

-Strictly Confidential: (For Internal and Restricted Use Only)
Senior Secondary School Certificate Examination
March -----2025

Marking Scheme---Business Studies 66/2/2

General Instructions:

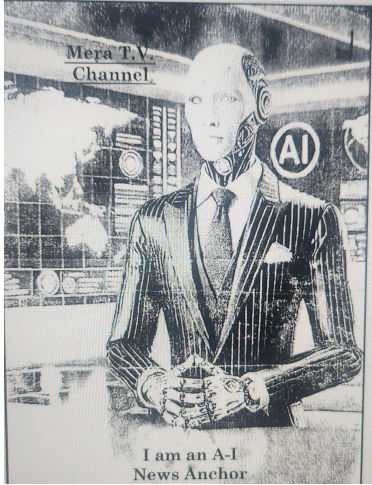
1	You are aware that evaluation is the most important process in the actual and correct assessment of the candidates. A small mistake in evaluation may lead to serious problems which may affect the future of the candidates, education system and teaching profession. To avoid mistakes, it is requested 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 0-80 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 /2 /2	BUSINESS STUDIES EXPECTED ANSWERS / VALUE POINTS	Marks
	SECTION A	
1	<p>Q. "To ensure that enough funds are available at right time to honour the commitments and to carry out the plans' is discussed in which of the following concepts?</p> <p>(A) Capital Structure (B) Financial Leverage (C) Financial Planning (D) Investment Decision</p> <p>Ans. (C) Financial Planning</p>	1 mark
2	<p>Q. Read the following statements carefully:</p> <p>Statement-I: The cost of debt is more than the cost of equity. Statement-II: Lenders risk is lower than the equity shareholders risk. In the light of the given statements, choose the correct alternative from the following:</p> <p>(A) Both the Statements are true. (B) Both the Statements are false. (C) Statement I is true, Statement II is false. (D) Statement I is false, Statement II is true.</p> <p>Ans. (D) Statement I is false, Statement II is true.</p>	1 mark
3	<p>Q. 'Increase in the profit earned by the equity shareholders due to the presence of fixed financial charges like interest' is called:</p> <p>(A) Financial planning (B) Dividend decision</p>	

	<p>(C) Financing decision (D) Trading on equity</p> <p>Ans. (D) Trading on equity</p>	1 mark		
4	<p>Q. Akshara runs a business in the name of 'AK Solutions' in a well reputed area of her city where people provide spaces to students as library, as study centres and as training and event centres to businesses. Akshara provides only conference halls to big and small enterprises for their meetings and events.</p> <p>Suddenly, in July 2024, floods affected some libraries and study centres in her neighbouring area. The exams were fast approaching and students were facing a lot of problems as these study centres and libraries had to be closed.</p> <p>Taking advantage of this opportunity and to help the students 'AK Solutions' adapted itself to the needs of the environment, they decided to convert some of their conference halls into libraries and study centres. They also decided to provide food and other facilities required by the students at subsidized rates. This initiative increased their business manifold and earned them significant goodwill. The feature of management highlighted in the above case is:</p> <p>(A) Management is a continuous process. (B) Management is an intangible force. (C) Management is a dynamic function. (D) Management is a group activity.</p> <p>Ans. (C) Management is a dynamic function.</p>	1 mark		
5	<p>Q. Match the techniques of scientific management given in Column I with their meaning given in Column-II:</p> <table> <tr> <td>Column-I</td> <td>Column-II</td> </tr> </table>	Column-I	Column-II	
Column-I	Column-II			

	(a) Method Study	(i) It refers to the study of movements like lifting. putting objects, sitting and changing positions etc. which are undertaken while doing a typical job.	
	(b) Motion Study	(ii) It determines the amount and frequency of rest intervals in completing a task.	
	(c) Time Study	(iii) It determines the standard time taken to perform a well defined job.	
	(d) Fatigue Study	(iv) It determines one best way of doing a job.	
	<p>Choose the correct option from the options given below:</p> <p>(a) (b) (c) (d) (A) (ii) (iii) (i) (iv) (B) (i) (iv) (ii) (iii) (C) (iv) (i) (iii) (ii) (D) (iii) (ii) (iv) (i)</p> <p>(a) (b) (c) (d) Ans. (C) (iv) (i) (iii) (ii)</p>		1 mark
6	<p>Q. Given below are two statements, Assertion (A) and Reason (R):</p> <p>Assertion (A): Planning involves looking ahead and preparing for the future. Reason (R): The purpose of planning is to meet future events effectively to the best advantage of an organization.</p> <p>Choose the correct alternative from the alternatives given below:</p> <p>(A) Both Assertion (A) and Reason (R) are true and Reason (R)</p>		

