

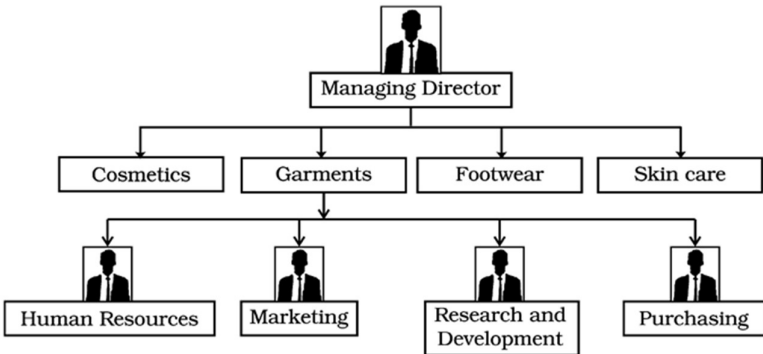
<p style="text-align: center;">Marking Scheme Strictly Confidential (For Internal and Restricted use only) Senior School Certificate Examination, 2023 SUBJECT NAME :BUSINESS STUDIES (66/2/1)</p>	
<u>General Instructions: -</u>	
1	You are aware that evaluation is the most important process in the actual 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.
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 _____(example 0 to 80/70/60/50/40/30 marks 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).
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 un assessed 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.

MARKING SCHEME

Senior Secondary School Examination, 2023
BUSINESS STUDIES (Subject Code — 054)
[Paper Code — 66/2/1]

Q. No.	EXPECTED ANSWER / VALUE POINTS	Marks
1.	<p>Q. Akash works as a production manager in 'Elite Enterprises' manufacturing LED lights. Due to festive season, there is lot of demand for their lights. Akash was given the task of producing 100 units of LED lights @ ₹200 per unit within 5 days for an urgent order. Akash was able to achieve the target of 100 units of LED lights within 5 days @ ₹220 per unit. Identify from the following whether Akash is:</p> <p>(a) Efficient only (b) Effective only (c) Both efficient and effective (d) Neither efficient nor effective</p> <p>Ans. (b) Effective only</p>	1 mark
2.	<p>Q. Which of the following items is a component of economic environment?</p> <p>(a) Expansion of transportation and communication services in Delhi. (b) Facility of booking train tickets, through mobile apps. (c) Restriction on 15-years-old petrol vehicles plying on roads in Delhi. (d) The Haryana Government's announcement of free bus rides females on the occasion of Rakshabandhan.</p> <p>Ans. (a) Expansion of Transportation and communication services in Delhi.</p>	1 mark

3.	<p>Q.</p>  <pre> graph TD MD[Managing Director] --> Cosmetics MD --> Garments MD --> Footwear MD --> SkinCare[Skin care] Cosmetics --> HR[Human Resources] Garments --> Marketing Footwear --> RnD[Research and Development] SkinCare --> Purchasing </pre> <p>Identify the type of organization structure depicted in the above diagram:</p> <p>(a) Divisional structure (b) Functional structure (c) Informal Structure (d) Both Informal and Functional Structure</p> <p>Ans. (a) Divisional structure</p>	1 mark
4.	<p>Q. With a revolution taking place in the manufacturing of mobile phones with super class cameras, the business of cameras in the consumer market has taken a hit. Studies show that mobile phone photography has devastated the camera industry.</p> <p>The dimension of business environment highlighted in the above case is:</p> <p>(a) Economic Environment (b) Technological Environment (c) Social Environment (d) Political Environment</p> <p>Ans.(b) Technological Environment</p>	1 mark
5.	<p>Q. Which of the following features of ‘Management as an Art’ highlights that every manager applies his knowledge of principles in his own way to deal with a given situation?</p> <p>(a) Ethical code of conduct (b) Existence of theoretical knowledge</p>	

