

<p style="text-align: center;"><b>Marking Scheme</b>  <b>Strictly Confidential</b>  <b>(For Internal and Restricted use only)</b>  <b>Senior School Certificate Examination, 2023</b>  <b>SUBJECT NAME :BUSINESS STUDIES (66/2/2)</b></p>	
<b><u>General Instructions: -</u></b>	
<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.</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.

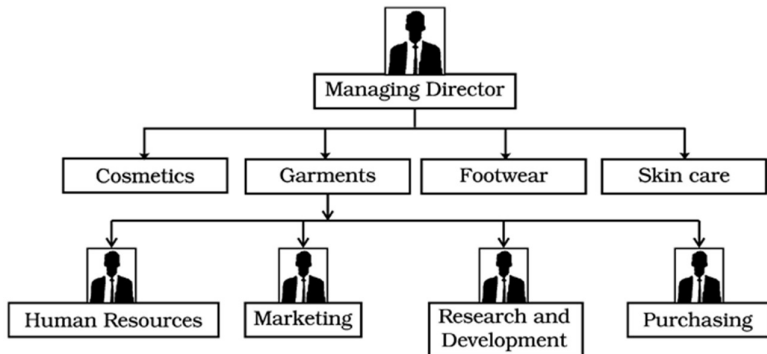
<b>9</b>	If a student has attempted an extra question, answer of the question deserving more marks should be retained and the other answer scored out with a note <b>“Extra Question”</b> .
<b>10</b>	No marks to be deducted for the cumulative effect of an error. It should be penalized only once.
<b>11</b>	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.
<b>12</b>	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).
<b>13</b>	<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>
<b>14</b>	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.
<b>15</b>	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.
<b>16</b>	The Examiners should acquaint themselves with the guidelines given in the <b>“Guidelines for spot Evaluation”</b> before starting the actual evaluation.
<b>17</b>	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.
<b>18</b>	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 — 66/2/2]**

Q. No.	EXPECTED ANSWER / VALUE POINTS	Marks
1.	<p><b>Q.</b></p>  <pre> graph TD     MD[Managing Director] --&gt; Cosmetics     MD --&gt; Garments     MD --&gt; Footwear     MD --&gt; SkinCare[Skin care]     Cosmetics --&gt; HR[Human Resources]     Garments --&gt; Marketing     Footwear --&gt; RnD[Research and Development]     SkinCare --&gt; Purchasing                     </pre> <p><b>Identify the type of organization structure depicted in the above diagram:</b></p> <p>(a) Divisional structure  (b) Functional structure  (c) Informal Structure  (d) Both Informal and Functional Structure</p> <p><b>Ans. (a) Divisional structure</b></p>	1 mark
2.	<p><b>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?</b></p> <p>(a) Ethical code of conduct  (b) Existence of theoretical knowledge  (c) Personalised application  (d) Universal Validity</p> <p><b>Ans. (c) Personalised application</b></p>	1 mark
3.	<p><b>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.</b></p>	

	<p><b>The dimension of business environment highlighted in the above case is:</b></p> <p><b>(a) Economic Environment</b>  <b>(b) Technological Environment</b>  <b>(c) Social Environment</b>  <b>(d) Political Environment</b></p> <p><b>Ans.(b) Technological Environment</b></p>	<b>1 mark</b>
<b>4.</b>	<p><b>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:</b></p> <p><b>(a) Efficient only</b>  <b>(b) Effective only</b>  <b>(c) Both efficient and effective</b>  <b>(d) Neither efficient nor effective</b></p> <p><b>Ans. (b) Effective only</b></p>	<b>1 mark</b>
<b>5.</b>	<p><b>Q. Which of the following items is a component of economic environment?</b></p> <p><b>(a) Expansion of transportation and communication services in Delhi.</b>  <b>(b) Facility of booking train tickets, through mobile apps.</b>  <b>(c) Restriction on 15-years-old petrol vehicles plying on roads in Delhi.</b>  <b>(d) The Haryana Government's announcement of free bus rides females on the occasion of Rakshabandhan.</b></p> <p><b>Ans. (a) Expansion of Transportation and communication services in Delhi.</b></p>	<b>1 mark</b>

