

***Strictly Confidential: (For Internal and Restricted Use Only)***

**Senior Secondary School Certificate Examination**

**March -----2025**

**Marking Scheme---Business Studies 66/5/2**

***General Instructions:***

<b>1</b>	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.
<b>2</b>	<b>“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.”</b>
<b>3</b>	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. <b>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.</b>
<b>4</b>	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.
<b>5</b>	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.
<b>6</b>	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. <b>This is most common mistake which evaluators are committing.</b>
<b>7</b>	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.
<b>8</b>	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 <b>“Extra Question”</b> .
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"> <li>● Leaving answer or part thereof unassessed in an answer book.</li> <li>● Giving more marks for an answer than assigned to it.</li> <li>● Wrong totaling of marks awarded on an answer.</li> <li>● Wrong transfer of marks from the inside pages of the answer book to the title page.</li> <li>● Wrong question wise totaling on the title page.</li> <li>● Wrong totaling of marks of the two columns on the title page.</li> <li>● Wrong grand total.</li> <li>● Marks in words and figures not tallying/not same.</li> <li>● Wrong transfer of marks from the answer book to online award list.</li> <li>● 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.)</li> <li>● Half or a part of answer marked correct and the rest as wrong, but no marks awarded.</li> </ul>
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 <b>“Guidelines for spot Evaluation”</b> 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 /5/ 2	<b>MARKING SCHEME– 2025</b> <b>BUSINESS STUDIES</b> <b>66/5/2</b> <b>EXPECTED ANSWERS/ VALUE POINTS</b>	<b>MARKS</b>
1	<p><b>‘All organisations exist for the performance of some work. Management translates this work in terms of goals to be achieved and assigns the means to achieve it.’</b></p> <p><b>The dimension of management discussed above is:</b>  <b>(A) Management of work                      (B) Management of People</b>  <b>(C) Management of operations              (D) Both (B) and (C)</b></p> <p><b>Ans. (A) Management of work</b></p>	<b>1 Mark</b>
2	<p><b>Q Read the following statements carefully:</b></p> <p><b><i>Statement I:</i> Workload analysis would enable an assessment of the number and types of human resources available for the performance of various jobs.</b></p> <p><b><i>Statement II:</i> Workforce analysis would reveal the number and types of human resources necessary for the performance of various jobs.</b></p> <p><b>In the light of the above statements, choose the correct alternative from the options given below:</b>  <b>(A) Both Statement I and Statement II are true.</b>  <b>(B) Both Statement I and Statement II are false.</b>  <b>(C) Statement I is true and Statement II is false.</b>  <b>(D) Statement I is false and Statement II is true.</b></p> <p><b>Ans. (B) Both Statement I and Statement II are false.</b></p>	<b>1 Mark</b>
3	<p><b>Q Read the following statements: Assertion (A) and Reason (R).</b></p> <p><b><i>Assertion (A):</i> Training enhances employee productivity, both in terms of quality and quantity, leading to high profits for the organisation.</b></p> <p><b><i>Reason (R):</i> Training is a systematic learning which is always better, as hit and trial methods without systematic learning lead to wastage of efforts and money.</b></p> <p><b>Choose the correct alternative from the options given below:</b></p>	

	<p>(A) Both Assertion (A) and Reason (R) are false.          (B) Assertion (A) is true, but Reason (R) is false.          (C) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).          (D) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).</p> <p>Ans. (C) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).</p>	1 Mark
4	<p>Q Ramesh and Harish are best friends, both working at 'Anuja Garments Ltd.', a company manufacturing designer clothing for women. Ramesh works in the marketing department and aims to increase the sales by 15% by offering discounts. However, Harish, the finance manager is not giving approval for this discount as it would mean loss of revenue for the company. This kind of conflict arises in organisations where each department performs activities in isolation from the other. To resolve such issues, there is a need for linking the activities of various departments. The concept of management which integrates the efforts of different departments, and at different levels, is:</p> <p>(A) Efficiency          (B) Effectiveness          (C) Controlling          (D) Coordination</p> <p>Ans. (D) Coordination</p>	1 Mark
5	<p>Q Read the following statements: Assertion (A) and Reason (R).</p> <p><i>Assertion (A):</i> Marketing is only a post production activity.  <i>Reason (R) :</i> Marketing includes activities like identification of customer needs, collection of information for developing the product, designing suitable product package and giving it a brand name.</p> <p>Choose the correct alternative from the options given below:          (A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).          (B) Both Assertion (A) and Reason (R) are false.          (C) Assertion (A) is true, but Reason (R) is false.          (D) Assertion (A) is false, but Reason (R) is true.</p> <p>Ans. (D) Assertion (A) is false, but Reason (R) is true.</p>	