	<p>is the correct explanation of Assertion (A). (B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A). (C) Assertion (A) is true, but Reason (R) is false. (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>	<p>1 mark</p>
7	<p>Q. Identify the dimension of business environment illustrated by the given picture:</p>  <p>(A) Social (B) Political (C) Technological (D) Economic</p> <p>Ans. (C) Technological</p> <p>For Visually Impaired Candidates:</p> <p>Shifts in demand from steam locomotives to electric engines, from fountain pens to ball-point pens, from typewriters to computer based word processors highlights which of the following dimension of business environment?</p> <p>(A) Economic</p>	<p>1 mark</p>

	<p>(B) Technological (C) Political (D) Social</p> <p>Ans. (B) Technological</p>	
8	<p>Q. As per the Consumer Protection Act, 2019 which of the following statement is correct?</p> <p>(A) In case the aggrieved party is not satisfied with the order of the District Commission, he can directly appeal before the National Commission.</p> <p>(B) In case the aggrieved party is not satisfied with the order of the District Commission, he can directly appeal before the Supreme Court.</p> <p>(C) In case the aggrieved party is not satisfied with the order of the State Commission, he can directly appeal before the Supreme Court.</p> <p>(D) In case the aggrieved party is not satisfied with the order of the National Commission, he can appeal before the Supreme Court.</p> <p>Ans. (D) In case the aggrieved party is not satisfied with the order of the National Commission, he can appeal before the Supreme Court.</p>	1 mark
9	<p>Q. 'The process of organizing allows a business enterprise to accommodate changes in the business environment. It allows the organization structure to be suitably modified to pave the way for a smooth transition.'</p> <p>The point of importance of organizing function of management highlighted in the above lines is:</p> <p>(A) Benefits of specialization (B) Clarity in working relationships (C) Optimum utilization of resources (D) Adaptation to change</p>	

	Ans. (D) Adaptation to change	1 mark
10	<p>Q. Nimesh was working as a Production Manager in H.L. Ltd., an electrical wire manufacturing company. One of the vendors who was supplying copper to H.L. Ltd. wanted to close down his business within 15 days as he had to go abroad to live with his son. The vendor was selling all his stocks at 60% discount. Nimesh wrote a letter to the General Manager to seek approval for procurement of this material. But due to rigid rules and cumbersome procedures there was delay in getting sanction and order could not be placed.</p> <p>The type of communication barrier that led to procedural delay was:</p> <p>(A) Semantic barrier (B) Psychological barrier (C) Organizational barrier (D) Personal barrier</p> <p>Ans. (C) Organizational barrier</p>	1 mark
11	<p>Q. A buyer buys a product or service for what it does for him/her or the benefit it provides to him/her. There can be three type of benefits, a consumer may seek to satisfy from the purchase of a product: (i) Functional benefits, (ii) Social benefits and (iii)</p> <p>(A) Technological benefits (B) Economic benefits (C) Psychological benefits. (D) Environmental benefits</p> <p>Ans. (C) Psychological benefits.</p>	1 mark

12	<p>Q. The obligation of a subordinate to properly perform the assigned duty is called:</p> <p>(A) Delegation (B) Authority (C) Responsibility (D) Accountability</p> <p>Ans. (C) Responsibility</p>	1 mark
13	<p>Q. 'Isha Sweets' was set by Isha Sharma to prepare and sell organic, vegan and healthy sweets alternatives like hazelnuts date ladoos, dry fruit date burfi, stuffed mejdool date etc. For the last many years, the demand for her products was very high as people these days prefer to buy healthier alternatives for consumption as well as gifting purposes. But this year suddenly, the cost of dates, dry fruits and other ingredients used for preparing these healthy sweets had increased. With rising prices of raw materials, larger amounts of funds were required to maintain a constant volume of production and sales. As a result, the working capital requirement of 'Isha Sweets' became higher.</p> <p>The factor which led to an increase in the working capital requirements of 'Isha Sweets' was:</p> <p>(A) Availability of raw material (B) Inflation (C) Scale of business (D) Production cycle</p> <p>Ans. (B) Inflation</p>	1 mark
14	<p>Q. Atul was working as an employee in a readymade garments factory. He was very sincere and dedicated and always completed his work in time. It pained him to see</p>	

	<p>that his colleagues were reluctant to do the work even though they had the ability to do it.</p> <p>Due to his good behaviour and willingness to work, he was promoted to the post of the supervisor of the same team in which he was a worker earlier. He understood very well that it was not always possible to get the best of work from employees merely by exercising formal authority. He had insights into the causes of behaviour of people. He knew how to get the work done by the workers in a desired manner to achieve the organizational objectives. Under his supervision even the workers who were reluctant to work started working efficiently and effectively.</p> <p>From the following, identify the concept used by Atul, as a supervisor to get the work completed:</p> <p>(A) Leadership (B) Financial Incentives (C) Motivation (D) Non-financial Incentives</p> <p>Ans. (C) Motivation</p>	1 mark
15	<p>Q. Choose the statement that correctly highlights the benefit of using internal sources of recruitment.</p> <p>(A) It helps in simplifying the process of selection. (B) It provides wider choice while selecting the employees. (C) It brings new blood in the organization. (D) It is an expensive and time consuming source.</p> <p>Ans. (A) It helps in simplifying the process of selection.</p>	1 mark
16	<p>Q. Read the following statements carefully:</p> <p>Statement-I</p>	