	<p>(c) Personalised application (d) Universal Validity</p> <p>Ans. (c) Personalised application</p>	1 mark
6.	<p>Q. 'M/s J.K. Computers' is a small organisation engaged in assembling of computers. In this organisation, decision making rests with top management while the middle level is involved in only the implementation of plans. On the other hand, 'Progressive Computers Ltd.' is a large company where a number of people from each level are involved in the decision-making process.</p> <p>The application of the principle of 'Centralisation and Decentralisation' is different in the two organisations as the situation in each enterprise is not same.</p> <p>From the following identify the nature of principles of management:</p> <p>(a) Mainly Behavioural (b) Contingent (c) Flexible (d) Universal</p> <p>Ans. (c) Flexible</p>	1 mark
7.	<p>Q. The management of a bag manufacturing company has recently changed. Due to this, an improvement can be felt in the way company functions. Now, targets are met according to plans, whereas, earlier deadlines were never given importance. Now there is orderliness, instead of chaos in the organisation and the employees are happy and satisfied.</p> <p>From the following identify the characteristic of management which is highlighted in the above case:</p> <p>(a) Management is dynamic. (b) Management is a continuous process. (c) Management is a group activity.</p>	

	<p>(d) Management is an intangible force.</p> <p>Ans. (d) Management is an intangible force</p>	1 mark
8.	<p>Q. In an organisation, coordination is the function of every manager. Top level managers need to coordinate with their subordinates to ensure that the overall plans of the organisation are duly carried out. Middle level managers coordinate with both the top level and the supervisory level managers. Supervisory level managers coordinate the activities of workers to ensure that work proceeds according to plans. The characteristic of coordination discussed in the above para is:</p> <p>(a) Coordination is a continuous process (b) Coordination is a deliberate function. (c) Coordination is the responsibility of all Managers. (d) Coordination integrates group efforts.</p> <p>Ans. (c) Coordination is the responsibility of all managers.</p>	1 mark
9.	<p>Q. Gitanjali Makan is a successful business leader. She believes that if jobs are made interesting by including greater variety of work content and providing a meaningful work experience, the jobs themselves become a source of motivation to individuals. The non-financial incentive that has been discussed in the above case is:</p> <p>(a) Employee participation (b) Job Enrichment (c) Career Advancement Opportunity (d) Job Security</p> <p>Ans. (b) Job Enrichment</p>	1 mark

10.	<p>Q. ‘RP Infotech Ltd.’ decided to approach ‘Patel Engineering College’ to recruit qualified personnel for various technical jobs in its newly opened branch in Surat.</p> <p>Which source of recruitment from the following has been used by ‘RP Infotech Ltd.’ in the above case:</p> <p>(a) Direct Recruitment (b) Placement Agencies and Management Consultants (c) Campus Recruitment (d) Recommendation of employees</p> <p>Ans. (c) Campus Recruitment</p>	1 mark
11.	<p>Q. ‘An organisation structure is deliberately designed by the top management to facilitate smooth functioning of the organisation.’</p> <p>Which of the following is not a feature of such a structure?</p> <p>(a) It clarifies who has to report to whom. (b) There is systematic coordination among the various activities to achieve organisational goals. (c) The standards of behaviour evolve from group norms rather than officially laid down rules and regulations. (d) It places more emphasis on work to be performed than interpersonal relationships among the employees</p> <p>Ans. (c) The standards of behaviour evolve from group norms rather than officially laid down rules and regulations.</p>	1 mark
12.	<p>Q. Statement -I: Capital market instruments are considered riskier both with respect to returns and principal repayment.</p> <p>Statement -II: Capital market investment generally yields a higher return for investors.</p> <p>Choose the correct option from the options given below:</p> <p>(a) Statement - I is true and II is false.</p>	

