of dissatisfaction with a good or service.</p> <p>(A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).</p> <p>(B) Both Assertion (A) and Reason (R) are true, but Reason(R) is not the correct explanation of Assertion(A).</p> <p>(C) Assertion (A) is true, but Reason (R) is false.</p> <p>(D) Assertion (A) is false, but Reason (R) is true.</p> <p>Ans. (A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).</p>	1 mark
18	<p>Q. Which of the following is <i>not</i> a component of 'Physical Distribution'?</p> <p>(A) Inventory control</p> <p>(B) Standardisation and grading</p> <p>(C) Order processing</p> <p>(D) Transportation</p> <p>Ans. (B) Standardisation and grading</p>	1 mark
19	<p>Q. Beenu had a bookstore in Sabad called 'Book-mark'. For years, the bookstore was doing reasonably well but with the rise of digital books and online retailers, her sales had declined. Beenu's daughter, who had just completed her MBA with a specialisation in marketing decided to launch a marketing campaign to revive the bookstore. The campaign's focus was on the joy of reading books in physical form, the joy of turning pages and the warm atmosphere of the bookstore. She organised story writing and other competitions every weekend. The information of these was given to the parents and children through television, radio, children's magazines, etc. Attractive prizes were offered to the winners. This increased the footfall of the children and their parents and the bookstore soon became popular.</p>	

	<p>The tool of communication used by Beenu's daughter to revive the bookstore was:</p> <p>(A) Advertising (B) Personal selling (C) Sales promotion (D) Public relations</p> <p>Ans. (D) Public relations</p>	1 mark
20	<p>Q. 'Best Electronics' is led by its visionary Chief Executive Officer, Nikhil. It has a reputation for good quality products and customer service. Nikhil recognised the need to continually innovate and provide customers with the latest products. He wanted the company to be the market leader in electronics.</p> <p>Nikhil knew that to realise his ambitious vision, he needed a clear and well-defined plan that would provide broad contours of the company's business. His team conducted extensive market research to uncover emerging trends, customer preferences, and potential competitors. On its basis, a plan was prepared defining the company's direction and scope in the long run. On the implementation of the plan 'Best Electronics' became the market leader in two years. The type of plan which helped 'Best Electronics' to become the market leader was:</p> <p>(A) Policy (B) Rule (C) Strategy (D) Procedure</p> <p>Ans. (C) Strategy</p>	1 mark
21	<p>Q(a). State any three features of business environment.</p> <p>Ans.</p> <p>(a) Features of business environment are: (Any three)</p> <p>(i) Business environment is <u>the sum total of all factors/things external to business firms</u> and, as such, is aggregative in nature.</p> <p>(ii) Business environment includes both <u>specific</u> such as customers, investors, etc <u>and general forces</u> such as political, social, etc.</p>	