	<p>Staffing is that part of the process of management which is concerned with obtaining, utilizing and maintaining a satisfied and satisfactory workforce.</p> <p>Statement-II Staffing is a continuous process.</p> <p>In the light of the given statements, choose the correct alternative from the following: (A) Both the Statements are true. (B) Both the Statements are false. (C) Statement I is true, but Statement II is false. (D) Statement II is true, but Statement I is false.</p> <p>Ans. (A) Both the Statements are true.</p>	1 mark
17	<p>Q. CVX Ltd. was a leading company, manufacturing home appliances like food processors, juicers and mixer grinders. The company was earning good profits and was paying high dividends to its shareholders consistently. The company now decided to manufacture soup-making machines, pop-up toasters and electric irons. The company wanted to enter into emerging markets out of India also. Entering these markets will require additional capital investment which will facilitate in production and distribution infrastructure etc. For this, the management decided to retain money out of their earnings to finance the required investment and distribute smaller dividend to the shareholders.</p> <p>The factor affecting dividend decision which was kept in mind by the management of CVX Ltd. for entering into emerging markets and launching new products was:</p> <p>(A) Amount of Earnings (B) Stability of Earnings (C) Stability of Dividends (D) Growth Opportunities</p>	

	Ans. (D) Growth Opportunities	1 mark
18	<p>Q. Given below are two statements, Assertion (A) and Reason (R): Assertion (A): Directing facilitates introduction of needed changes in the organization. Reason (R): Directing increases resistance to changes in the organization. Choose the correct alternative from the alternatives given below: (A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A). (B) Assertion (A) is true, but Reason (R) is false. (C) Assertion (A) is false, but Reason (R) is true. (D) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).</p> <p>Ans. (B) Assertion (A) is true, but Reason (R) is false.</p>	1 mark
19	<p>Q. Kavi works as a Marketing Manager in stationery mart. It deals in various types of stationery items for many schools across the country. When new session starts in schools, Kavi forecasts the sales of different stationery products for each school for every month. All items are represented in numbers so that it becomes easier for him to compare the actual sales with expected sales. The type of plan discussed above is: (A) Strategy (B) Policy (C) Programme (D) Budget</p> <p>Ans. (D) Budget</p>	1 mark
20	Q. 'It is the process of designing and maintaining an	

	<p>environment in which individuals, working together in groups, efficiently accomplish selected aims.' Identify the process.</p> <p>(A) Management (B) Organising (C) Staffing (D) Directing</p> <p>Ans. (A) Management</p>	1 mark
21	<p>Q. Aman, a young graduate was living away from home in another city. He had problems in cooking and heating food. He decided to purchase a microwave oven for the same. He went to the market, visited many shops and compared various microwave oven brands available in the market. He compared features, price, after-sale-service and customer reviews etc. to make an informed choice as per his needs.</p> <p>After selecting the oven, he checked that it should have an ISI mark. This gave him confidence about the safety, standards and quality of the oven.</p> <p>After reaching home he followed the manufacturer's instructions for safe installation and use of microwave oven. This helped him in avoiding any risk associated with the usage of microwave oven.</p> <p>By doing all this Aman kept in mind various responsibilities while purchasing and using the microwave oven. Still he left some of the responsibilities that were not fulfilled by him.</p> <p>State any three such responsibilities.</p> <p>Ans. <u>Responsibilities that were not fulfilled by Aman:</u> (Any three)</p> <p>(i) <u>Be honest in your dealings.</u> Choose only from legal goods</p>	

	<p>and services and discourage unscrupulous practices like black-marketing, hoarding, etc.</p> <p>(ii) <u>Ask for a cash memo</u> on purchase of goods or services. This would serve as a proof of the purchase made.</p> <p>(iii) <u>File a complaint in an appropriate consumer forum</u> in case of a shortcoming in the quality of goods purchased or services availed. Do not fail to take an action even when the amount involved is small.</p> <p>(iv) <u>Form consumer societies</u> which would play an active part in educating consumers and safeguarding their interests.</p> <p>(v) <u>Respect the environment</u>. Avoid waste, littering and contributing to pollution.</p> <p>(If an examinee has only listed the underlined points, ½ mark for each point should be awarded)</p>	<p>1 x 3 =</p> <p>3 marks</p>
22	<p>Q. (a) Explain the following functions of Stock Exchange:</p> <p>(i) Providing liquidity and marketability to existing securities</p> <p>(ii) Pricing of securities</p> <p>(iii) Safety of transaction</p> <p>Ans.</p> <p>(i) Providing liquidity and marketability to existing securities</p> <p>The basic function of a stock exchange is the creation of a continuous market where securities are bought and sold. It gives investors the chance to disinvest and reinvest.</p> <p>(ii) Pricing of securities</p> <p>A stock exchange is a mechanism of constant valuation through which the prices of securities are determined by the forces of demand and</p>	<p>1 mark</p> <p>1 mark</p>

supply.