	<p>(b) Statement- II is true and I is false. (c) Both the statements are true. (d) Both the statements are false.</p> <p>Ans. (c) Both the statements are true.</p>	1 mark																												
13.	<p>Q. Match the various items of Column - I with the respective statement in Column-II.</p> <table border="1"> <tr> <th>Column- I</th> <th>Column- II</th> </tr> <tr> <td>a. Advertising</td> <td>(i) Creates a positive image about the company and its products.</td> </tr> <tr> <td>b. Personal selling</td> <td>(ii) Paid form of impersonal communication.</td> </tr> <tr> <td>c. Public relations</td> <td>(iii) Develop Personal relationship with the prospective buyer.</td> </tr> </table> <table> <tr> <td></td> <td>a</td> <td>b</td> <td>c</td> </tr> <tr> <td>(a)</td> <td>(ii)</td> <td>(iii)</td> <td>(i)</td> </tr> <tr> <td>(b)</td> <td>(i)</td> <td>(iii)</td> <td>(ii)</td> </tr> <tr> <td>(c)</td> <td>(iii)</td> <td>(ii)</td> <td>(i)</td> </tr> <tr> <td>(d)</td> <td>(ii)</td> <td>(i)</td> <td>(iii)</td> </tr> </table> <p>Ans. (a) a (ii), b (iii), c (i)</p>	Column- I	Column- II	a. Advertising	(i) Creates a positive image about the company and its products.	b. Personal selling	(ii) Paid form of impersonal communication.	c. Public relations	(iii) Develop Personal relationship with the prospective buyer.		a	b	c	(a)	(ii)	(iii)	(i)	(b)	(i)	(iii)	(ii)	(c)	(iii)	(ii)	(i)	(d)	(ii)	(i)	(iii)	1 mark
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(b)	(i)	(iii)	(ii)																											
(c)	(iii)	(ii)	(i)																											
(d)	(ii)	(i)	(iii)																											
14.	<p>Q. When the proportion of debt and equity is such that it results in an increase in the value of equity share the _____ is/are said to be optimal.</p> <p>(a) working capital (b) fixed capital (c) capital structure (d) Both (a) and (b)</p> <p>Ans. (c) Capital structure</p>	1 mark																												

15.	<p>Q. The function of marketing ensures the buyers that goods confirm to predetermined standards of quality and reduces the need for inspection. It also ensures that goods belong to a particular quality and helps in realising higher prices for high quality output.</p> <p>(a) Product Designing and Development (b) Standardisation and Grading (c) Marketing Planning (d) Branding</p> <p>Ans. (b) Standardisation and Grading</p>	1 mark
16.	<p>Q. Which of the following statements is <u>Not</u> true for primary market?</p> <p>(a) There is no fixed Geographical location. (b) Only buying of securities takes place, securities cannot be sold there. (c) Prices are determined by demand and supply of the security. (d) It directly promotes capital formation.</p> <p>Ans. (c) Prices are determined by demand and supply of the security.</p>	1 mark
17.	<p>Q. In which of the following situations, a company will fix high price for its product?</p> <p>(a) When firm's objective is to obtain larger share of the market. (b) When the firm is facing difficulties in surviving in the market because of intense competition. (c) When the firm wants to cover high cost of Research and Development to attain product quality leadership. (d) When the firm wants to maximise its total profit in the long run.</p>	1 mark

	<p>Ans. (c) When the firm wants to cover high cost of Research and Development to attain product quality leadership.</p>	
18.	<p>Q. Which of the following will not be considered as consumers as per Consumer Protection Act, 2019?</p> <p>(a) A person, who avails any service for a consideration which has been partly paid.</p> <p>(b) Any user of goods if such use is made with the approval of the buyer.</p> <p>(c) A person who purchases goods through online means.</p> <p>(d) A person who obtains goods for resale purposes.</p> <p>Ans. (d) A person who obtains goods for resale purposes.</p>	1 mark
19.	<p>Q. As per Consumer Protection Act, 2019, “the consumer has a right to get relief in case the product or service falls short of his expectations.”</p> <p>Which consumer right is discussed in the above statement?</p> <p>(a) Right to be heard (b) Right to be assured</p> <p>(c) Right to seek redressal (d) Right to safety</p> <p>Ans. (c) Right to seek redressal</p>	1 mark
20.	<p>Q. Which of the following is not a function of Securities and Exchange Board of India (SEBI) ?</p> <p>(a) Training of intermediaries of the securities market</p> <p>(b) Controlling insider trading</p> <p>(c) Registration of brokers and sub-brokers and other players in the market</p> <p>(d) Pricing of securities</p> <p>Ans. (d) Pricing of securities</p>	1 mark