	<p>(iii) Different elements or parts of business environment are closely <u>inter-related</u>.</p> <p>(iv) Dynamic nature: Business environment <u>is dynamic</u> and keeps on changing whether in terms of technological improvement, shifts in consumer preferences , etc</p> <p>(v) Business environment <u>is uncertain</u> as it is very difficult to predict future happenings, especially when environment changes are taking place too frequently</p> <p>(vi) Business environment <u>is complex</u> as it consists of numerous interrelated and dynamic conditions or forces that are relatively easier to understand in parts but difficult to grasp in its totality.</p> <p>(vii) Business environment is <u>a relative concept</u> since it differs from country to country and even region to region.</p> <p><i>(If an examinee has only listed the underlined points, ½ mark for each point should be awarded)</i></p> <p style="text-align: center;">OR</p> <p>Q(b). State any three features of 'Demonetization'.</p> <p>Ans (b). Features of demonetization are: (Any three)</p> <p>(i) Demonetisation is viewed as a <u>tax administration measure</u> and people with black money had to declare their unaccounted wealth and pay taxes at a penalty rate.</p> <p>(ii) Demonetisation is also interpreted as a shift on the part of the government indicating that <u>tax evasion will no longer be tolerated or accepted</u>.</p> <p>(iii) Demonetisation led to tax administration <u>channelizing savings into the formal financial system, to enable</u> banks with deposits to provide a base loans, at lower interest rates.</p> <p>(iv) It creates a <u>less-cash or cash-lite economy</u>, i.e., channelising more savings through the</p>	<p>1x3 =</p> <p>3 marks</p> <p style="text-align: center;">OR</p> <p>1x3 =</p> <p>3 marks</p>
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	<p>formal financial system and improving tax compliance.</p> <p><i>(If the examinee has only listed the underlined points, ½ mark for each point should be awarded)</i></p>	
22	<p>Q. Kanav, after passing out of college with specialization in renewable energy, was determined to start a solar power plant. The venture required heavy investment in plant and machinery and less on manual labour. Kanav invested in the latest solar panel technology and infrastructure and purchased the latest solar panels, inverters and battery storage systems.</p> <p>Despite the high risk and substantial investment, Kanav's business had good expansion possibilities. The world was increasingly moving towards clean energy solutions, and there was a growing demand for sustainable power sources. So, Kanav decided to create a higher capacity to meet the anticipated demand quickly. This entailed further investment in fixed assets which Kanav was able to arrange. As the years passed, the solar power plant did very well and played a pivotal role in the city's transition towards a greener and more sustainable future.</p> <p>Identify and explain the two factors affecting the fixed capital requirements discussed in the above case.</p> <p>Ans. Factor affecting the fixed capital requirements in the case are:</p> <p>(i) Choice of technique:</p> <ul style="list-style-type: none"> • A capital-intensive organisation requires higher investment in plant and machinery as it relies less on manual labour, thus higher fixed capital. • Labour intensive organisations require less investment in fixed assets. Hence, their fixed capital requirement is lower. <p>(ii) Growth prospects:</p> <ul style="list-style-type: none"> • When growth is expected, a company may choose to create higher capacity in order to meet anticipated higher demand quicker. 	<p>½ mark for identifying and 1 mark for explanation</p> <p>1 ½ x2</p> <p>= 3 marks</p>

	<ul style="list-style-type: none"> • This entails larger investment in fixed assets and consequently larger fixed capital. 	
23	<p>Q. A renowned car company named 'BB Motors' was known for producing high performance cars. They were committed to ensure that its employees had the skills and knowledge to build these innovative high-performance cars. To achieve this, they implemented a unique approach for training. The company transformed a section of its factory into what they called the 'Learning Floor'. Actual work environment was created by allotting a specialized space. The space was equipped with a range of car components, tools and sophisticated car equipment identical to those used on the factory floor, where the company's employees would undergo their training. Identify and explain the method of training used by 'BB Motors' to ensure that its employees had the skills and knowledge to build innovative high-performance cars.</p> <p>Ans. Vestibule training</p> <ul style="list-style-type: none"> • It is a method of training in which employees learn their jobs on the equipment they will be using, but the training is conducted away from the actual work floor. • This is usually done when employees are required to handle sophisticated machinery and equipment. <p><i>(If an examinee has identified the method of training as 'Off the job', 1 mark is to be given)</i></p>	<p>1 mark for identifying</p> <p>+ 2 marks for explanation</p> <p>= 3 marks</p>
24	<p>Q(a). State any three protective functions of Securities and Exchange Board of India.</p> <p>Ans.</p> <p><u>Protective functions of Securities and Exchange Board of India are: (Any 3)</u></p> <p>(i) It <u>prohibits fraudulent and unfair trade practices</u> like making misleading statements, manipulations, price rigging etc.</p> <p>(ii) It <u>controls insider trading</u> and imposing penalties for</p>	<p>1x3</p> <p>=</p>