(iii) Safety of transaction

The membership of the stock exchange is well regulated and its dealings are well defined according to the existing legal framework. This ensures that the investing public gets a safe and fair deal on the market.

OR

(b) Differentiate between 'Primary Market' and 'Secondary Market' on the basis of any three points.

Ans.

Differences between primary market and secondary market:
(Any three)

	Primary market	Secondary market
(i)	There is sale of securities by new companies or further (new issues of securities by existing companies to investors).	There is trading of existing shares only.
(ii)	Securities are sold by the company to the investor directly (or through an intermediary).	Ownership of existing securities is exchanged between investors. The company is not involved at all.
(iii)	The flow of funds is from savers to investors, i.e. the primary market directly promotes capital formation	Enhances encashability (liquidity) of shares, i.e. the secondary market indirectly promotes capital formation
(iv)	Only buying of securities takes place in the primary market, securities cannot be sold there	Both the buying and the selling of securities can take place on the stock exchange

1 mark
=
1+1+1
=
3 marks

OR

1 x 3
=
3 marks

	<table border="1"><tr><td>(v)</td><td>Prices are determined and decided by the management of the company</td><td>Prices are determined by demand and supply for the securities</td></tr><tr><td>(vi)</td><td>There is no fixed geographical location.</td><td>These are located at specified places</td></tr></table>	(v)	Prices are determined and decided by the management of the company	Prices are determined by demand and supply for the securities	(vi)	There is no fixed geographical location.	These are located at specified places							
(v)	Prices are determined and decided by the management of the company	Prices are determined by demand and supply for the securities												
(vi)	There is no fixed geographical location.	These are located at specified places												
23	<p>Q. (a) Give the meaning of 'Money Market. Differentiate between Capital Market' and 'Money Market' on the basis of</p> <p>(i) Investment Outlay (ii) Duration</p> <p>Ans. Money Market is a market for short term funds which deals in monetary assets whose period of maturity is upto one year.</p> <p>Difference between Capital Market and Money Market</p> <table border="1"><tr><th></th><th>Basis</th><th>Capital Market</th><th>Money Market</th></tr><tr><td>(i)</td><td>Investment outlay</td><td>Investment in capital market i.e. securities does not necessarily require a huge financial outlay. The value of units of securities is generally low.</td><td>Transactions entail huge sums of money as the instruments are quite expensive.</td></tr><tr><td>(ii)</td><td>Duration</td><td>The Capital Market deals in medium and long term securities such as equity shares and debentures.</td><td>Money market instruments have a maximum tenure of one year and may even be issued for a single day.</td></tr></table>		Basis	Capital Market	Money Market	(i)	Investment outlay	Investment in capital market i.e. securities does not necessarily require a huge financial outlay. The value of units of securities is generally low.	Transactions entail huge sums of money as the instruments are quite expensive.	(ii)	Duration	The Capital Market deals in medium and long term securities such as equity shares and debentures.	Money market instruments have a maximum tenure of one year and may even be issued for a single day.	<p>1 mark</p> <p style="text-align: center;">+</p> <p style="text-align: center;">1 x 2</p> <p style="text-align: center;">=</p> <p>3 marks</p> <p style="text-align: center;">OR</p>
	Basis	Capital Market	Money Market											
(i)	Investment outlay	Investment in capital market i.e. securities does not necessarily require a huge financial outlay. The value of units of securities is generally low.	Transactions entail huge sums of money as the instruments are quite expensive.											
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	<p>(b) State any three Development functions of Securities and Exchange Board of India.</p> <p><u>Ans. Development functions of Securities and Exchange Board of India:</u></p> <p>(a) Training of intermediaries of the securities market.</p> <p>(b) Conducting research and publishing information useful to all market participants.</p> <p>(c) Undertaking measures to develop the capital markets by adopting a flexible approach.</p>	<p>1 x 3 = 3 marks</p>
24	<p>Q. Radhika started a business of supplying high class facial kits to beauty parlours in various cities of the country. Initially, the business was doing well and her products were popular. Despite the high quality of the products, Radhika faced difficulties in certain parlours, especially in Kagpur city, where her products failed to gain a strong market presence.</p> <p>To understand the cause, she appointed a qualified marketing manager. The marketing manager discovered that there was no proper exchange of facts, ideas and views etc. between the incharge of Kagpur city and the employees at different parlours at Kagpur. Vicky, who was the incharge and responsible for overseeing all parlours in Kagpur, was unable to effectively foster a common understanding of the product among the employees. As a result, the employees did not grasp the key benefits and features of the high class facial kits. In turn, the employees were not able to convince potential clients about the product's value.</p> <p>(i) Identify the concept discussed in the above case.</p> <p>(ii) The concept identified in (i) above can be defined as a process having various elements. State first five elements of this process.</p> <p>Ans. (i) Communication</p>	<p>½ mark</p>