		<b>1 Mark</b>
<b>6</b>	<p><b>Q 'Management helps in providing good quality products and services, creates employment opportunities, adopts new technology for the greater good of the people and leads to the path towards growth and development.'</b></p> <p><b>The point of importance of management highlighted above is:</b>  <b>(A) Management helps in achieving group goals.</b>  <b>(B) Management increases efficiency.</b>  <b>(C) Management helps in achieving personal objectives.</b>  <b>(D) Management helps in development of society.</b></p> <p><b>Ans. (D) Management helps in development of society.</b></p>	<b>1 Mark</b>
<b>7</b>	<p><b>Q 'Maira Electronics' is a manufacturer of smartphones and famous for its quality. It is a large organisation, so each and every piece produced cannot be checked. So the company made a policy that out of 500 smartphones produced a day, 20 smartphones would be randomly selected for a quality check.</b></p> <p><b>Identify the step of controlling process discussed above:</b>  <b>(A) Setting performance standards</b>  <b>(B) Measurement of actual performance</b>  <b>(C) Comparing actual performance with standards</b>  <b>(D) Taking corrective action</b></p> <p><b>Ans. (B) Measurement of actual performance</b></p>	<b>1 Mark</b>
<b>8</b>	<p><b>Q 'Payal Ltd.' plans to start manufacturing solar panels which will require a significant amount of investment in machinery. The machinery which they intend to purchase is newly launched in the market. It will not only reduce the cost per unit, but also double the production as compared to the machines used by other solar panel manufacturers already existing in this business.</b></p> <p><b>The Chief Executive Officer of 'Payal Ltd.' asked the finance manager to forecast the fund requirements for purchasing the above machinery to ensure that enough funds are available at the right time.</b></p> <p><b>From the following, identify the concept about which the Chief Executive Officer is discussing with the finance manager:</b>  <b>(A) Capital Budgeting</b>                      <b>(B) Trading on Equity</b>  <b>(C) Financial Planning</b>                      <b>(D) Wealth Maximisation</b></p>	

	<b>Ans. (C) Financial Planning</b>	<b>1 Mark</b>
<b>9</b>	<p><b>Q Veena received ₹ 40 lakhs as a gift from her father. She was discussing various avenues of investing her money with her brother. He advised Veena to invest her money in shares of Moreso Ltd., a reputed company. He further added that it would not only generate good returns over the long term, but could easily be sold whenever required.</b></p> <p><b>Identify the function of stock exchange being highlighted by Veena's brother in the above case:</b></p> <p><b>(A) Pricing of securities</b>  <b>(B) Providing liquidity and marketability to existing securities</b>  <b>(C) Safety of transactions</b>  <b>(D) Providing scope for speculation</b></p> <p><b>Ans. (B) Providing liquidity and marketability to existing securities</b></p>	<b>1 Mark</b>
<b>10</b>	<p><b>Q ‘XYZ Ltd.’ is using registers to record attendance of the employees even in this new tech era. The Human Resource Manager is facing problems due to the dishonest behaviour of employees as they are writing wrong working hours. Not only this, the Production Manager is also reporting about the theft of raw materials every day. To resolve these types of problems, the company started using biometric attendance system and installed cameras at important areas to keep an eye on the activities of the employees. This helped in reducing dishonest behaviour of the employees to a large extent.</b></p> <p><b>The point of importance of controlling highlighted in the above case is:</b></p> <p><b>(A) Improving employee motivation</b>  <b>(B) Ensuring order and discipline</b>  <b>(C) Making efficient use of resources</b>  <b>(D) Accomplishing organisational goals</b></p> <p><b>Ans. (B) Ensuring order and discipline</b></p>	<b>1 Mark</b>
<b>11</b>	<p><b>Q ‘ABC Ltd.’, a large multinational company had approximately 1000 employees in each of its departments. The company had five departments. In this organisation, leave applications of the employees had to be approved by the departmental heads. This approval is delayed due to large number of leave applications in each department. This led to a</b></p>	

	<p>lot of dissatisfaction amongst the employees. To resolve this problem, the Chief Executive Officer of the organisation called a meeting of all departmental heads. It was decided to assign the approval of leave applications up to 10 days to the managers at all levels. It was also decided that it will be assigned till the lowest level throughout the organisation. Since the decision-making authority was shared with lower levels and placed nearest to the point of action, they could approve or deny leave applications without requiring higher level approval. After the policy change, employees at all levels noticed an improvement in the sanctioning of leave applications.</p> <p>The concept of management which led to an improvement in the speed and flexibility of leave approval is:          (A) Organising (B) Delegation          (C) Decentralisation (D) Authority</p> <p>Ans. (C) Decentralisation</p>	1 Mark
12	<p>Q Identify the external source of recruitment displayed in the picture given below:</p>  <p>(A) Advertisement (B) Direct recruitment          (C) Web publishing (D) Labour contractors</p> <p>Ans. (C) Web publishing</p> <p>Note: The following question is for the Visually Impaired Candidates only in lieu of Q. No. 15.</p> <p>Q 'Many reputed business organisations keep a database of unsolicited applicants in their offices and can be screened to fill the vacancies as they arise.'</p>	1 Mark