	<p>such practices.</p> <p>(iii) It <u>undertakes steps for investor protection</u>.</p> <p>(iv) It <u>promotes fair practices</u> and code of conduct in securities market.</p> <p style="text-align: center;">OR</p> <p>Q(b) Differentiate between 'Money Market' and 'Capital Market' on any three bases.</p> <p>Ans. Difference between 'Money Market' and 'Capital Market' (Any three):</p> <table border="1" data-bbox="193 757 1129 1982"> <thead> <tr> <th>Basis</th><th>Money market</th><th>Capital market</th></tr> </thead> <tbody> <tr> <td>Participants</td><td>Participants are by and large, institutional participants such as the RBI, banks, financial institutions and finance companies.</td><td>Participants are financial institutions, banks, corporate entities, foreign investors and ordinary retail investors/public.</td></tr> <tr> <td>Instruments</td><td>The main instruments traded are short term debt instruments such as T-bills, trade bills reports, commercial paper and certificates of deposit.</td><td>The main instruments traded are equity shares, debentures, bonds, preference shares etc.</td></tr> <tr> <td>Investment outlay</td><td>Investment in money market entail huge sums of money as instruments are</td><td>Investment in capital market does not necessarily require a huge financial</td></tr> </tbody> </table>	Basis	Money market	Capital market	Participants	Participants are by and large, institutional participants such as the RBI, banks, financial institutions and finance companies.	Participants are financial institutions, banks, corporate entities, foreign investors and ordinary retail investors/public.	Instruments	The main instruments traded are short term debt instruments such as T-bills, trade bills reports, commercial paper and certificates of deposit.	The main instruments traded are equity shares, debentures, bonds, preference shares etc.	Investment outlay	Investment in money market entail huge sums of money as instruments are	Investment in capital market does not necessarily require a huge financial	<p>3 marks</p> <p style="text-align: center;">OR</p> <p>1x3 =</p> <p>3 marks</p>
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		quite expensive	outlay	
	Duration	It deals in instruments with maximum tenure of one year	It deals in medium and long term securities	
	Liquidity	Money market instruments enjoy relatively a higher degree of liquidity as there is formal arrangement for this.	Capital market securities are considered liquid investments because they are marketable on the stock exchanges, however a share may not be actively traded.	
	Safety	Money market is generally much safer with a minimum risk of default	Capital market instruments are riskier both with respect to returns and principal repayment	
	Expected return	Investment in money market generally yield relatively lower rate of return	Investment in capital market generally yield higher return for investors.	
25	Q. 'Verfab' was a garment manufacturing company known for its high quality fashionable clothing. They had been in the fashionable clothing business for the last 23 years. The company was earning enough profit and the demand for their fashionable clothing was rising tremendously. The company was expanding and needed to hire new talent to meet the growing demand. They followed a comprehensive process to ensure that they brought in the best candidates.			