6.	<p><b>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:</b></p> <p><b>(a) Coordination is a continuous process</b>  <b>(b) Coordination is a deliberate function.</b>  <b>(c) Coordination is the responsibility of all Managers.</b>  <b>(d) Coordination integrates group efforts.</b></p> <p><b>Ans. (c) Coordination is the responsibility of all managers.</b></p>	<b>1 mark</b>
7.	<p><b>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.</b></p> <p><b>Which source of recruitment from the following has been used by ‘RP Infotech Ltd.’ in the above case:</b></p> <p><b>(a) Direct Recruitment</b>  <b>(b) Placement Agencies and Management Consultants</b>  <b>(c) Campus Recruitment</b>  <b>(d) Recommendation of employees</b></p> <p><b>Ans. (c) Campus Recruitment</b></p>	<b>1 mark</b>
8.	<p><b>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.</b></p>	

	<p><b>The application of the principle of 'Centralisation and Decentralisation' is different in the two organisations as the situation in each enterprise is not same.</b></p> <p><b>From the following identify the nature of principles of management:</b></p> <p><b>(a) Mainly Behavioural</b>  <b>(b) Contingent</b>  <b>(c) Flexible</b>  <b>(d) Universal</b></p> <p><b>Ans. (c) Flexible</b></p>	<b>1 mark</b>
<b>9.</b>	<p><b>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.</b></p> <p><b>From the following identify the characteristic of management which is highlighted in the above case:</b></p> <p><b>(a) Management is dynamic.</b>  <b>(b) Management is a continuous process.</b>  <b>(c) Management is a group activity.</b>  <b>(d) Management is an intangible force.</b></p> <p><b>Ans. (d) Management is an intangible force</b></p>	<b>1 mark</b>
<b>10.</b>	<p><b>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.</b></p> <p><b>The non-financial incentive that has been discussed in the above case is:</b></p> <p><b>(a) Employee participation</b>  <b>(b) Job Enrichment</b></p>	

	<p><b>(c) Career Advancement Opportunity</b> <b>(d) Job Security</b></p> <p><b>Ans. (b) Job Enrichment</b></p>	<b>1 mark</b>								
<b>11.</b>	<p><b>Q. Match the various items of Column - I with the respective statement in Column-II.</b></p> <table><tr><th><b>Column- I</b></th><th><b>Column- II</b></th></tr><tr><td><b>a. Advertising</b></td><td><b>(i) Creates a positive image about the company and its products.</b></td></tr><tr><td><b>b. Personal selling</b></td><td><b>(ii) Paid form of impersonal communication.</b></td></tr><tr><td><b>c. Public relations</b></td><td><b>(iii) Develop Personal relationship with the prospective buyer.</b></td></tr></table> <div><div><b>a</b></div><div><b>b</b></div><div><b>c</b></div><div><b>(a) (ii)</b></div><div><b>(b) (i)</b></div><div><b>(c) (iii)</b></div><div><b>(d) (ii)</b></div><div><b>(iii)</b></div><div><b>(ii)</b></div><div><b>(i)</b></div><div><b>(iii)</b></div></div> <p><b>Ans. (a) a (ii), b (iii), c (i)</b></p>	<b>Column- I</b>	<b>Column- II</b>	<b>a. Advertising</b>	<b>(i) Creates a positive image about the company and its products.</b>	<b>b. Personal selling</b>	<b>(ii) Paid form of impersonal communication.</b>	<b>c. Public relations</b>	<b>(iii) Develop Personal relationship with the prospective buyer.</b>	<b>1 mark</b>
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<b>12.</b>	<p><b>Q. ‘An organisation structure is deliberately designed by the top management to facilitate smooth functioning of the organisation.’</b></p> <p><b>Which of the following is not a feature of such a structure?</b></p> <p><b>(a) It clarifies who has to report to whom.</b></p> <p><b>(b) There is systematic coordination among the various activities to achieve organisational goals.</b></p> <p><b>(c) The standards of behaviour evolve from group norms rather than officially laid down rules and regulations.</b></p>									