	<p><b>The external source of recruitment discussed above is:</b>  <b>(A) Casual callers                      (B) Recommendations of employees</b>  <b>(C) Direct recruitment                (D) Labour contractors</b></p> <p><b>Ans. (A) Casual callers</b></p>	<b>1 Mark</b>
<b>13</b>	<p><b>Q ‘Business Environment includes both specific and general forces.’ Which of the following force is <i>not</i> included in specific forces?</b></p> <p><b>(A) Legal conditions</b>  <b>(B) Investors</b>  <b>(C) Competitors</b>  <b>(D) Suppliers</b></p> <p><b>Ans. (A) Legal conditions</b></p>	<b>1 Mark</b>
<b>14</b>	<p><b>Q Read the following statements carefully:</b></p> <p><b><i>Statement I:</i> Organising is the process of defining and grouping the activities of the enterprise and establishing authority relationships among them.</b></p> <p><b><i>Statement II:</i> Process of organising involves a series of steps that need to be taken in order to achieve the desired goals.</b></p> <p><b>In the light of the above statements, choose the correct alternative from the options given below:</b>  <b>(A) Both Statement I and Statement II are true.</b>  <b>(B) Both Statement I and Statement II are false.</b>  <b>(C) Statement I is true and Statement II is false.</b>  <b>(D) Statement I is false and Statement II is true.</b></p> <p><b>Ans. (A) Both Statement I and Statement II are true.</b></p>	<b>1 Mark</b>
<b>15</b>	<p><b>Q ‘Monitoring plans is important to ensure that objectives are achieved’ is one of the steps in the process of planning.</b></p> <p><b>Identify the step from the following:</b>  <b>(A) Setting objectives                      (B) Developing premises</b>  <b>(C) Implementing the plan                (D) Follow-up action</b></p> <p><b>Ans. (D) Follow-up action</b></p>	<b>1 Mark</b>



16	<p><b>Q Match the type of plan given in Column I with its meaning given in Column II.</b></p> <table><tr><th><i>Column I</i></th><th><i>Column II</i></th></tr><tr><td>1. Policy</td><td>(i) A comprehensive plan for accomplishing an organization's objectives.</td></tr><tr><td>2. Procedure</td><td>(ii) A detailed statement about a project which outlines the objectives, policies, procedures, rules, tasks, human and physical resources required and the budget to implement any course of action.</td></tr><tr><td>3. Programme</td><td>(iii) A general statement that guides thinking or channelises energies towards a particular direction.</td></tr><tr><td>4. Strategy</td><td>(iv) Routine steps on how to carry out activities.</td></tr></table> <p><b>Choose the correct option from the following:</b> (A) 1-(iii), 2-(iv), 3-(ii), 4-(i) (B) 1-(i), 2-(iii), 3-(iv), 4-(ii) (C) 1-(ii), 2-(i), 3-(iii), 4-(iv) (D) 1-(iv), 2-(ii), 3-(i), 4-(iii)</p> <p><b>Ans. (A) 1-(iii), 2-(iv), 3-(ii), 4-(i)</b></p>	<i>Column I</i>	<i>Column II</i>	1. Policy	(i) A comprehensive plan for accomplishing an organization's objectives.	2. Procedure	(ii) A detailed statement about a project which outlines the objectives, policies, procedures, rules, tasks, human and physical resources required and the budget to implement any course of action.	3. Programme	(iii) A general statement that guides thinking or channelises energies towards a particular direction.	4. Strategy	(iv) Routine steps on how to carry out activities.	<b>1 Mark</b>
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17	<p><b>Q _____ is the instrument, which is traded in Money Market.</b></p> <p>(A) Equity share                      (B) Debenture (C) Commercial paper              (D) Bond</p> <p><b>Ans. (C) Commercial paper</b></p>	<b>1 Mark</b>										
18	<p><b>Q The process of holding securities in an electronic form is known as:</b></p> <p>(A) Rolling settlement (B) Registration (C) Dematerialization (D) Depository</p>											

	<b>Ans. (C) Dematerialization</b>	<b>1 Mark</b>
<b>19</b>	<p><b>Q 'If the shareholders in general desire that at least a certain amount is paid as dividend, the companies are likely to declare the same.'</b></p> <p><b>The above statement highlights which of the following factors affecting dividend decision?</b></p> <p><b>(A) Amount of Earning</b>  <b>(B) Shareholders' Preference</b>  <b>(C) Stability of Earnings</b>  <b>(D) Stability of Dividends</b></p> <p><b>Ans. (B) Shareholders' Preference</b></p>	<b>1 Mark</b>
<b>20</b>	<p><b>Q Which of the following statement is <i>incorrect</i> in respect of responsibility of a consumer while purchasing, using and consuming goods and services?</b></p> <p><b>(A) Check ISI mark on food products before buying.</b>  <b>(B) Ask for a cash-memo on purchase of goods and services.</b>  <b>(C) Read labels carefully so as to have information about prices, not weight, manufacturing and expiry dates, etc.</b>  <b>(D) Assert yourself to ensure that you get a fair deal.</b></p> <p><b>Ans. (A) Check ISI mark on food products before buying.</b></p>	<b>1 Mark</b>
<b>21</b>	<p><b>Q 'Essential Ltd.' is a company that has been manufacturing cooking oil for the past 20 years and 700 employees are working in it. Recognising the growing demand for hair care products, they developed a unique formula for hair growth useful even for people who are bald. They want to keep the formula confidential to maintain a competitive edge. As they plan to immediately launch the hair oil in the market, they needed reliable people who could be evaluated more accurately and be placed in this specialised department quickly. For this, the Chief Executive Officer consulted the Human Resource Manager, Karn. Karn suggested that there are five reliable and hard-working employees who will be a good fit for this specialised department. Also, there are two employees in the production department to whom they can give the responsibility heading this department with higher pay. The company is committed to improve motivation, loyalty and satisfaction level of employees.</b></p>	