<p>The process began with a first-round evaluation of applications. The Human Resources team carefully reviewed each candidate's qualifications, experience and suitability for the available positions. It eliminated unqualified or unfit job seekers based on the information supplied in the application forms and shortlisted 21 candidates who met the basic requirements.</p> <p>The shortlisted candidates were then asked to take a series of tests that attempted to measure certain characteristics of individuals, ranging from manual dexterity to intelligence to personality. These tests included assessments of their sewing skills, attention to detail, and knowledge of garment manufacturing processes.</p> <p>15 candidates who performed well in the tests were invited for a formal in-depth conversation with the senior staff from the design team. Thereafter, 10 candidates were found suitable for the job position available.</p> <p>Since these 10 candidates had cleared all the above steps, 'Verfab' conducted verification by contacting their previous employers to confirm the details the candidates had provided.</p> <p>Thereafter, a decision was made to choose 8 candidates who were best fitted for the roles.</p> <p>Explain the steps of the comprehensive process discussed above till the verification stage, to ensure that the company brought in the best candidates to meet the growing demand for fashionable clothing.</p> <p>Ans.</p> <p>The steps of the comprehensive process discussed above are :</p> <ul style="list-style-type: none"> (i) Preliminary screening: It helps the manager to eliminate unqualified or unfit job seekers based on the information supplied in the application forms. (ii) Selection tests: These tests attempt to measure certain characteristics of individuals. ranging from aptitudes, manual dexterity, intelligence to personality. (iii) Employment interview: A formal, in-depth conversation is conducted to evaluate the applicant's suitability for the job and the 	<p>½ mark for heading and ½ mark for explanation =1 mark</p> <p>=1x4</p>
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	<p>interviewees may also seek information from interviewer.</p> <p>(iv) Reference and background checks: References are used for verifying information and, gaining additional information on an applicant from previous employers, known persons, teachers, university professors, etc.</p> <p><i>(If an examinee has not given the headings as above but has given the correct explanation, full credit should be given)</i></p>	<p>= 4 marks</p>
26	<p>Q(a). State any four characteristics of management.</p> <p>Ans. Characteristics of management are: (Any four)</p> <ul style="list-style-type: none"> (i) Management is a <u>goal-oriented process</u> as it unites the efforts of different individuals in the organisation towards achieving these goals. (ii) Management is <u>all pervasive function</u> as its activities are common to all organisations whether economic, social or political. (iii) Management is <u>multidimensional/complex</u> as it involves: Management of work, Management of people and Management of operations. (iv) The process of management is a series of <u>continuous, composite</u> but separate functions that are simultaneously performed by all the managers all the time. (v) Management is a <u>group activity</u> as it requires team work and coordination of individual efforts in a common direction towards fulfilling the common organisational goal. (vi) Management is a <u>dynamic function</u> and has to adapt itself to the changing environment. (vii) Management is an <u>intangible force</u> that cannot be seen but its presence can be felt in the way the organisation functions. <p><i>(If an examinee has only listed the underlined points, ½ mark for each point should be awarded)</i></p> <p style="text-align: center;">OR</p>	<p>1x4</p> <p>= 4 marks</p> <p>OR</p>

	<p>Q(b). State any four functions performed by Top Level Management.</p> <p>Ans. Functions performed by Top Level Management are: (Any four)</p> <ul style="list-style-type: none"> (i) Their basic task is to <u>integrate diverse elements and coordinate the activities</u> of different departments according to the overall objectives of the organisation. (ii) They are <u>responsible for the welfare and survival</u> of the organisation. (iii) They analyse the business environment and its implications <u>for the survival of the firm</u>. (iv) They <u>formulate overall organisational goals</u> and strategies for their achievement. (v) They are responsible for all the activities of the business and <u>for its impact on society</u>. <p><i>(If an examinee has only listed the underlined points, ½ mark for each point should be awarded)</i></p>	<p>1x4</p> <p>= 4 marks</p>												
27	<p>Q. Differentiate between 'Delegation' and 'Decentralisation' on any four bases.</p> <p>Ans. Differences between Delegation and Decentralisation: (Any four)</p> <table border="1"> <thead> <tr> <th>Basis</th><th>Delegation</th><th>Decentralisation</th></tr> </thead> <tbody> <tr> <td>Nature</td><td>Delegation is a compulsory act because no individual can perform all tasks on his own.</td><td>Decentralisation is an optional policy decision. It is done at the discretion of the top management.</td></tr> <tr> <td>Freedom of action</td><td>There is more control by superiors hence less freedom to take own decisions.</td><td>There is less control over executives, hence greater freedom of action.</td></tr> <tr> <td>Status</td><td>It is a process followed to share</td><td>It is the result of the policy decision of</td></tr> </tbody> </table>	Basis	Delegation	Decentralisation	Nature	Delegation is a compulsory act because no individual can perform all tasks on his own.	Decentralisation is an optional policy decision. It is done at the discretion of the top management.	Freedom of action	There is more control by superiors hence less freedom to take own decisions.	There is less control over executives, hence greater freedom of action.	Status	It is a process followed to share	It is the result of the policy decision of	<p>1x4</p>
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	Scope	It has narrow scope as it is limited to superior and his immediate subordinate.	It has wide scope as it implies extension of delegation to the lowest level of management.	
	Purpose	The purpose is to lessen the burden of the manager.	The purpose is to increase the role of the subordinates in the organisation by giving them more autonomy.	
28	<p>Q(a). Explain how the following factors affect the working capital requirement of a business:</p> <p>(i) Operating efficiency</p> <p>(ii) Credit availed</p> <p>Ans.</p> <p>Factors affecting working capital requirement of a business:</p> <p>(i) Operational efficiency:</p> <ul style="list-style-type: none"> • Firms manage their operations with varied degrees of efficiency. • Such efficiencies may reduce level of raw material, finished goods and debtors, resulting in lower working capital. <p>(ii) Credit availed:</p> <ul style="list-style-type: none"> • A firm allows credit to its customers and also gets credit from its suppliers. • To the extent the firm avails credit on purchases, the working capital requirement is reduced. <p style="text-align: center;">OR</p>			<p>2</p> <p>+</p> <p>2</p> <p>=2+2</p> <p>=4 marks</p> <p style="text-align: center;">OR</p>