	<p>(ii) First five elements involved of the communication process are:</p> <p><u>(a) Sender:</u> The person who conveys his thoughts or ideas to the receiver</p> <p><u>(b) Message:</u> It is the content of ideas, feelings, suggestions, order etc. intended to be communicated</p> <p><u>(c) Encoding :</u> It is the process of converting the message into communication symbols such as words, pictures, gestures etc.</p> <p><u>(d) Media :</u> It is the path through which encoded message is transmitted to receiver. The channel may be in written form, face to face, phone call, Internet etc.</p> <p><u>(e) Decoding:</u> It is the process of converting encoded symbols of the sender.</p>	<p>+</p> <p>($\frac{1}{2} \times 5$)</p> <p>=</p> <p>$\frac{1}{2} +$ 2 $\frac{1}{2}$</p> <p>=</p> <p>3 marks</p>
25	<p>Q. (a) Explain the following principles of management given by Fayol:</p> <p>(i) Unity of Command</p> <p>(ii) Order</p> <p>Ans.</p> <p>(i) Unity of Command</p> <ul style="list-style-type: none"> ▪ The principle of unity of command states that each employee in an organisation should receive orders from and be responsible to only one superior. ▪ There should be one and only one boss for every individual employee. It prevents confusion regarding tasks to be done. 	<p>2 marks</p>

	<p>(ii) Order</p> <ul style="list-style-type: none"> ▪ The principle of order states that ‘A place for everything (everyone) and everything (everyone) in its (her/his) place’ i.e. people and materials must be in suitable places at appropriate time for maximum efficiency. ▪ If there is a fixed place for everything and it is present there, then there will be no hindrance in the activities of business/ factory. This will lead to increased productivity and efficiency. <p style="text-align: center;">OR</p> <p>(b) Explain the following points of significance of principles of management:</p> <p>(i) Scientific Decision</p> <p>(ii) Fulfilling Social Responsibility</p> <p>Ans.</p> <p>(i) Scientific Decision</p> <ul style="list-style-type: none"> ▪ Principles of management help in taking scientific decisions because the decisions based on principles are free from bias and prejudice and emphasise logic rather than blind faith. ▪ Scientific decisions based on principles are timely, realistic and subject to measurement and evaluation. They are based on the objective assessment of the situation. <p>(ii) Fulfilling Social Responsibility</p> <ul style="list-style-type: none"> ▪ Increased awareness of the public forces businesses to fulfill their social responsibilities. Principles of management help in doing so by responding to the demands of the public. ▪ The interpretation of the principles also assumes newer and contemporary meanings with the change in time. Management theory and management principles have also 	<p>2 marks = 2+2 =</p> <p>4 marks</p> <p style="text-align: center;">OR</p> <p>2 marks</p> <p>2 marks = 2+2 =</p>
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	evolved in response to this.	4 marks
26	<p>Q. (a) Explain the following features of co-ordination:</p> <p>(i) Co-ordination ensures unity of action.</p> <p>(ii) Co-ordination is a continuous process.</p> <p>Ans.</p> <p>(i) Co-ordination ensures unity of action</p> <ul style="list-style-type: none"> ▪ The purpose of coordination is to secure unity of action in the realisation of a common purpose. ▪ It acts as the binding force between departments and ensures that all action is aimed at achieving the goals of the organisation. <p>(ii) Co-ordination is a continuous process.</p> <ul style="list-style-type: none"> ▪ Coordination is not a one-time function but a continuous process. ▪ It begins at the planning stage and continues till controlling. <p style="text-align: center;">OR</p> <p>(b) Explain the following features of management:</p> <p>(i) Management is a group activity.</p> <p>(ii) Management is an intangible force.</p> <p>Ans. (i) Management is a group activity</p> <ul style="list-style-type: none"> ▪ An organisation is a collection of diverse individuals with different needs working towards fulfilling common organisational goal. ▪ This requires team work and coordination of individual effort in a common direction. <p>(ii) Management is an intangible force</p>	<p>2 marks</p> <p>2 marks</p> <p>2 marks</p> <p>=</p> <p>2+2</p> <p>=</p> <p>4 marks</p> <p>OR</p> <p>2 marks</p>