	<p><b>Explain any two sources of recruitment discussed above which will help 'Essential Ltd.' to recruit reliable people in this specialised department.</b></p> <p><b>Ans. (i) Transfers:</b> It refers to shifting of an employee from one job to another, one department to another or from one shift to another, without a substantive change in the responsibilities and status of the employee.</p> <p><b>(ii) Promotions:</b> It refers to shifting an employee to a higher position, carrying higher responsibilities, facilities, status and pay.</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><b>( ½ mark for heading + 1 mark for explanation)</b></p> <p><b>(1 ½ x 2 = 3 Marks)</b></p>															
22	<p><b>Q (a) Differentiate between 'Primary Market' and 'Secondary Market' on any three basis.</b></p> <p><b>Ans.</b> Differences between primary market and secondary market: <b>(Any three)</b></p> <table border="1"> <thead> <tr> <th>S.No.</th><th>Primary market</th><th>Secondary market</th></tr> </thead> <tbody> <tr> <td>1</td><td>There is sale of securities by new companies or further (new issues of securities by existing companies to investors).</td><td>There is trading of existing shares only.</td></tr> <tr> <td>2</td><td>Securities are sold by the company to the investor directly (or through an intermediary).</td><td>Ownership of existing securities is exchanged between investors. The company is not involved at all.</td></tr> <tr> <td>3</td><td>The flow of funds is from savers to investors, i.e. the primary market directly promotes capital formation</td><td>Enhances encashability (liquidity) of shares, i.e. the secondary market indirectly promotes capital formation</td></tr> <tr> <td>4</td><td>Only buying of securities takes place in the primary market, securities cannot be sold there</td><td>Both the buying and the selling of securities can take place on the stock exchange</td></tr> </tbody> </table>	S.No.	Primary market	Secondary market	1	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.	2	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.	3	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	4	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	<p><b>1 x 3 = 3 Marks</b></p>
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	<table> <tr> <td>5</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>6</td><td>There is no fixed geographical location.</td><td>Located at specified places</td></tr> </table> <p style="text-align: center;"><b>OR</b></p> <p><b>Q (b) Differentiate between 'Capital Market' and 'Money Market' on the following basis:</b>  <b>(i) Duration</b>  <b>(ii) Liquidity</b>  <b>(iii) Safety</b></p> <p><b>Ans.</b>  Distinction Between Capital Market and Money Market</p> <table> <tr> <th><b>BASIS</b></th><th><b>CAPITAL MARKET</b></th><th><b>MONEY MARKET</b></th></tr> <tr> <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> <tr> <td>Liquidity</td><td>Capital market securities are comparatively less liquid.</td><td>Money market securities are comparatively more liquid.</td></tr> <tr> <td>Safety</td><td>Capital market securities generally yield a higher return than money market instruments.</td><td>Money market securities yield comparatively less return.</td></tr> </table>	5	Prices are determined and decided by the management of the company	Prices are determined by demand and supply for the securities	6	There is no fixed geographical location.	Located at specified places	<b>BASIS</b>	<b>CAPITAL MARKET</b>	<b>MONEY MARKET</b>	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.	Liquidity	Capital market securities are comparatively less liquid.	Money market securities are comparatively more liquid.	Safety	Capital market securities generally yield a higher return than money market instruments.	Money market securities yield comparatively less return.	<b>OR</b>
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<b>23</b>	<p><b>Q (a) Explain the following factors affecting the fixed capital requirements of a company:</b></p> <p><b>(i) Scale of Operations</b>  <b>(ii) Technology Upgradation</b>  <b>(iii) Diversification</b></p> <p><b>Ans. Factors affecting fixed capital requirements of a company:</b></p> <p><b>(i) Scale of Operations:</b></p>																			

	<ul style="list-style-type: none"> <li>• Larger organisations operating at a higher scale needs bigger plant, more space etc.</li> <li>• Such organisation requires higher investment in fixed capital when compared with the small organisation.</li> </ul> <p><b>(ii) Technology Upgradation:</b></p> <ul style="list-style-type: none"> <li>• The organisations using assets prone to obsolescence requires faster replacements.</li> <li>• So, higher investments in fixed capital may be required in to purchase such assets.</li> </ul> <p><b>(iii) Diversification</b></p> <ul style="list-style-type: none"> <li>• A firm may choose to diversify its operations for various reasons because of which fixed capital requirements increase.</li> <li>• Such firms require more investment in fixed capital</li> </ul>	<p><b>1 x 3 = 3 Marks</b></p>
	<p style="text-align: center;"><b>OR</b></p> <p><b>Q (b) Explain the following factors affecting the capital budgeting decision of a company:</b></p> <p><b>(i) Cash flows of the project</b>  <b>(ii) The rate of return</b>  <b>(iii) The investment criteria involved</b></p> <p><b>Ans. Factors affecting the capital Budgeting decision of a company:</b></p> <p><b>(i) Cash flows of the project:</b></p> <ul style="list-style-type: none"> <li>• When a company takes an investment decision involving huge amount it expects to generate some cash flows over a period.</li> <li>• The amount of these cash flows should be carefully analysed before considering a capital budgeting decision.</li> </ul> <p><b>(ii) The rate of return:</b></p> <ul style="list-style-type: none"> <li>• The rate of return of the project and its calculations are based on the expected returns from each proposal and the assessment of the risk involved.</li> <li>• So, project with higher rate of return should be selected.</li> </ul> <p><b>(iii) The investment criteria involved</b></p>	<p style="text-align: center;"><b>OR</b></p>