	<p>Q(b). Explain how the following factors affect the choice of capital structure of a company:</p> <p>(i) Flexibility (ii) Cost of equity</p> <p>Ans. Factors affecting choice of capital structure:</p> <p>(i) Flexibility:</p> <ul style="list-style-type: none"> • If a firm uses its debt potential to the full, it loses flexibility to issue further debt. • It must maintain some borrowing power to take care of unforeseen circumstances. <p>(ii) Cost of equity:</p> <ul style="list-style-type: none"> • When a company increases debt, the financial risk faced by the equity holders, increases. Consequently, their desired rate of return may increase. • If debt is used beyond a level, cost of equity may go up and share price may decrease sharply inspite of increased earning per share(EPS). 	<p>2</p> <p>+</p> <p>2</p> <p>=2+2</p> <p>=4 marks</p>
29	<p>Q. Piyush is the Production Manager of a shoe company 'Comforty'. He has 1000 workers under him in his department. Piyush booked a special order for 300 pairs of gents shoes at an estimated cost price of ₹ 500 per pair plus a 20% profit margin. This order is to be completed within 10 days. After completion of the order, Piyush found out that the production cost of one pair of shoes was ₹ 700. He tried to find out the reason but he couldn't. He reported it to the Chief Executive Officer. For this the Chief Executive Officer appointed Abhay, who was not only a specialized Cost Accountant, but also a qualified Human Resource Manager. After two days, Abhay reported that the set target could have been completed by only 800 workers. This revealed that there was overmanning in the organization, The organization was not utilizing the human resources optimally which had led to high labour cost.</p> <p>The above case highlights an important function of management.</p> <p>(i) Identify the function of management discussed above.</p>	

	<p>(ii) State any three points of importance of the function identified in (i) above.</p> <p>Ans.</p> <p>(i) Controlling</p> <p>(ii) Importance of Controlling : (Any three)</p> <ol style="list-style-type: none"> (1) <u>It helps in accomplishing organisational goals</u> by bringing to light the deviations, if any, and indicating corrective action. (2) <u>It helps in judging accuracy of standards</u> in the light of changes taking place in the organization and environment. (3) It helps in <u>making efficient use</u> of resources by ensuring that each activity is performed in accordance with pre-determined standards. (4) It <u>improves employee motivation</u> as the employees know well in advance the standards of performance on the basis of which they will be appraised. (5) It ensures <u>order and discipline</u> among employees by keeping a close check on their activities. (6) It <u>facilitates coordination</u> in action as each department is governed by pre-determined standards which are well coordinated with one another. <p><i>(If an examinee has only listed the underlined points, ½ mark for each point should be awarded)</i></p>	<p>1 mark for identifying</p> <p>+</p> <p>1x3</p> <p>= 1+3</p> <p>4 marks</p>
30	<p>Q. Anuj, after a lot of research, paid 'SS Developers' an advance of ₹ 2 crore to build a lavish house for him. They promised to deliver the property within 18 months. At the end of 18 months, Anuj asked for the delivery of the property many times but the developer did not respond. Anuj realized that 'SS Developers' was not in a position to hand over the property to him. Anuj asked for a refund of the money with interest, which 'SS Developers' refused. Anuj approached the consumer court with his complaint.</p> <p>(i) Which grievance redressal agency had Anuj approached?</p> <p>(ii) State any three reliefs Anuj is likely to get, if the consumer court is satisfied with the complaint.</p>	