	<ul style="list-style-type: none"> Management is an intangible force that cannot be seen but its presence can be felt in the way the organisation functions. The effect of management is noticeable in an organisation where targets are met according to plans, employees are happy and satisfied, and there is orderliness instead of chaos. 	<p>2 marks = 2+2 = 4 marks</p>
27	<p>Q. The demand for take away food business is increasing day-by-day. People working in multi-national companies have to work till night very often and they are reluctant to cook food. Taking advantage of this opportunity, Amit and Bijoy started 'Langar', a take away food business. The food became famous because of its good quality and standards of hygiene followed by them.</p> <p>Over the years, the business became very profitable. They decided to expand the business by opening more branches in different cities. To ensure consistent food quality at all branches and to maintain the hygiene. and quality they planned to import machines with advanced technology. The cost of each machine was Rs. 12 crores. They knew that this decision has to be taken very carefully, as it involves a huge cost and that the decision, once taken is irreversible.</p> <p>(i) Identify and state the financial decision discussed in the above para. (ii) Explain any two factors affecting the decision identified in (i) above.</p> <p>Ans. (i) Investment decision/ Capital budgeting decision</p> <p>The investment decision relates to how the firm's funds are invested in different assets so that they are able to earn the highest possible return for their investors</p>	<p>(½ mark for identifying + ½ mark for stating)</p>

	<p>(ii) <u>Factors affecting capital budgeting decision: (Any two)</u></p> <p>(a) Cash flows of the project</p> <p>(b) Rate of return of the project</p> <p>(c) Investment criteria involved</p> <p>(If an examinee has not given the headings as above but has given the correct explanation, full credit should be given)</p>	<p>(½ mark for the heading + 1 mark for the explanation) x 2 = 1+3 = 4 marks</p>
28	<p>Q. Going to gym and following a protein diet has become a popular trend these days. However, with the busy work culture, many people, especially the youth struggle to find time for weight loss programmes.</p> <p>Anika was working in a multi-national company, wanted to join a gym for weight loss but could not find time. There is no good gym near her house. One day, Anika was walking out of the office during lunch time and saw an attractive poster of a gym which was near her house. Anika was curious to enquire about their weight loss programme. Next day, when she went to the gym, she was surprised to know about various schemes offered by the gym. They were not only offering 50% discount on the fee of weight loss programme, but were also providing free coach facility and free protein diet for the customer. But these offers were valid only for 10 days. Attracted by these schemes Anika immediately submitted the fee and joined the gym.</p> <p>(i) Identify and give the meaning of the element of marketing-mix discussed above.</p> <p>(ii) The element of marketing-mix identified in (i) above includes various tools of communication. Identify and</p>	

	<p>explain the tools highlighted in the above para.</p> <p>Ans.</p> <p>(i) Promotion Mix/ Promotion</p> <p>Promotion mix refers to combination of promotional tools used by an organisation to achieve its communication objectives.</p> <p>(ii) Tools of communication highlighted in the above para are:</p> <p>(a) Advertising</p> <p>It refers to impersonal form of communication which is paid for by an identified sponsor/marketer to promote some goods or services.</p> <p>It means that there is no face to face contact between the prospect and the advertiser, the identified sponsor has to bear the cost of communication.</p> <p>(b) Sales promotion</p> <p>It refers to short term incentives, which are designed to encourage the buyers to make immediate purchase of a product or service.</p> <p>Sales promotion activities include offering cash discounts, sales contests, free gift offers, and free sample distribution.</p>	<p>(½ mark for identifying the element + ½ mark for its meaning)</p> <p>+</p> <p>(½ mark for identifying each tool + 1 mark for the explanation) x 2</p> <p>= 1+3 = 4 marks</p>
29	<p>Q. Nisha had given some old dresses of her own to her house-helper Beenu. After a few days, Nisha was happily surprised when she saw Beenu wearing one of the dresses beautifully refurbished. On enquiry, Beenu told Nisha that this was done by her daughter who had just completed her</p>	