21.	<p>Q. The students of Class XII of 'NK Senior Secondary School' visited the factory of 'Jaipur Exports Private Limited', a company manufacturing readymade garments. They observed that different workers were allocated different tasks like cutting the fabric as per specification, stitching dresses, putting buttons, ironing the finished dresses, packing them and putting labels. The Chief Executive Officer told the students that this results in efficient and effective output. They also observed orderliness in the factory as there was a fixed place for everything and it was present there.</p> <p>The students later discussed with their Business Studies teacher and understood that principles of management given by Fayol were being followed in the factory.</p> <p>Identify and explain the two principles of management that have been discussed in the above case.</p> <p>Ans.</p> <p>(i) Division of work</p> <ul style="list-style-type: none"> • According to the principle of Division of Work, work is divided into small tasks/ jobs. • A trained specialist who is competent is required to perform each job, leading to specialisation. This results in effective and efficient output. <p>(ii) <u>Order</u></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'. Essentially it means orderliness. • 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>½ mark for identification of each principle + 1 mark for its explanation</p> <p>= 1 ½ x 2</p> <p>=3 marks</p>
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22.	<p>Q. Keshav Bannerjee is the Chief Executive Officer (CEO) of ‘Das Networking Ltd.’, a leading IT company in Bengaluru. He believes that if needs of employees are taken care of, the employees take good care of the customers. In this company various benefits are provided to the employees to help them meet their medical and housing needs etc., while in job. It is also providing benefits like gratuity at the time of their retirement. The employees are provided various opportunities to attend skill development programmes to improve their skills and be promoted to the higher level jobs.</p> <p>Identify and state the three incentives offered by the company in the above para to improve the performance of its employees.</p> <p>Ans. <u>Incentives offered by the company</u></p> <p>(i) Perquisites</p> <p>Perquisites such as car allowance, housing and medical aid etc., are offered to employees over and above the salary to provide motivation to them.</p> <p>(ii) Retirement benefits</p> <p>Retirement benefits such as provident fund, pension and gratuity, which provide financial security to employees after their retirement, act as an incentive when they are in service in the organisation.</p> <p>(iii) Career Advancement Opportunity</p> <p>Career Advancement Opportunity includes opportunities provided to employees to improve their skills and be promoted to the higher-level jobs.</p>	<p>½ mark for identification of each incentive</p> <p>+ ½ mark for its statement</p> <p>= 1 x 3 = 3 marks</p>
23.	<p>Q. (a) Explain Vestibule Training as a method of training.</p>	

	<p>Ans. Vestibule Training</p> <ul style="list-style-type: none"> • It is an off-the-job method of training in which employees learn their jobs on the equipment they will be using, but the training is conducted away from the actual work floor. • Actual work environments are created in a classroom and employees use the same materials, files and equipment. • This is usually done when employees are required to handle sophisticated machinery and equipment. <p style="text-align: center;">OR</p> <p>(b) Explain any three benefits of training to the employees.</p> <p>Ans <u>Benefits of training to the employees (Any three):</u></p> <p>(i) Improved skills and knowledge due to training lead to <u>better career of the individual</u>.</p> <p>(ii) Increased performance by the individual helps him to <u>earn more</u>.</p> <p>(iii) Training makes the employee more efficient to handle machines, thus, <u>less prone to accidents</u>.</p> <p>(iv) Training increases the <u>satisfaction and morale</u> of employees.</p>	<p>= 1×3</p> <p>= 3 marks</p> <p style="text-align: center;">OR</p> <p>= 1×3</p> <p>= 3 marks</p>
24.	<p>Q. (a) State any three points of importance of Financial Planning.</p> <p>Ans <u>Importance of Financial Planning (any three):</u></p> <p>(i) It helps in <u>forecasting</u> what may happen in future under different situations and face the eventual situation in a better way.</p>	<p>= 1×3</p>