	<p>Ans.</p> <p>(i) State Commission</p> <p>(ii) Reliefs Anuj is likely to get, if the consumer court is satisfied with the complaint are: (Any three)</p> <p>a) To refund the price paid for the product, or the charges paid for the service.</p> <p>b) To pay a reasonable amount of compensation for any loss or injury suffered by the consumer due to the negligence of the opposite party.</p> <p>c) To pay punitive damages in appropriate circumstances.</p> <p>d) To discontinue the unfair/ restrictive trade practice and not to repeat it in the future.</p> <p>e) Compensate for any loss or injury suffered by consumer under product liability action and withdraw hazardous products from being offered for sale etc.</p> <p>f) To pay any amount(not less than 5% of the value of defective goods or deficient services provided) to be credited to the Consumer Welfare fund or any other organisation/person, to be utilised in the prescribed manner.</p> <p>g) To pay adequate costs to the appropriate party.</p>	<p>1 mark for identifying</p> <p>+</p> <p>1x3</p> <p>= 1+3</p> <p>=4 marks</p>
31	<p>Q. (a) Explain the following techniques of Scientific Management:</p> <p>(i) Time study</p> <p>(ii) Differential piece wage system</p> <p>(iii) Motion study</p> <p>Ans. (i) Time study:</p> <ul style="list-style-type: none"> ● It is a technique of scientific management which determines the standard time taken to perform a well-defined job. ● It is used to determine the number of workers to be employed; frame suitable incentive schemes and determine labour costs. 	<p>2</p> <p>+</p>

<p>(ii) Differential piece wage system:</p> <ul style="list-style-type: none"> • Differential Piece Wage System is a technique which differentiates between efficient and less efficient workers. It rewards the efficient workers and motivates the less efficient ones to improve their efficiency. • In this plan, there are two piece rates – one for those workers who produce the standard output or more, and the other for those who produce less than the standard output. <p>(iii) Motion study:</p> <ul style="list-style-type: none"> • Motion study refers to the study of movements which are undertaken while doing a typical job. • It seeks to eliminate unnecessary movements so that it takes less time to complete the job efficiently. 	<p>2</p> <p>+</p> <p>2</p> <p>= 6 marks</p>
<p style="text-align: center;">OR</p> <p>Q(b). Explain the following features of principles of management:</p> <p>(i) General guidelines</p> <p>(ii) Mainly behavioural</p> <p>(iii) Formed by practice and experimentation</p> <p>Ans.</p> <p>(i) General guidelines:</p> <ul style="list-style-type: none"> • The principles of management are guidelines to action but do not provide readymade straitjacket solutions to all managerial problems. • It is so because real business situations are very complex and dynamic and are a result of many factors. <p>(ii) Mainly behavioural:</p> <ul style="list-style-type: none"> • Management principles aim at influencing behaviour of human beings. • They enable a better understanding of the relationship between human and material resources in accomplishing organisational purposes. 	<p style="text-align: center;">OR</p> <p>2</p> <p>+</p> <p>2</p> <p>+</p> <p>2</p>