	<ul style="list-style-type: none"> <li>The decisions to invest in a particular project involves a number of calculations regarding the amount of investment, interest rate, cash flows and rate of return.</li> </ul>	1 x 3 = 3 Marks
24	<p><b>Q Vani, after completing her course in 'Nutrition and Fitness', wanted to launch millet-based healthy snacks. She researched a lot and started manufacturing a range of healthy, crunchy millet namkeens and named them 'Pure Millets'. The name reflected natural ingredients, appealing to health-conscious consumers. The millet snacks were packaged in eco-friendly, bio-degradable packets with a reasonable feature, ensuring freshness and convenience. The stickers on the packets displayed the name with the tagline Power Your Health' and nutritional information and certifications like 'Organic Certified' to establish the product's health benefits. 'Pure Millets' got off to a good start.</b></p> <p><b>In addition to features and quality, various other product-related important decisions are discussed in the above case. Identify and give the meaning of any three such decisions.</b></p> <p><b>Ans. Product Related Decisions:</b></p> <ol style="list-style-type: none"> <li><b>Branding:</b> This is a process of giving a name or a sign or a symbol etc., to a product.</li> <li><b>Packaging:</b> It refers to the act of designing and producing the container or wrapper of a product.</li> <li><b>Labelling:</b> It refers to providing detailed information about the product, its contents, method of use.</li> </ol>	<p>( ½ mark for identification + ½ mark for meaning) =</p> <p>1 x 3 = 3 marks</p>
25	<p><b>Q 'Smart Aids' was a reputed company manufacturing e-walking sticks. It is now providing e-walking sticks with sensors or voice feedback for helping people with vision or mobility issues to move around more safely and easily. The company has been earning good profits.</b></p> <p><b>After its great success, it wants to diversify and enter into the manufacturing of high-class smart watches. These smart watches will help older people to live independently and safely while staying connected to their loved ones. These smart watches would also monitor their health by sending emergency alerts, reminding them to take medicines, etc. and help in managing their health issues. It will encourage physical activity and offer voice assistance for easy use and keep them connected with family through calls and messages.</b></p>	

	<p>Though there are very homogeneous functions in both the products, they set up a separate business unit for these watches. Both units will have separate managers responsible for the performance of their units and have authority over the unit. Each manager would be accountable for profits, revenues and costs of their unit. This type of organisational structure would help the organisation to add new units without interrupting the existing operations.</p> <p>(i) State the type of organisational structure suitable for 'Smart Aids' giving reason in support of your answer.</p> <p>(ii) Give two advantages of the organisational structure, which are highlighted in the above case.</p> <p><b>Ans.</b> (i) The <u>divisional structure</u> comprises of separate business units or divisions, each unit having a divisional manager responsible for performance and who has the authority over the unit.  <i>(If an examinee has only identified the structure, ½ mark should be awarded)</i>  <b>Reason :</b> This structure is suitable where a large variety of products are manufactured using different productive resources.</p> <p>(ii) <b>Advantages of Divisional Structure:</b>  <b>(a)</b> <u>Divisional heads are accountable for profits</u>, as revenues and costs related to different departments can be easily identified and assigned to them.  <b>(b)</b> <u>It facilitates expansion and growth</u> as new divisions can be added without interrupting the existing operations by merely adding another divisional head and staff for the new product line.  <i>(If an examinee has only listed the underlined points, ½ mark for each point should be awarded)</i></p>	<p>( 1 Mark for statement + 1 mark for reason) 2 marks</p> <p>1 x 2 = 2 Marks</p> <p>2+2= 4 Marks</p>
26	<p>Q Sara decided to purchase vegetables online from 'Desi Store' which is a popular online store. She ordered 1 kg carrots, 1 kg potatoes and 2 kg tomatoes. After receiving the order, Sara realised that the weight of the vegetables was much less than what she had ordered. On checking the website again, she found that on the website, only price of each item is stated, but the</p>	

	<p><b>weight or quantity of the vegetables against the price is not specified.</b></p> <p><b>She contacted the customer care center for her grievance. The customer care center representative simply told that weight of the vegetables varies, so it is not indicated against the price.</b></p> <p><b>Sara asked the representative many times to speak to a supervisor, but every time the representative stated that no one is available. Sara was disappointed and left a review on the website and filed a case in the District Forum.</b></p> <p><b>Identify and explain the two rights of the consumer discussed above.</b></p> <p><b>Ans.</b></p> <ol style="list-style-type: none"> <li><b>1. Right to be Informed:</b> <ul style="list-style-type: none"> <li>• The consumer has a right to have complete information about the product he intends to buy including its ingredients, date of manufacture, price, quantity, directions for use, etc.</li> <li>• It is because of this reason that the legal framework in India requires the manufacturers to provide such information on the package and label of the product.</li> </ul> </li> <li><b>2. Right to be Heard:</b> <ul style="list-style-type: none"> <li>• The consumer has a right to file a complaint and to be heard in case of dissatisfaction with a good or a service.</li> <li>• For this many enlightened business firms have set up their own consumer service and grievance cells.</li> </ul> </li> </ol>	<p><b>(1 mark for identification + 1 Mark for explanation)</b></p> <p><b>2 x 2 = 4 Marks</b></p>
<b>27</b>	<p><b>Q 'Omara Ltd.', is a garments company that produces jackets from organic, recycled and sustainable materials. The sourcing of eco-friendly fabrics, slower production process and focus on ethical labour practices result in big time gap between receipt of fabrics and their conversion into jackets. Since 'Omara Ltd.' faces intense competition in the garment industry, it has to hold large stocks of jackets to meet urgent orders from customers. To further attract and retain customers, 'Omara Ltd.' offers liberal credit terms to them. Thus 'Omara Ltd.' is able to perform much better than its competitors.</b></p> <p><b>(i) State whether the total working capital requirement of 'Omara Ltd.' will be high or low.</b></p>	