	<p>Class 12th studies. Beenu also told Nisha that she was a little concerned as her daughter did not want to study further. Nisha was very much impressed by the creativity of Beenu's daughter, so she decided to setup a small business for her. Nisha bought 15 sewing machines and appointed 15 girls to refurbish the old dresses. Nisha also arranged old dresses from various sources and employed a person who will sell these dresses at a very low cost for the one's who could not purchase news dresses due to their low income.</p> <p>Nisha divided the girls in three equal groups, each having five sewing machines. Each group was given a target of refurbishing 150 old dresses in a fortnight with a cost of Rs. 30 per dress.</p> <p>After a fortnight, Nisha who was supervising this business with Beenu was informed that Group I was able to meet the target by refurbishing 150 old dresses at a cost of Rs. 30 per dress. Group II was able to refurbish 150 old dresses at a cost of Rs. 35 per dress, whereas Group III could refurbish only 140 old dresses but at a cost of Rs. 27 per dress.</p> <p>(i) Identify the concepts of management discussed above for each of the three groups giving reason in support of your answer.</p> <p>(ii) Give meaning of the concepts identified in (i) above and state which one is important for the management and why?</p> <p>Ans.</p> <p>(i) Efficiency and Effectiveness are the concepts discussed above</p> <p><u>Group I</u> is effective as well as efficient as they were able to meet the target of refurbishing 150 old dresses at a cost of Rs.30 per dress.</p> <p><u>Group II</u> is effective but not efficient as they were able to meet the target of refurbishing 150 old dresses but at a higher cost.</p>	<p>1 Mark</p> <p>½ mark</p> <p>½ mark</p>
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	<p><u>Group III</u> is not effective but efficient as they were able to refurbish only 140 old dresses but were able to do it at a lower cost.</p> <p>(ii) <u>Efficiency</u>- Efficiency means doing the task correctly and with minimum cost.</p> <p><u>Effectiveness</u>- Effectiveness means doing the right task, completing activities and achieving goals.</p> <p>For management, it is important to be both effective and efficient.</p>	<p>$\frac{1}{2}$ mark</p> <p>$\frac{1}{2}$ mark</p> <p>$\frac{1}{2}$ mark</p> <p>$\frac{1}{2}$ mark = 4 marks</p>
30	<p>Q. Prachi is working as an academic counsellor for specially abled students at one of the top school to provide special support and guidance to these students. She clearly states in advance the methods of teaching and tackling the students. She ensures that the goals are clearly stated for each and every teacher so that they act as a guide for deciding what action should be taken and in which direction.</p> <p>Her well laid plans will serve as a basis for coordinating the activities and efforts of teachers teaching different subjects to these students. It helps the teachers in bringing clarity of thought and action to their work.</p> <p>Identify and explain the two points of importance of 'Planning' function of management highlighted in the above para.</p> <p>Ans. Two points of importance of 'Planning' function of management highlighted in the above para are:</p> <p>(i) Planning provides directions</p> <ul style="list-style-type: none"> Planning ensures that the goals or objectives are clearly 	<p>$(\frac{1}{2})$ mark for each</p>

	<p>stated so that they act as a guide for deciding what action should be taken and in which direction.</p> <ul style="list-style-type: none"> ▪ If goals are well defined, employees are aware of what the organisation has to do and what they must do to achieve those goals. Departments and individuals in the organisation are able to work in coordination. <p>(ii) Planning reduces overlapping and wasteful activities</p> <ul style="list-style-type: none"> ▪ Planning serves as the basis of coordinating the activities and efforts of different divisions, departments and individuals. It helps in avoiding confusion and misunderstanding. ▪ Since planning ensures clarity in thought and action, work is carried on smoothly without interruptions. Useless and redundant activities are minimised or eliminated. 	<p>heading + 1½ marks for each explanation)</p> <p>x 2 = 4 marks</p>
31	<p>Q. (a) Explain the following steps in the process of selection:</p> <p>(i) Selection Decision</p> <p>(ii) Medical Examination</p> <p>(iii) Job Offer</p> <p>(iv) Contract of Employment</p> <p>Ans.</p> <p>(i) Selection Decision</p> <ul style="list-style-type: none"> ▪ The Selection Decision has to be made from among the candidates who pass the tests, interviews and reference checks. ▪ The views of the concerned manager will be generally considered in the final selection because it is he/she who is responsible for the performance of the new employee. <p>(ii) Medical Examination</p> <ul style="list-style-type: none"> ▪ After the selection decision and before the job offer is made, 	<p>1½ marks</p>

	<p>wastage and spoilage and ensuring that each activity is performed in accordance with pre-determined standards.</p> <p>(d) It <u>improves employee motivation</u> and helps them to give better performance as they know well in advance what they are expected to do and what are the standards of performance on the basis of which they will be appraised.</p> <p>(e) It <u>ensures order and discipline</u> among employees and minimises dishonest behaviour on the part of the employees by keeping a close check on their activities.</p> <p>(f) It <u>facilitates coordination</u> in action as each department in governed by pre-determined standards which are well coordinated with one another, thereby providing direction to all activities and efforts for achieving organisational goals.</p> <p>(If an examinee has given only the headings , ½ mark for each heading should be awarded)</p>	<p>1+5 = 6 marks</p>
33	<p>Q. (a) State any three advantages and any three limitations of informal organization.</p> <p>Ans.</p> <p><u>Advantages of Informal Organisation: (Any three)</u></p> <p>(i) It leads to faster spread of information as well as a quick feedback as prescribed lines of communication are not followed.</p> <p>(ii) It helps to fulfill the social needs of the members which enhances their job satisfaction and gives them a sense of belongingness in the organisation.</p>	<p>(1 x 3)</p>