	<p>(iii) Formed by practice and experimentation:</p> <ul style="list-style-type: none"> • The principles of management are formed by experience and collective wisdom of managers. • The principles are formed by experimentation. 	= 6 marks
32	<p>Q. Atul Sharma was the Chief Executive Officer of a footwear company, 'Stepone Footwear'. The company manufactured innovative and comfortable footwear for all age groups. Atul Sharma was known for meticulous planning. He ensured that the goals and objectives of the company are clearly stated so that they act as a guide for deciding what action should be taken and in which direction. Before each season, 'Stepone Footwear' carefully analysed market trends, customer preferences and production schedules. This analysis enabled the company to look ahead and anticipate changes and develop managerial responses, wherever necessary. As a result, they were able to consistently deliver innovative and comfortable shoes to the market.</p> <p>During one season, there was a sudden surge in demand for eco-friendly shoes. 'Stepone Footwear' had already planned their production for the year with specific goals to be achieved within a specific time frame. The managers of 'Stepone Footwear' did not have the flexibility to change the plan to cope with the changed circumstances. Another shoe company 'Eco Step' quickly adapted and started manufacturing comfortable eco-friendly shoes. By not being able to adjust to the rapidly changing market, 'Stepone Footwear' faced inventory surplus while 'Eco Step' emerged as a market leader in sustainable eco-friendly footwear.</p> <p>Quoting lines from the above paragraph, identify and explain two benefits and two limitations of 'Planning function of management discussed in the above case.</p> <p>Ans. Benefits of planning:</p> <p>(i) Planning provides directions:</p> <p>Planning provides direction for action by stating in advance how work is to be done.</p> <p><i>“He ensured that the goals and objectives of the company are clearly stated so that they act as a guide for deciding what</i></p>	

	<p><i>action should be taken and in which direction.”</i></p> <p>(ii) Planning reduces the risks of uncertainty:</p> <p>By deciding in advance the tasks to be performed, planning shows the way to deal with changes and uncertain events.</p> <p><i>“This analysis enabled the company to look ahead and anticipate changes and develop managerial responses, wherever necessary”</i></p> <p>Limitations of planning:</p> <p>(i) Planning leads to rigidity:</p> <p>In an organisation, a well defined plan is drawn up with specific goals to be achieved within a specific time frame, these plans then decide the future course of action and managers may not be in a position to change it.</p> <p><i>“The managers of 'Stepone Footwear' did not have the flexibility to change the plan to cope with the changed circumstances.”</i></p> <p>(ii) Planning may not work in a dynamic environment:</p> <p>The organisation has to constantly adapt itself to changes taking place in the dynamic environment. However, planning cannot foresee everything and thus, there may be obstacles to effective planning.</p> <p><i>“By not being able to adjust to the rapidly changing market, 'Stepone Footwear' faced inventory surplus while 'Eco Step' emerged as a market leader in sustainable eco-friendly footwear.”</i></p>	<p>½ mark for identifying + ½ mark for explanation + ½ mark for quoting</p> <p>=1 ½ mark for each benefit and limitation</p> <p>=1 ½ x4</p> <p>= 6 marks</p>
33.	Ayush and Rhea were passionate about sustainable	

agriculture and healthy living. They wanted to start a business selling organic produce. They had a small farm in a rural area where they began growing fresh organic produce and herbs.

In the beginning, they faced challenges in marketing their organic products. They realized that their high quality produce needed better presentation and a strong identity to stand out in a competitive market.

They named the business 'Earthy Store' which indicated the products' benefits and qualities and reflected the values of the business - sustainability and health.

They chose a 'logo' that incorporated elements of nature and used earthy colours to convey their organic commitment. They designed and developed eco-friendly biodegradable bags and reusable containers to courier their products to the customers. They also added personal touch by including handwritten notes in each bag.

They also designed and developed product stickers with detailed information about organic certification, nutritional benefits, date of manufacture, date of expiry, etc. The stickers so developed were put on the bags and reusable containers for customers convenience.

'Earthy Store' created a user-friendly website and established strong media presence to inform potential customers about their products and persuading them to buy the same. Within a couple of months, they had built a loyal customer base which made them earn profits even in a competitive environment. In a year, they were able to secure contracts with local grocery stores and restaurants.

Quoting lines from the above paragraph, identify and explain the three functions of marketing discussed in the above case.