	<p>(ii) It helps in <u>avoiding business shocks</u> and surprises and helps the company in preparing for the future.</p> <p>(iii) It helps in <u>co-ordinating various business functions</u>, like sales and production functions, by providing clear policies and procedures.</p> <p>(iv) It helps to <u>reduce waste</u>, duplication of efforts and gaps in planning.</p> <p>(v) It tries to link the present with the future.</p> <p>(vi) It provides a link between investment and financing decisions on a continuous basis.</p> <p>(vii) It makes the <u>evaluation</u> of actual performance easier.</p> <p style="text-align: center;">OR</p> <p>(b) State any three factors that determine the requirement of fixed capital of a company.</p> <p>Ans. <u>Factors affecting Requirement of Fixed Capital (Any three):</u></p> <p>(i) <u>Nature of business</u> as a trading concern needs lower investment in fixed assets compared with a manufacturing organisation.</p> <p>(ii) <u>Scale of operation</u> as a large organisation operating at a higher scale needs higher investment in fixed assets as compared to a small organisation.</p> <p>(iii) The <u>choice of technique</u> is a factor affecting requirement of fixed capital as a capital- intensive organisation requires higher investment in plant, whereas a labour-intensive organisation requires less investment in fixed assets.</p> <p>(iv) Higher investment in fixed assets may be required in certain industries where assets become obsolete</p>	<p>=3 marks</p> <p style="text-align: center;">OR</p> <p>= 1×3</p> <p>=3 marks</p>
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	<p>sooner and need to be replaced faster due to <u>technology upgradation</u>.</p> <p>(v) Higher <u>growth</u> of an organisation generally requires higher investment in fixed assets, consequently larger fixed capital.</p> <p>(vi) With <u>diversification</u>, fixed capital requirement increases as more investment is to be made in fixed assets.</p> <p>(vii) The <u>financing alternatives</u> affect the requirement of fixed capital as availability of leasing facilities may reduce the funds required to be invested in fixed assets as compared to buying an asset.</p> <p>(viii) <u>Collaboration</u> reduces the level of investment in fixed assets as organisations share each other's facilities.</p> <p>(If an examinee has only listed the points, ½ mark for each point should be awarded.)</p>	
25.	<p>Q. (a) State the first four steps involved in the process of choosing the best candidate out of a number of prospective candidates for a job.</p> <p>Ans <u>First four steps in Selection Process:</u></p> <p>(i) Preliminary Screening: It helps to eliminate unqualified or unfit job seekers, based on the information supplied in the application forms.</p> <p>(ii) Selection Tests: Selection tests attempt to measure certain characteristics of individuals like aptitude, intelligence, etc.</p> <p>(iii) Employment Interview: Interview is a formal, in-depth conversation conducted to evaluate the applicant's suitability for the job.</p> <p>(iv) Reference and Background Checks: Employers contact references specified by the applicant for the</p>	<p>= 1 x 4</p> <p>=4 marks</p>

	<p>purpose of verifying information and gaining additional information on an applicant.</p> <p style="text-align: center;">OR</p> <p>b) State any four benefits of using internal sources of recruitment.</p> <p>Ans. <u>Benefits of using Internal Sources (Any four):</u></p> <p>(i) Employees are <u>motivated</u> to improve their performance through learning and practice and remain satisfied with their jobs.</p> <p>(ii) It <u>simplifies</u> the process of selection and placement since the candidates are already known to the organisation.</p> <p>(iii) People recruited from within the organisation do <u>not need induction training</u>. Transfer is a tool of training the employees to prepare them for higher jobs.</p> <p>(iv) Transfer has the <u>benefit of shifting</u> workforce from surplus departments to those where there is shortage of staff.</p> <p>(v) Filling jobs internally is <u>cheaper</u> as compared to getting candidates from external sources.</p>	<p>=1×4</p> <p>=4 marks</p>
26.	<p>(a) Explain any two points highlighting the importance of controlling function of management.</p> <p>Ans <u>Importance of Controlling Function (any two with explanation):</u></p> <p>(i) Accomplishing organisational goals</p> <p>(ii) Judging accuracy of standards</p> <p>(iii) Making efficient use of resources</p> <p>(iv) Improving employee motivation</p> <p>(v) Ensuring order and discipline</p>	<p>1 mark for naming + 1 mark for its explanation = 2×2 =4 marks</p>