	<p>(iii) It contributes towards fulfillment of organisational objectives by compensating for inadequacies in the formal organisation.</p> <p>(If an examinee has only listed the points, ½ mark for each point should be awarded)</p> <p><u>Limitations of informal organisation:</u></p> <p>(i) When an informal organisation <u>spreads rumours</u>, it becomes a destructive force and goes against the interest of the formal organisation.</p> <p>(ii) It may lead to <u>resistance to change which may delay or restrict growth as the management may not be successful in implementing changes if the informal organisation opposes them</u></p> <p>(iii) It <u>pressurizes members to conform to group expectations</u> which may be against organisational interest.</p> <p>(If an examinee has only listed the points, ½ mark for each point should be awarded)</p> <p style="text-align: center;">OR</p> <p>(b) State any three advantages and any three disadvantages of divisional structure of organization.</p> <p>Ans. <u>Advantages of Divisional structure: (Any three)</u></p> <p>(i) Product specialisation helps in the development of varied skills in a divisional head and this prepares him for higher positions. This is because he gains experience in all functions related to a particular product.</p> <p>(ii) It helps in fixation of responsibility in cases of poor performance of the division as the divisional heads are</p>	<p style="text-align: center;">+</p> <p style="text-align: center;">(1 x 3)</p> <p style="text-align: center;">=</p> <p style="text-align: center;">3+3</p> <p style="text-align: center;">=</p> <p style="text-align: center;">6 marks</p> <p style="text-align: center;">OR</p> <p style="text-align: center;">(1 x 3)</p>
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	<p>accountable for profits for their department.</p> <p>(iii) It promotes flexibility and initiative because each division functions as an autonomous unit which leads to faster decision making.</p> <p>(iv) It facilitates expansion and growth as new divisions can be added without interrupting the existing operations by merely adding another divisional head and staff for the new product line.</p> <p>(If an examinee has only listed the points, ½ mark for each point should be awarded)</p> <p><u>Disadvantages of Divisional structure: (Any three)</u></p> <p>(i) Conflict may arise among different divisions with reference to allocation of funds and further a particular division may seek to maximise its profits at the cost of other divisions.</p> <p>(ii) It may lead to increase in costs since there may be a duplication of activities across products.</p> <p>(iii) It provides managers with the authority to supervise all activities related to a particular division. In course of time, such a manager may gain power and in a bid to assert his independence may ignore organisational interests.</p> <p>(If an examinee has only listed the points, ½ mark for each point should be awarded)</p>	<p>+</p> <p>(1 x 3)</p> <p>=</p> <p>3+3</p> <p>=</p> <p>6 marks</p>
34	<p>Q. Ravi and Megha started 'Energylights' a company manufacturing energy-efficient LED lighting after realizing an increasing demand for the same. Manufacturing high-quality LED lights with some unique features required substantial investment in technology and high-grade materials. This pushed up their cost of manufacturing. To determine the price of their LED lights they not only wanted to cover all costs but also wanted to earn a margin</p>	

	<p>of profit over and above the costs. This will set for them the minimum level or the floor price at which the LED lights would be sold. The high demand and the utility provided by these lights will set the upper limit of the price.</p> <p>Though there was enough competition in LED lights business, even then they kept the price of their lights higher than the competitors because of good quality and its features. They justified the higher price because of the product differentiation and unique methods of advertising and sales promotion etc.</p> <p>Quoting lines from the above para, identify and explain any three factors which were taken into consideration by Ravi and Megha to determine the price of their LED lights.</p> <p>Ans. Factors taken into consideration by Ravi and Megha to determine the price of their LED lights were:</p> <p>(i) Product cost</p> <p>Product cost includes the cost of producing, distributing and selling the product. It determines the minimum level or the floor price at which the product may be sold.</p> <p><i>‘To determine the price of their LED lights they not only wanted to cover all costs but also wanted to earn a margin of profit over and above the costs’</i></p> <p style="text-align: center;"><i>or</i></p> <p><i>‘This will set for them the minimum level or the floor price at which the LED lights would be sold’</i></p> <p>(ii) The utility and demand</p> <p>Utility and demand set the upper limit of the price which the buyer would be prepared to pay. The buyer may be ready to pay up to the point where the utility from the product is at least equal to the sacrifice made in terms of the price paid. However, the seller would, however, try to at least cover the costs.</p>	<p>(½ mark for identifying the factor + ½ mark for quoting + 1 mark</p>
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	<p><i>'The high demand and the utility provided by these lights will set the upper limit of the price'</i></p> <p>(iii) Extent of competition in the market</p> <p>In lesser competition, the price will tend to reach the upper limit while in free competition; the price will tend to be set at a lower level. Not only the price but the quality and the features of the competitive products must be examined carefully before fixing the price.</p> <p><i>'Though there was enough competition in LED lights business, even then they kept the price of their lights higher than the competitors because of good quality and its features'</i></p>	<p>for explan ation)</p> <p>=</p> <p>2 x 3</p> <p>=</p> <p>6 marks</p>
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