Ans. Functions of marketing:

(i) Branding:

- Branding is the process of giving a name, term, sign, symbol, design or some combination of them, to the product.

	<p><i>“They chose a 'logo' that incorporated elements of nature and used earthy colours to convey their organic commitment.”</i></p> <p style="text-align: center;">OR</p> <p><i>“They named the business ‘Earthy Store’ which indicated the products’ benefits and qualities and reflected the values of the business - sustainability and health”.</i></p> <p>(ii) Packaging and Labelling:</p> <ul style="list-style-type: none"> • Packaging refers to the act of designing and producing the container or wrapper of a product. • Labelling refers to designing and developing the label to be put on the package. It may vary from a simple tag to complex graphics. <p><i>“They designed and developed eco-friendly biodegradable bags and reusable containers to courier their products to the customers”</i></p> <p style="text-align: center;">OR</p> <p><i>“ They also designed and developed product stickers with detailed information about organic certification, nutritional benefits, date of manufacture, date of expiry, etc.”</i></p> <p>(iii) Promotion:</p> <ul style="list-style-type: none"> • Promotion refers to informing the customers about the firm’s product, its features, etc. and persuading them to purchase these products. <p><i>“Earthy Store’ created a user-friendly website and established strong media presence to inform potential customers about their products and persuading them to buy the same.”</i></p>	<p>½ mark for identifying + 1 mark for explanation + ½ mark for quoting =2 marks =2x3 = 6 marks</p>
34	<p>Q(a) Give the meaning of "Training'. Explain the following methods of training: (i) Apprenticeship Training, (ii) Internship Training</p> <p>Ans. Training: Training is any process by which the aptitudes, skills and</p>	

<p>abilities of employees to perform specific jobs are increased.</p> <p style="text-align: center;">OR</p> <p>It is a process of learning new skills and application of knowledge in order to improve the performance of employees on the current job or prepare them for any intended job. (Or any other suitable meaning)</p> <p>(i) Apprenticeship Training:</p> <ul style="list-style-type: none"> • Under this method of training, the trainee is put under the guidance of a master worker, in order to acquire a higher level of skill. • It is useful for people to become, for example, plumbers, electricians, etc. <p>(ii) Internship Training:</p> <ul style="list-style-type: none"> • It is a joint programme of training, in which educational institutions and business firms cooperate. • Selected candidates work in some factory or office to acquire practical knowledge and skill, along with their regular studies. 	<p style="text-align: center;">2</p> <p style="text-align: center;">+</p> <p style="text-align: center;">2</p> <p style="text-align: center;">+</p> <p style="text-align: center;">2</p> <p style="text-align: center;">=</p> <p style="text-align: center;">6 marks</p>
<p style="text-align: center;">OR</p> <p>Q(b) Explain any four points of importance of 'Directing' function of management.</p> <p>Ans.</p> <p>Importance of directing: (Any four)</p> <p>(i)Initiates action: Directing helps to initiate action among people in an organisation towards attainment of desired objectives.</p> <p>(ii)Integrates employees' efforts: Directing integrates employees' efforts in the organisation in such a way that every individual effort contributes to the organizational performance. Thus, it ensures that the individuals work for organisation's goals.</p> <p>(iii)Guides employees to fully realise their potential: Directing guides employees to fully realise their potential and capabilities by motivating and providing effective leadership.</p>	<p style="text-align: center;">OR</p> <p style="text-align: center;">½ mark for heading and 1 mark for explanation</p>

	<p>(iv)Facilitates introduction of needed changes: A manager reduces resistance to change through motivation, communication and leadership, and develop required cooperation in introducing changes in the organisation.</p> <p>(v)Brings stability and balance in the organisation: It fosters cooperation and commitment among the people and helps to achieve balance among various groups, activities and the departments.</p> <p><i>(If an examinee has not given the headings as above but has given the correct explanation, full credit should be given)</i></p>	<p>=1 ½ x 4</p> <p>= 6 marks</p>
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