	<p><b>(d) It places more emphasis on work to be performed than interpersonal relationships among the employees</b></p> <p><b>Ans. (c)</b> The standards of behaviour evolve from group norms rather than officially laid down rules and regulations.</p>	<b>1 mark</b>
<b>13.</b>	<p><b>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.</b></p> <p><b>(a) Product Designing and Development</b>  <b>(b) Standardisation and Grading</b>  <b>(c) Marketing Planning</b>  <b>(d) Branding</b></p> <p><b>Ans. (b)</b> Standardisation and Grading</p>	<b>1 mark</b>
<b>14.</b>	<p><b>Q. Statement -I: Capital market instruments are considered riskier both with respect to returns and principal repayment.</b></p> <p><b>Statement -II: Capital market investment generally yields a higher return for investors.</b></p> <p><b>Choose the correct option from the options given below:</b></p> <p><b>(a) Statement - I is true and II is false.</b>  <b>(b) Statement- II is true and I is false.</b>  <b>(c) Both the statements are true.</b>  <b>(d) Both the statements are false.</b></p> <p><b>Ans. (c)</b> Both the statements are true.</p>	<b>1 mark</b>
<b>15.</b>	<p><b>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.</b></p> <p><b>(a) working capital      (b) fixed capital</b>  <b>(c) capital structure      (d) Both (a) and (b)</b></p>	



	Ans. (c) Capital structure	1 mark
16.	<p><b>Q. Which of the following is not a function of Securities and Exchange Board of India (SEBI) ?</b></p> <p>(a) Training of intermediaries of the securities market  (b) Controlling insider trading  (c) Registration of brokers and sub-brokers and other players in the market  (d) Pricing of securities</p> <p>Ans. (d) Pricing of securities</p>	1 mark
17.	<p><b>Q. Which of the following statements is <u>Not</u> true for primary market?</b></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
18.	<p><b>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.”</b></p> <p><b>Which consumer right is discussed in the above statement?</b></p> <p>(a) Right to be heard                      (b) Right to be assured  (c) Right to seek redressal              (d) Right to safety</p> <p>Ans. (c) Right to seek redressal</p>	1 mark
19.	<b>Q. In which of the following situations, a company will fix high price for its product?</b>	

	<p>(a) When firm's objective is to obtain larger share of the market.</p> <p>(b) When the firm is facing difficulties in surviving in the market because of intense competition.</p> <p>(c) When the firm wants to cover high cost of Research and Development to attain product quality leadership.</p> <p>(d) When the firm wants to maximise its total profit in the long run.</p> <p>Ans. (c) When the firm wants to cover high cost of Research and Development to attain product quality leadership.</p>	1 mark
20.	<p><b>Q. Which of the following will not be considered as consumers as per Consumer Protection Act, 2019?</b></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
21.	<p><b>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.</b></p>	

	<p><b>Identify and state the three incentives offered by the company in the above para to improve the performance of its employees.</b></p> <p><b>Ans. <u>Incentives offered by the company</u></b></p> <p><b>(i) Perquisites</b></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><b>(ii) Retirement benefits</b></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><b>(iii) Career Advancement Opportunity</b></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 = <b>3 marks</b></p>
22.	<p><b>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.</b></p> <p><b>The students later discussed with their Business Studies teacher and understood that principles of management given by Fayol were being followed in the factory.</b></p>	

	<p><b>Identify and explain the two principles of management that have been discussed in the above case.</b></p> <p>Ans.</p> <p>(i) Division of work</p> <ul style="list-style-type: none"> <li>• According to the principle of Division of Work, work is divided into small tasks/ jobs.</li> <li>• A trained specialist who is competent is required to perform each job, leading to specialisation. This results in effective and efficient output.</li> </ul> <p>(ii) Order</p> <ul style="list-style-type: none"> <li>• The principle of order states that ‘A place for everything (everyone) and everything (everyone) in its (her/his) place’. Essentially it means orderliness.</li> <li>• 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.</li> </ul>	<p>½ mark for identification of each principle + 1 mark for its explanation  = 1 ½ x 2</p> <p><b>=3 marks</b></p>
23.	<p>Q. (a) Explain ‘Apprenticeship Programme’ as a method of training.</p> <p>Ans.</p> <ul style="list-style-type: none"> <li>• Apprenticeship programmes Apprenticeship Programmes put the trainee under the <u>guidance of a master</u> worker to acquire a higher level of skill.</li> <li>• People seeking to <u>enter skilled jobs</u> like plumbers, electricians, etc. are often required to undergo apprenticeship training.</li> <li>• The trainees spend a <u>prescribed amount of time</u> working with an experienced guide, or trainer.</li> </ul> <p style="text-align: center;">OR</p>	<p><b>3 marks</b></p>