	<p>(vi) Facilitating coordination in action</p> <p style="text-align: center;">OR</p> <p>(b) Explain any two points describing the relationship between 'planning' and 'controlling'.</p> <p>Ans. <u>Relationship between 'planning' and 'controlling'</u> (Any two with explanation):</p> <p>(i) Controlling takes place on the basis of <u>standards</u> developed by <u>planning</u>.</p> <p>(ii) Planning without controlling is <u>meaningless</u> as controlling ensures that the events conform to plans.</p> <p>(iii) Planning <u>prescribes</u> an appropriate course of action for achieving objectives whereas controlling <u>evaluates</u> whether decisions have been translated into desired actions or not.</p> <p>(iv) Planning and controlling are both forward-looking as well as looking back.</p>	<p>2 marks for each point</p> <p>=2+2</p> <p>=4 marks</p>
27.	<p>Q. Balvinder is the Production Manager of 'Pramod Tea Company' in Guwahati. He gives orders to his subordinates and expects that they obey those orders. He does not consult them nor encourage them to participate in decision making.</p> <p>(i) Identify and state the leadership style adopted by Balvinder.</p> <p>(ii) When can this style be effectively used by a manager? State.</p> <p>Ans. (i) Autocratic or Authoritarian style</p> <p>An autocratic leader gives orders and expects his subordinates to obey those orders.</p>	<p>1 mark for identification</p> <p>+</p> <p>1 mark for its statement</p> <p>+</p> <p>1 mark for each situation</p>

	<p>(ii) Autocratic style can be effectively used by a manager in the following situations:</p> <p>(a) Where the supervisor is responsible for production on time and has to ensure labour productivity.</p> <p>(b) where quick decision-making is needed.</p>	<p>= 1+1+2 =4 marks</p>
28.	<p>Q. Identify the financial decision that is concerned with deciding how much of the profit earned by a company is to be distributed to shareholders and how much should be retained in the business. Also state any three factors affecting the identified decision.</p> <p>Ans. Dividend Decision</p> <p>Factors affecting Dividend Decision (Any three):</p> <p>(i) <u>Amount of Earnings</u> affect dividend as they are paid out of current and past earnings.</p> <p>(ii) A company having <u>stable earnings</u> is in a better position to declare higher dividends as compared to a company with unstable earnings.</p> <p>(iii) Companies generally follow a policy of <u>stabilising dividend</u> per share and the increase in dividend is generally made when the earning potential goes up.</p> <p>(iv) Companies having good <u>growth opportunities</u> retain more money out of their earnings so as to finance the required investment and the dividend is, therefore, smaller.</p> <p>(v) Availability of enough <u>cash</u> in the company is necessary for declaration of dividend.</p> <p>(vi) If <u>shareholders prefer</u> that at least a certain amount is paid as dividend, the companies are likely to declare the same.</p>	<p>1 mark for identification + 1 mark for each factor</p> <p>= 1+3 =4 marks</p>

	<p>(vii) If <u>tax on dividend</u> is higher, it is better to pay less by way of dividends as compared to low Dividend Distribution Tax.</p> <p>(viii) The possible impact of dividend policy on the equity share price or the way the <u>stock market will react</u> to it is an important factor considered by the management while taking a decision about it.</p> <p>(ix) Large and reputed companies generally have easy <u>access to the capital market</u>, and therefore, may depend less on retained earnings to finance their growth, and therefore, pay high dividends.</p> <p>(x) Certain <u>legal constraints</u> like provisions of the Companies Act place restrictions on payouts as dividends, which must be adhered to while declaring the dividend.</p> <p>(xi) The companies are required to ensure that the dividend payout does not violate the <u>terms of any contract</u>, like a loan agreement, in this regard.</p> <p>(If an examinee has only listed the points, ½ mark for each point should be awarded.)</p>	
29.	<p>Q. ‘Zenith Mall’ is a famous shopping mall in Mumbai, owned by ‘Pinnacle Group’. It is very popular for its international and national brands of fashionable clothes, restaurants, cinema halls and food courts. The management of Pinnacle Group has decided to open a new branch of the mall in Pune. This decision was very crucial for the management as it involves huge amounts.</p> <p>(i) Identify and state the financial decision involved in the above case.</p> <p>(ii) State any two factors affecting the decision identified in (a) above.</p> <p>Ans.</p>	