	<p><b>(ii) Justify your answer given in (i) above by identifying and stating any three factors affecting working capital requirements discussed in the above case.</b></p> <p><b>Ans.</b> (i) The total working capital requirement of 'Omara Ltd.' will be high.</p> <p><b>(ii) Factors affecting working capital requirements:</b></p> <p><b>(a) Production Cycle:</b> The working capital requirement of 'Omara Ltd.' would be high as there is a big time gap between receipt of fabrics and their conversion into jackets</p> <p><b>(b) Level of Competition:</b> 'Omara Ltd.' faces intense competition in the garment industry, it has to hold large stocks of jackets to meet urgent orders from customers, the working capital requirement would be high.</p> <p><b>(c) Credit Allowed:</b> The working capital requirement of 'Omara Ltd.' is high as it is offering liberal credit terms to its customers.</p>	<p><b>1 Mark</b></p> <p><b>( ½ mark for identification + ½ mark for statement)</b></p> <p><b>1 x 3</b></p> <p><b>1+3 = 4 Marks)</b></p>
<b>28</b>	<p><b>Q (a) Explain the following features of 'Management':</b></p> <p><b>(i) Management is a goal-oriented process.</b></p> <p><b>(ii) Management is a group activity.</b></p> <p><b>Ans.</b></p> <p><b>(i) Management is a goal-oriented process.</b></p> <ul style="list-style-type: none"> <li>• An organisation has a set of basic goals which are the basic reason for its existence. These should be simple and clearly stated.</li> <li>• Management unites the efforts of different individuals in the organisation towards achieving these goals.</li> </ul> <p><b>(ii) Management is a group activity.</b></p> <ul style="list-style-type: none"> <li>• An organisation is a collection of diverse individuals with different needs working towards fulfilling common organisational goal.</li> <li>• This requires team work and coordination of individual effort in a common direction.</li> </ul>	<p><b>2 Marks</b></p> <p><b>+</b></p> <p><b>2Marks</b></p> <p><b>= 4 Marks</b></p>

	<p style="text-align: center;"><b>OR</b></p> <p><b>Q b) Explain the following features of 'Principles of Management':</b></p> <p><b>(i) Universal applicability</b> <b>(ii) Flexible</b></p> <p><b>Ans. Features of principles of management:</b></p> <p><b>(i) Universal applicability:</b></p> <ul style="list-style-type: none"> <li>• The principles of management are intended to apply to all types of organisations, business as well as non-business, small as well as large, etc.</li> <li>• However, the extent of their applicability would vary with the nature of the organisation, business activity, scale of operations, etc.</li> </ul> <p><b>(i) Flexible</b></p> <ul style="list-style-type: none"> <li>• The principles of management are flexible as they are not rigid prescriptions, which have to be followed absolutely.</li> <li>• They can be modified by the manager when the situation so demands. They give the manager enough discretion to do so.</li> </ul>	<p style="text-align: center;"><b>OR</b></p> <p><b>2 Marks</b></p> <p style="text-align: center;">+</p> <p><b>2Marks</b></p> <p><b>= 4 Marks</b></p>
<b>29</b>	<p><b>Q (a) Explain the following principles of 'General Management':</b></p> <p><b>(i) Authority and Responsibility</b> <b>(ii) Unity of Direction</b></p> <p><b>Ans.</b></p> <p><b>(i) Authority and Responsibility –</b></p> <ul style="list-style-type: none"> <li>• The principle of Authority and Responsibility suggests that managers require authority commensurate with their responsibility.</li> <li>• An organisation should build safeguards against abuse of managerial power. At the same time, a manager should have necessary authority to carry out his responsibility.</li> </ul> <p><b>(ii) Unity of Direction:</b></p>	<p><b>2 Marks</b></p> <p style="text-align: center;">+</p> <p><b>2Marks</b></p>