	<p>(b) Explain any three benefits of training to the organisation.</p> <p><b>Ans</b> Benefits of training to organisation (Any three):</p> <p>(i) Training is a <u>systematic learning</u> better than hit and trial methods, which lead to wastage of efforts and money.</p> <p>(ii) It enhances <u>employee productivity</u> leading to higher profits.</p> <p>(iii) Training <u>equips the future manager</u> who can take over in case of an emergency.</p> <p>(iv) Training increases <u>employee morale</u> and reduces absenteeism and employee turnover.</p> <p>(v) It helps in obtaining <u>effective response</u> to fast changing environment.</p>	<p><b>OR</b></p> <p>= 1×3 = <b>3 marks</b></p>
24.	<p><b>Q. (a) Explain the twin objectives of Financial Planning.</b></p> <p><b>Ans</b> Objectives of financial planning (with explanation):</p> <p>(i) To ensure availability of funds whenever required:</p> <p>(ii) To see that the firm does not raise resources unnecessarily</p> <p style="text-align: center;"><b>OR</b></p> <p><b>(b) State any three factors that determine the requirement of working capital of a company.</b></p> <p><b>Ans.</b> Factors affecting working capital requirements of a company (any three):</p> <p>The <u>nature of a business</u> as a trading organisation usually needs a smaller amount of working capital compared to a manufacturing organisation. Service industries which usually do not have to maintain inventory require less working capital.</p>	<p>= 1 ½ x 2</p> <p><b>=3 marks</b></p>

	<p><u>Scale of operation</u> as organisations which operate on a higher scale of operation require large amount of working capital as compared to the organisations which operate on a lower scale.</p> <p>Different phases of <u>business cycles</u> affect the requirement of working capital by a firm as in case of a boom, larger amount of working capital is required while during depression, it will be comparatively low.</p> <p><u>Seasonality in operations</u> affects working capital requirements as in peak season, larger amount of working capital is required while it will be lower during the lean season.</p> <p>Working capital requirement is higher in firms with longer <u>production cycle</u> and lower in firms with shorter production cycle.</p> <p>A liberal <u>credit policy</u> results in higher amount of debtors, increasing the requirement of working capital.</p> <p>To the extent a firm avails <u>the credit</u> on purchases from its suppliers, the working capital requirement is reduced.</p> <p><u>Operating efficiency</u> affects the requirement of working capital as firms which manage their operations efficiently may reduce the level of raw materials, finished goods and debtors resulting in lower requirement of working capital.</p> <p>Free and continuous <u>availability of raw material</u> will reduce the requirement of working capital whereas larger time lag between placement of order and receipt of material will lead to requirement of larger working capital.</p> <p>If a firm has higher <u>growth prospects</u>, it will require larger amount of working capital so that it is able to meet higher production and sales target whenever required.</p>	<p>= 1×3</p> <p><b>=3 marks</b></p>
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	<p>Higher <u>level of competition</u> may necessitate larger stocks of finished goods to meet urgent orders from customers, thereby, increasing the working capital requirement.</p> <p>The working capital requirement of a business become higher with higher rate of <u>inflation</u>.</p> <p>(If an examinee has only listed the points, ½ mark for each point should be awarded.)</p>	
25.	<p><b>Q. (a) State any four benefits of using external sources of recruitment.</b></p> <p><b>Ans</b> Benefits of using External Sources:</p> <ul style="list-style-type: none"> <li>(i) By using external sources of recruitment, the management can <u>attract qualified and trained people</u> to apply for vacant jobs in the organisation.</li> <li>(ii) When external sources are used, the management has a <u>wider choice</u> while selecting the people for employment.</li> <li>(iii) External recruitment brings <u>fresh talent</u> in the organisation when present employees may be insufficient or do not fulfil the job specifications.</li> <li>(iv) If a company taps external sources, the existing staff will have <u>competitive spirit</u> and work harder to show better performance.</li> </ul> <p>(If an examinee has only listed the points, ½ mark for each point should be awarded.)</p> <p style="text-align: center;"><b>OR</b></p> <p><b>(b) State any four types of tests that may be used for selection of employees.</b></p> <p><b>Ans.</b> <u>Types of tests that may be used for selection of employees (Any four):</u></p>	<p>= 1 x 4</p> <p><b>=4 marks</b></p>