	<p>(i) <u>Investment decision</u> The investment decision relates to how the firm's funds are invested in different assets.</p> <p>(ii) <u>Factors affecting Investment decision (any two):</u></p> <p>(a) A company should carefully analyse the <u>cash flows</u> that will be generated over the period as a series of cash receipts and payments over the life of an investment.</p> <p>(b) The <u>rate of return</u> expected from a proposal involving huge sums is a factor affecting investment decision.</p> <p>(c) There are different <u>investment criteria</u> involved with each proposal like the amount of investment, interest rate, etc. which should be considered before selecting a particular project.</p>	<p>1 mark for identification +1 mark for the statement + 1 mark for each factor = 2 + 2 = 4 marks</p>
30.	<p>Q. Rajneesh purchased a 500 ml bottle of fruit juice for ₹60 in Ahmedabad from a local store. While consuming it, he found an insect floating in it. He sent a legal notice to the company immediately and decided to approach a Consumer Disputes Redressal Agency for a relief of ₹2 lakhs.</p> <p>(i) Which Consumer Disputes Redressal Agency did Rajneesh approach, out of the three-tier machinery set up under Consumer Protection Act, 2019 for redressal?</p> <p>(ii) If Rajneesh is not satisfied by the order of the above Agency, where can he appeal against such order and within how many days?</p> <p>(iii) State any two reliefs that can be granted to Rajneesh in the above case.</p> <p>Ans. (i) Rajneesh can approach District Consumer Disputes Redressal Commission (District Commission).</p>	1

	<p>(ii) If Rajneesh is not satisfied by the order of District Consumer Disputes Redressal Commission (District Commission), he can appeal against such order to the State Consumer Disputes Redressal Commission (State Commission) within 45 days from such order.</p> <p>(iii) <u>Reliefs that can be granted to Rajneesh (any two):</u></p> <p>(a) To <u>replace</u> the defective product with a new one.</p> <p>(b) To <u>refund</u> the price paid for the product.</p> <p>(c) To pay a reasonable amount of <u>compensation</u> for any loss suffered by the consumer due to the negligence of the opposite party.</p> <p>(d) To pay <u>punitive damages</u>.</p> <p>(e) <u>Not to offer</u> such (hazardous) goods for sale.</p> <p>(f) To <u>withdraw</u> such (hazardous) goods from sale.</p> <p>(g) To <u>cease to manufacture</u> of such (hazardous) goods.</p> <p>(h) Compensate for any loss or injury suffered by consumer under product liability action and withdraw hazardous products from being offered for sale etc.</p> <p>(i) To pay any amount (not less than 5% of the value of such goods) to be credited to <u>Consumer Welfare Fund</u> or any other organisation/person to be utilised in the prescribed manner.</p> <p>(i) To pay <u>adequate costs</u> to the appropriate party.</p>	<p>+</p> <p>$\frac{1}{2} + \frac{1}{2}$</p> <p>+</p> <p>1 x 2</p> <p>= 1+1+2 4 marks</p>
31.	<p>Q. (a) Explain any three points that highlight the importance of Management'.</p> <p>Ans. Importance of Management (Any three with explanation)</p> <p>(i) Management helps in achieving group goals</p> <p>(ii) Management increases efficiency</p> <p>(iii) Management creates a dynamic organisation</p> <p>(iv) Management helps in achieving personal objectives</p> <p>(v) Management helps in the development of society</p>	<p>$\frac{1}{2}$ mark for naming + 1 $\frac{1}{2}$ mark for explanation</p> <p>= 2 x 3</p> <p>= 6 marks</p>