	<ul style="list-style-type: none"> <li>• Each group of activities having the same objectives must have one head and one plan which ensures unity of action and coordination.</li> <li>• All the units of an organisation should be moving towards the same objectives through coordinated and focused efforts.</li> </ul> <p style="text-align: center;"><b>OR</b></p> <p><b>Q (b) Explain the following points of importance of principles of management:</b></p> <p><b>(i) Scientific decisions</b></p> <p><b>(ii) Meeting changing environment requirements</b></p> <p><b>Ans.</b></p> <p><b>(i) Scientific decisions</b></p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• Scientific decisions based on principles are timely, realistic and subject to measurement and evaluation. They are based on the objective assessment of the situation.</li> </ul> <p><b>(ii) Meeting changing environment requirements</b></p> <ul style="list-style-type: none"> <li>• Principles of management help the managers in meeting changing environment requirements because they can be modified according to the changes taking place in the environment.</li> <li>• As management principles are flexible, they are able to adapt to dynamic business environment.</li> </ul>	<p><b>= 4 Marks</b></p> <p style="text-align: center;"><b>OR</b></p> <p><b>2 Marks</b></p> <p style="text-align: center;">+</p> <p><b>2Marks</b></p> <p><b>= 4 Marks</b></p>
<b>30</b>	<p><b>Q 'AK Ltd.' is a large company with 4000 workers engaged in production of wide varieties of spices used in the Indian kitchen. The company has been struggling with a persistent issue of workers making unreasonable demands and going on strike frequently. To address the issue, the Chief Executive Officer appointed a management expert who will analyse the situation and suggest solutions to overcome the problem. The management expert analysed the situation and suggested that</b></p>	

	<p>the company could resolve the issue by following Taylor's principle of Scientific Management which suggested complete mental revolution on the part of both management and workers. It means that management and workers should transform their thinking, where even trade unions will not think of going on strike. It emphasises that prosperity of the employer cannot exist for a long time unless it is accompanied by the prosperity for the employees and vice versa.</p> <p>(i) Identify and explain the principle of Scientific Management discussed in the above case by the management expert. (ii) Also, explain another principle suggested by Taylor, which is an extension of the principle identified in (i) above.</p> <p><b>Ans. (i) Harmony, Not Discord:</b></p> <ul style="list-style-type: none"> <li>• This principle emphasises that there should be complete harmony between the management and the workers. Both should realise that each one is important. There should be complete mental revolution on the part of both management and workers and the workers should transform their thinking.</li> <li>• Management should share the gains of the company, if any, with the workers. At the same time workers should work hard and be willing to embrace change for the good of the company.</li> </ul> <p><b>(ii) Cooperation, Not Individualism:</b></p> <ul style="list-style-type: none"> <li>• This principle emphasises that there should be complete cooperation between the labour and the management instead of individualism. Competition should be replaced by cooperation and both the management and the workers should realise that they need each other.</li> <li>• Management should not close its ears to any constructive suggestions made by the employees and should reward the suggestions which results in substantial reduction in cost. They should be part of management. If any important decisions are taken, workers should be taken into confidence.</li> </ul>	<p>( ½ mark for identification + 1 ½ mark for explanation)</p> <p>2 x 2</p> <p>=</p> <p><b>4 Marks</b></p>
31	<p><b>Q (a) Explain any four limitations of 'Planning' function of management.</b></p> <p><b>Ans. Limitations of Planning (any four with explanation)</b></p>	<p>( ½ mark for</p>

	<p>(i) Planning leads to rigidity  (ii) Planning may not work in a dynamic environment  (iii) Planning reduces creativity  (iv) Planning involves huge costs  (v) Planning is a time-consuming process  (vi) Planning does not guarantee success</p> <p style="text-align: center;"><b>OR</b></p> <p><b>Q (b) Explain any four points of importance of ‘Organising’ function of management.</b></p> <p><b>Ans. Importance of Organising: (any four with explanation)</b></p> <p>(i) Benefits of specialisation  (ii) Clarity in working relationships  (iii) Optimum utilization of resources  (iv) Adaptation to change  (v) Effective administration  (vi) Development of personnel  (vii) Expansion and growth</p>	<p><b>heading + 1 mark for explanation)</b></p> <p><b>1 ½ x 4 = 6 Marks</b></p> <p><b>OR</b></p> <p><b>( ½ mark for heading + 1 mark for explanation)</b></p> <p><b>1 ½ x 4 = 6 Marks</b></p>
<b>32</b>	<p><b>Q 'Sound-it' is a startup planning to launch a line of wireless earbuds. Before launching, the company decides to gather feedback from customers through online surveys and interactive websites. From this research, they identify their target market as young, tech-savvy people, who value good sound quality, durability and comfort. The research also shows that customers want earbuds with long battery life, water resistance and the ability to easily connect with other devices.</b></p> <p><b>Using this information, 'Sound-it' designs earbuds that meet these needs of the customer. The earbuds are comfortable with soft eartips, include advanced noise-cancelling technology, a lightweight design and good water-resistance, making them perfect for sports and outdoor activities. The design not only improves sound and comfort, but also gives it a competitive edge in the market.</b></p> <p><b>It decides to charge an amount lower than their competitors to attract customers who want good quality at an affordable price after evaluating various factors like production costs, competitor prices, the product's utility and demand, etc.</b></p>	