	<p>(i) <b>Intelligence Tests:</b> It is a selection test which is used to measure the level of intelligence quotient of an individual to indicate a person's learning ability or the ability to make decisions and judgments.</p> <p>(ii) <b>Aptitude Test:</b> It is a measure of individuals potential for learning new skills to indicate the person's capacity to develop.</p> <p>(iii) <b>Personality Tests:</b> Personality tests probe the overall personality of a person to provide clues to a person's emotions, reactions, maturity and value system etc.</p> <p>(iv) <b>Trade Test:</b> These tests measure the level of knowledge and proficiency in the area of professions or technical training.</p> <p>(v) <b>Interest Tests:</b> Interest tests are used to know the pattern of interests or involvement of a person.</p> <p>(If an examinee has only listed the points, ½ mark for each point should be awarded.)</p>	<p>1×4 =4 marks</p>
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26.	<p><b>(a) Explain the first two steps in the process of controlling.</b>  <b>Ans</b> <u>First two steps in the process of controlling:</u></p> <p>(i) Setting performance standards:</p> <ul style="list-style-type: none"> <li>• Performance standards are the criteria against which the actual performance would be measured.</li> <li>• Standards can be set in both quantitative and qualitative terms.</li> </ul> <p>(ii) <b>Measurement of actual performance</b></p> <ul style="list-style-type: none"> <li>• Measurement of actual performance should be done in an objective and reliable manner.</li> <li>• Performance should be measured in the same units in which the standards are set to make comparison easier.</li> </ul> <p style="text-align: center;"><b>OR</b></p> <p><b>(b) Explain any two psychological barriers to communication.</b>  <b>Ans.</b> <u>Psychological barriers to communication (Any two):</u></p> <p>(i) <b>Premature evaluation:</b></p> <ul style="list-style-type: none"> <li>• Premature evaluation means evaluating the meaning of message before the sender completes his message.</li> <li>• It may be due to pre-conceived notions or prejudices against the communication.</li> </ul> <p>(ii) <b>Lack of attention:</b></p> <p>The pre-occupied mind of receiver and the resultant non-listening of message acts as a major psychological barrier.</p>	<p>½ mark for naming  +  1 ½ mark for its explanation</p> <p>= 2×2  =4 marks</p> <p style="text-align: center;"><b>OR</b></p> <p>½ mark for naming  +  1 ½ mark for its explanation</p>
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	<p><b>(iii) Loss by transmission and poor retention:</b></p> <ul style="list-style-type: none"> <li>• When communication passes through various levels, successive transmissions of the message results in loss of, or transmission of inaccurate information.</li> <li>• Usually people cannot retain the information for a long time if they are inattentive or not interested.</li> </ul> <p><b>(iv) Distrust:</b></p> <ul style="list-style-type: none"> <li>• Distrust between communicator and communicate acts as a barrier.</li> <li>• If the parties do not believe each other, they can not understand each others message in its original sense.</li> </ul>	<p>= 2×2</p> <p><b>=4 marks</b></p>
27.	<p><b>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.</b></p> <p><b>(i) Which Consumer Disputes Redressal Agency did Rajneesh approach, out of the three-tier machinery set up under Consumer Protection Act, 2019 for redressal?</b></p> <p><b>(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?</b></p> <p><b>(iii) State any two reliefs that can be granted to Rajneesh in the above case.</b></p>	

<p><b>Ans.</b> (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) Reliefs that can be granted to Rajneesh (any two):</p>	$\frac{1}{2} + \frac{1}{2}$
<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>	1 x 2
<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>(j) To pay <u>adequate costs</u> to the appropriate party.</p>	
	<p>= 1+1+2 <b>4 marks</b></p>

28.