	<p style="text-align: center;">OR</p> <p>(b) Explain the following techniques of scientific management:</p> <p>(i) Differential Piece wage system</p> <p>(ii) Time Study</p> <p>(iii) Method Study</p> <p>Ans. (i) Differential Piece wage system</p> <ul style="list-style-type: none"> ▪ Differential Piece Wage System is a technique which differentiates between efficient and less efficient workers. It rewards the efficient workers and motivates the less efficient ones to improve their efficiency. ▪ In this plan, there are two piece rates – one for those workers who produce above the standard output, and the other for those who produce less than the standard output. <p>(ii) Time Study</p> <ul style="list-style-type: none"> • Time study is a technique which determines standard time required to perform a well-defined job. • The objective of time study is to determine the number of workers to be employed, frame suitable incentive schemes and determine labour costs. <p>(iii) Method Study</p> <ul style="list-style-type: none"> • Method study is a technique to find out the one best way of doing the job. • The objective of method study is to minimise the cost of production and maximise the quality and satisfaction of the customer. 	<p style="text-align: center;">OR</p> <p style="text-align: center;">2</p> <p style="text-align: center;">+</p> <p style="text-align: center;">2</p> <p style="text-align: center;">+</p> <p style="text-align: center;">2</p> <p style="text-align: center;">= 6 marks</p>
32.	<p>Q. (a) Planning is important as it provides directions for action, reduces the risks of uncertainty and facilitates decision making' Explain.</p>	

	Trained and experienced employees are able to play significant roles in the launch of new projects.	
33.	<p>Q. 'Maharana' is a famous take-away food outlet in Meerut. It is quite popular among local people and travellers on the national highway. It offers a wide variety of 'paranthas' and 'sandwiches' packed in special containers which are designed and developed by them to keep the food hot and fresh.</p> <p>Considering the tough competition in the nearby area, the prices have been set reasonably low. The owner Nirmal Singh spends huge sums of money to put large hoardings and kiosks in the vicinity, to inform the people about the outlet's location and the special items on its menu.</p> <p>The firm is performing various marketing functions to achieve its marketing objectives.</p> <p>On the basis of the information given in the above case identify and explain any three marketing functions.</p> <p>Ans. <u>Marketing Functions (any three):</u></p> <p>(i) Branding- Branding is the process of giving a name or sign or a symbol to a product which helps in identifying and distinguishing it from the competitor's products.</p> <p>(ii) Packaging – Packaging refers to designing and developing the package for the products. It is important not only for protection of the products but also serves as a promotional tool.</p> <p>(iii) Pricing of Product – Price of product refers to the amount of money customers have to pay to obtain a product. Generally, lower the price, higher would be demand for the product and vice versa.</p> <p>(iv) Promotion – Promotion of products involves informing the customers about the firm's product, its features, etc. and persuading them to purchase these</p>	<p>½ mark for identification + 1 ½ mark for its explanation</p> <p>= 2 x 3 =6 marks</p>

	products. The methods of promotion include advertising, personal selling, public relations and sales promotion.	
34.	<p>Q. The Government of India in its budget for the financial year of 2021-22 reiterated its support for Electric Vehicle sector. The Government launched several schemes and incentives to boost their demand as well as to motivate manufacturers to invest in the same. Inspired by these incentives and concerned about the environmental impact of gas and diesel-powered engines, Nitin Kothari has set up an electric car manufacturing unit at Bhilwara. He set a target of earning Return On Investment of 10% in the first year itself and forecasted that the demand for electric cars will increase by 20 million in the next few years.</p> <p>The above case highlights the first two steps of the process of one of the important functions of management.</p> <p>(a) Identify the function of management discussed above.</p> <p>(b) State the remaining steps required to complete the above process.</p> <p>Ans.</p> <p>(a) Planning</p> <p>(b) <u>Remaining steps required to complete Planning process:</u></p> <p>(i) <u>Identifying alternative courses</u> of action which may be used to achieve the set objectives.</p> <p>(ii) <u>Evaluating alternative courses of action</u> involves evaluating the positive and negative aspects of each proposal in the light of the objective to be achieved.</p> <p>(iii) <u>Selecting the best alternative</u> is the real point of decision making and involves selecting the best possible course of action.</p>	<p>1 mark for identification</p> <p>+</p> <p>1 mark for each step</p> <p>= 1 +5</p> <p>= 6 marks</p>

	<p>(iv) <u>Implementing the plan</u> is the step where other managerial functions also come into the picture.</p> <p>(v) <u>Follow-up action</u> involves monitoring whether plans are being implemented and activities are performed according to schedule.</p> <p>(If an examinee has only listed the points, ½ mark for each point should be awarded.)</p>	
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