	<p><b>To inform the customers about its earbuds, 'Sound-it', runs digital advertisement on social media and offers special discounts and free gift offers on its earbuds.</b></p> <p><b>Identify and explain the four marketing functions discussed in the above case.</b></p> <p><b>Ans. Functions of Marketing:</b></p> <p><b>1. Gathering and Analysing Market Information:</b></p> <ul style="list-style-type: none"> <li>• Marketer collect and analyse market information to identify the needs of the customers and take various decisions for the marketing of the products.</li> <li>• It is important to analyse available opportunities and threats as well as strengths and weaknesses of the organisation.</li> </ul> <p><b>2. Product Designing and Development:</b></p> <ul style="list-style-type: none"> <li>• The design of the product contributes to making the product attractive to the target customers.</li> <li>• A good design can improve performance of a product and give it a competitive advantage in the market.</li> </ul> <p><b>3. Pricing of Product:</b></p> <ul style="list-style-type: none"> <li>• Price is the amount of money customers have to pay to obtain the product.</li> <li>• It involves decisions regarding the basic price of the product, discount to customers, traders, credit terms etc.</li> </ul> <p><b>4. Promotion:</b></p> <ul style="list-style-type: none"> <li>• Promotion refers to communicating availability, features, merits, etc. of the products and services to the target customers and persuading them to buy it.</li> <li>• It uses a combination of promotional tools such as advertising, personal selling and sales promotion techniques.</li> </ul>	<p><b>( ½ Mark for heading + 1 Mark for explanation)</b></p> <p><b>1 ½ x 4 = 6 Marks</b></p>
<b>33</b>	<p><b>Q (a) Explain any four points of importance of 'Directing' function of management.</b></p> <p><b>Ans. Importance of Directing: (any four with explanation)</b></p>	

	<ol style="list-style-type: none"> <li>1. Directing helps to initiate action.</li> <li>2. Directing integrates employees' efforts</li> <li>3. Directing guides employees to fully realised their potential</li> <li>4. Directing facilitates introduction of needed changes</li> <li>5. Directing helps to bring stability and balance in the organisation</li> </ol> <p><b>(If an examinee has not given the headings as above but has given the correct explanation, full credit should be given)</b></p> <p style="text-align: center;"><b>OR</b></p> <p><b>Q (b) Explain the following styles of 'Leadership':</b></p> <ol style="list-style-type: none"> <li>(i) Autocratic Leadership</li> <li>(ii) Democratic Leadership</li> <li>(iii) Laissez- faire Leadership</li> </ol> <p><b>Ans.</b></p> <ol style="list-style-type: none"> <li>(i) Autocratic Leadership <ul style="list-style-type: none"> <li>• In autocratic leadership the leader gives orders and expects his subordinates to obey those orders i.e. communication is only one way.</li> <li>• This kind of leadership is dogmatic i.e. the leader does not change or wishes to be contradicted.</li> </ul> </li> <li>(ii) Democratic Leadership <ul style="list-style-type: none"> <li>• In democratic leadership the leader develops action plans and takes decisions in consultation with his subordinates.</li> <li>• A democratic leader encourages the subordinates to participate in decision- making and exercises control by using forces within the group.</li> </ul> </li> <li>(iii) Laissez- faire Leadership <ul style="list-style-type: none"> <li>• In Laissez – faire leadership the leader gives a high degree of independence to the followers to formulate their own objectives and ways to achieve them.</li> <li>• The group members work on their own tasks resolving issues themselves and assume responsibility for the work to be performed. The manager is there only to support them.</li> </ul> </li> </ol>	<p><b>( ½ Mark for heading + 1 Mark for explanation)</b></p> <p><b>1 ½ x 4 = 6 Marks</b></p> <p><b>OR</b></p> <p><b>2 x 3 = 6 Marks</b></p>
<b>34</b>	<b>Q Identify and explain the communication barrier discussed in each of the following cases and name the broad category of each communication barrier to which they relate:</b>	

	<p>(i) 'MNB Ltd.' launches a new software programme using Artificial Intelligence. Ajit, the Project Manager, explains the new software system to employees in the organisation, using terms like 'cloud computing', 'machine learning', etc. Since the employees are not specialists in this field, they cannot understand the actual meaning of many words used by the Project Manager.</p> <p>(ii) Rajesh, working as Production Manager in 'KLM Ltd.', approaches the General Manager, Kumar to discuss the problems he is having at work. Rajesh tells him about the increasing workload and the need for additional support. However, Kumar who is working on an important file, keeps glancing at it while nodding occasionally. He does not make eye contact with Rajesh or stop reading the file. He responds saying "Okay Rajesh, just try to manage". Rajesh leaves the office feeling disappointed.</p> <p>(iii) Suresh is a senior technician at a company manufacturing spare parts of a car. He suggests a new method for reducing the idle time on machines to increase efficiency. He presents his idea during a team meeting and is appreciated by everyone. But the manager Pankaj, does not offer any appreciation award for his brilliant idea.</p> <p><b>Ans.</b></p> <p>(i) <b>Technical jargon – Semantic Barrier</b> Generally specialists use technical jargon while explaining to persons who are not specialists in the concerned field. Therefore, they may not understand the actual meaning of many such words.</p> <p>(ii) <b>Lack of attention – Psychological Barrier</b> The preoccupied mind of receiver and the resultant non-listening of message acts as a major psychological barrier.</p> <p>(iii) <b>Lack of proper incentives – Personal Barrier</b> If there is no motivation or incentive for communication, subordinates may not take initiative to communicate.</p>	<p>( ½ Mark for identification + ½ mark for naming the category +1 mark for explanation)</p> <p><b>2 x 3 = 6 Marks</b></p>
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