**Q. Distinguish between ‘Capital market’ and ‘Money Market’ on the basis of following:**

(i) **Participants**  
(ii) **Safety**  
(iii) **Investment Outlay**  
(iv) **Expected Return**

**Ans** Distinction between capital market and money market:

	Basis	Capital Market	Money Market
i	Participants	Financial institutions, banks, corporate entities, foreign investors and retail investors.	Institutional participants like the RBI, banks, financial, institutions and finance companies.
ii	Safety	Riskier both with respect to returns and principal repayment as the issuing companies may fail to perform or defraud investors.	Much safer with a minimum risk of default.
iii	Investment outlay	Does not necessarily require a huge financial outlay as the value of units of securities is generally low.	Transactions entail huge sums of money as the instruments are quite expensive.
iv	Expected Return	Higher return than the money market as the securities are held for a longer duration.	Lesser returns as compared to Capital Market.

= 1 x 4  
= 4 marks

29.	<p><b>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.</b></p> <p><b>(i) Identify and state the leadership style adopted by Balvinder.</b></p> <p><b>(ii) When can this style be effectively used by a manager? State.</b></p> <p><b>Ans. (i) Autocratic or Authoritarian style</b></p> <p>An autocratic leader gives orders and expects his subordinates to obey those orders.</p> <p><b>(ii) Autocratic style can be effectively used by a manager in the following situations:</b></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 mark for identification + 1 mark for its statement + 1 mark for each situation  = 1+1+2 <b>=4 marks</b></p>
30.	<p><b>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.</b></p> <p><b>(a) Identify and state the financial decision involved in the above cane.</b></p> <p><b>(b) State any two factors affecting the decision identified in (a) above.</b></p> <p><b>Ans.</b></p> <p>(a) <u>Investment decision</u> The investment decision relates to how the firm's funds are invested in different assets.</p> <p>(b) <u>Factors affecting Investment decision (any two):</u></p>	<p>1 mark for identification +1 mark for the statement         +</p>

	<p>(i) When a company takes an investment decision involving huge amount, it should carefully analyse the <u>cash flows</u> that will be generated over the period.</p> <p>(ii) The <u>rate of return</u> expected from a proposal involving huge sums is a factor affecting investment decision.</p> <p>(iii) 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 each factor</p> <p>= 2 + 2</p> <p><b>= 4 marks</b></p>
31.	<p><b>(a) Explain the following principles of management given by Taylor:</b></p> <p><b>(i) Science, not Rule of Thumb</b></p> <p><b>(ii) Harmony, not discord</b></p> <p><b>(iii) Development of each and every person to his or her greatest efficiency and prosperity</b></p> <p><b>Ans. (i) Science, not Rule of Thumb</b></p> <ul style="list-style-type: none"> <li>• There was only one best method to maximize efficiency which can be developed through study and analysis.</li> <li>• Scientific method involved investigation of traditional methods, unifying the best practices and developing a standard method, which would be followed throughout the organisation.</li> </ul>	<p>2</p> <p>+</p>

	<p>(ii)Harmony, not Discord</p> <ul style="list-style-type: none"> <li>•There should be complete harmony between the management and workers. Both should realise that each one is important.</li> <li>• To achieve this, Taylor called for complete mental revolution on the part of both, management and workers. Management should share the gains of the company with the workers and at the same time, workers should work hard and be willing to embrace change for the good of the company.</li> </ul> <p>(iii)Development of each and every person to his or her greatest efficiency and prosperity</p> <ul style="list-style-type: none"> <li>•Each person should be scientifically selected, then work should be assigned to suit his physical, mental and intellectual capabilities.</li> <li>• To increase efficiency, workers should be given the required training. Efficient employees would produce more and earn more. This will ensure their greatest efficiency and prosperity for both, company and workers.</li> </ul> <p style="text-align: center;"><b>OR</b></p> <p><b>(b) Explain any three points that highlights the importance of ‘Coordination’.</b></p> <p><b>Ans</b> <u>Importance of ‘Coordination’</u></p> <ul style="list-style-type: none"> <li>(i) Growth in size</li> <li>(ii) Functional Differentiation</li> <li>(iii) Specialisation</li> </ul>	<p>2</p> <p>+</p> <p>2</p> <p><b>= 6 marks</b></p> <p style="text-align: center;"><b>OR</b></p> <p>½ mark for naming + 1 ½ mark for explanation</p> <p><b>= 2 x 3 = 6 marks</b></p>
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32.	<p><b>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.</b></p> <p><b>The above case highlights the first two steps of the process of one of the important functions of management.</b></p> <p><b>(a) Identify the function of management discussed above.</b></p> <p><b>(b) State the remaining steps required to complete the above process.</b></p> <p><b>Ans.</b></p> <p>(a) Planning</p> <p>(b) Remaining steps required to complete Planning process:</p> <p>(i) <u>Identifying alternative courses of action</u> 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>(iv) <u>Implementing the plan</u> is the step where other managerial functions also come into the picture.</p>	<p>1 mark for identification</p> <p>+</p> <p>1 mark for each step</p> <p>= 1 +5</p> <p>= <b>6 marks</b></p>
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	<p>(v) <u>Follow-up action</u> involves monitoring whether plans are being implemented and activities are performed according to schedule.</p> <p><b>(If an examinee has only listed the points, ½ mark for each point should be awarded.)</b></p>	
33.	<p><b>Q. (a) Planning is important as it provides directions for action, reduces the risks of uncertainty and facilitates decision making' Explain.</b></p> <p><b>Ans</b></p> <p><b>Provides direction</b> – Planning ensures that the goals or objectives are clearly stated so that they act as a guide for deciding what action should be taken and in which direction.</p> <p><b>Reduces the risk of uncertainty</b> – By deciding in advance the tasks to be performed, planning anticipates the changes and managerial responses to them can be developed, thereby, reducing the risk of uncertainty.</p> <p><b>Facilitates decision-making</b> – Planning helps the manager to look into the future and make a choice from amongst various alternative courses of action by evaluating them.</p> <p style="text-align: center;"><b>OR</b></p> <p><b>(b) Delegation of authority Develops employees', motivates them' and Facilitates growth.' Explain how.</b></p> <p><b>Ans.</b></p> <p><b>Develops Employees</b> -As a result of delegation, employees get more opportunities to utilize their</p>	<p>2</p> <p>+</p> <p>2</p> <p>+</p> <p>2</p> <p><b>=6 marks</b></p> <p style="text-align: center;"><b>OR</b></p>

	<p>talent and allows them to develop those skills which enable them to perform complex tasks. Delegation helps them to prepare better future managers.</p> <p><b>Delegation motivates employees-</b> Responsibility for work builds the self-esteem of an employee and improves his confidence. He feels encouraged and tries to improve his performance further.</p> <p><b>Delegation facilitates growth</b> -Delegation helps in the expansion of an organization by providing a ready workforce to take up leading positions in new ventures. Trained and experienced employees are able to play significant roles in the launch of new projects.</p>	<p>2</p> <p>+</p> <p>2</p> <p>+</p> <p>2</p> <p><b>=6 marks</b></p>
34.	<p><b>Q. 'Maharana' is a famous take-away food outlet in Meerut. It is quite popular among local people and travellers on the national highway.</b></p> <p><b>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.</b></p> <p><b>Considering the tough competition in the nearby area, the prices have been set reasonably low.</b></p> <p><b>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.</b></p> <p><b>The firm is performing various marketing functions to achieve its marketing objectives.</b></p> <p><b>On the basis of the information given in the above case identify and explain any three marketing functions.</b></p> <p><b>Ans.</b> Marketing Functions (any three):</p> <p>(i) <b>Branding-</b> 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) <b>Packaging</b> – 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) <b>Pricing of Product</b> – 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) <b>Promotion</b> – Promotion of products involves informing the customers about the firm's product, its features, etc. and persuading them to purchase these products. The methods of promotion include advertising, personal selling, public relations and sales promotion.</p>	<p>½ mark for identification + 1 ½ mark for its explanation</p> <p>= 2 x 3 <b>=6 marks</b></p>
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