

**Marking Scheme Strictly Confidential (For Internal and Restricted use only)**

**Senior School Certificate Examination, 2023**

**SUBJECT NAME BUSINESS STUDIES (66/3/2)**

**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.</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.

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"> <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 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 “ <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.

## MARKING SCHEME

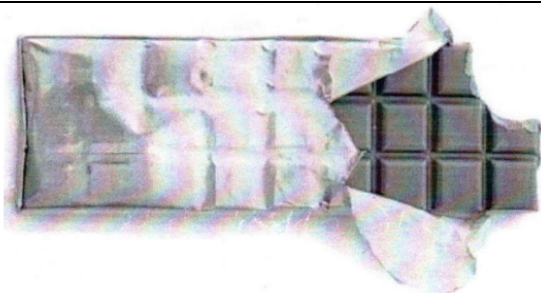
Senior Secondary School Examination, 2023

**BUSINESS STUDIES (Subject Code — 054)**

**[ Paper Code — 66/3/2]**

<b>Q. No.</b>	<b>EXPECTED ANSWER / VALUE POINTS</b>	<b>Marks</b>
<b>1.</b>	<p><b>Q. Rahul wants to buy shares of ‘Rexter Ltd.’ which are being traded at the National Stock Exchange. He feels that the share prices will go up in the future. Which market should he approach for this purpose?</b></p> <p><b>(a) Money market</b> <b>(b) Primary market</b> <b>(c) Secondary market</b> <b>(d) Both (b) and (c)</b></p> <p><b>Ans ( c) Secondary market</b></p>	<b>1 mark</b>
<b>2.</b>	<p><b>Q. Which of the following is a development function of Securities and Exchange Board of India?</b></p> <p><b>(a) Training of intermediaries of the securities market</b> <b>(b) Promotion of fair practices and code of conduct in the securities market</b> <b>(c) Undertaking steps for investor protection</b> <b>(d) Prohibition of fraudulent and unfair trade practices</b></p> <p><b>Ans (a) Training of intermediaries of the securities market</b></p>	<b>1 mark</b>
<b>3.</b>	<p><b>Q. <i>Statement I:</i> Values are general rules for behaviour of individuals in society formed on the basis of common practise and principles after research in work situations.</b></p> <p><b><i>Statement II:</i> While practising principles of management, values cannot be neglected as businesses have to fulfil social and ethical responsibilities towards society.</b></p> <p><b>Choose the correct option from the options given</b></p>	

	<p><b>below:</b></p> <p>(a) Statement I is true and II is false.  (b) Statement II is true and I is false.  (c) Both the statements are true.  (d) Both the statements are false.</p> <p><b>Ans ( c) Both the statements are true.</b></p>	<b>1 mark</b>
<b>4.</b>	<p><b>Q. The element of promotion mix which involves a variety of programmes designed to promote or protect a company's image and its individual products in the eye of the public is:</b></p> <p>(a) Personal selling  (b) Public relations  ( c)Marketing  ( d)Sales promotion</p> <p><b>Ans (b) Public relations</b></p>	<b>1 mark</b>
<b>5.</b>	<p><b>The process of holding securities in electronic form is called dematerialisation. Which of the following statement does not relate to dematerialisation ?</b></p> <p>(a) Smooth transfer and settlement of trade through a single account in shares  (b) Demat securities can be pledged or hypothecated to get loans  (c) No danger of loss, theft or forgery of share certificates  (d) Existing physical shares cannot be converted into electronic form</p> <p><b>Ans. (d) Existing physical shares cannot be converted into electronic form</b></p>	<b>1 mark</b>
<b>6.</b>	<p><b>Q. Match the various communication barriers given in Column II with their respective categories given in Column I:</b></p>	

	<p><b>Column I</b></p> <p><b>P. Semantic Barriers</b></p> <p><b>Q. Psychological Barriers</b></p> <p><b>R. Organisational Barriers</b></p> <p><b>S. Personal Barriers</b></p> <p>(a) P-(i), Q-(ii), R-(iii), S-(iv)  (b) P-(iv), Q-(iii), R-(i), S-(ii)  (c ) P-(iii), Q-(i), R-(iv), S-(ii)  (d) P-(iii), Q-(ii), R-(iv), S-(i)</p> <p><b>Ans (c) P-(iii), Q-(i), R-(iv), S-(ii)</b></p>	<p><b>Column II</b></p> <p><b>(i) Distrust</b></p> <p><b>(ii) Lack of proper incentives</b></p> <p><b>(iii) Symbols with different meanings</b></p> <p><b>(iv) Status</b></p>	<b>1 mark</b>
7.	 <p>The level of packaging of the chocolate shown in the picture below is:</p> <p>(a) Secondary packaging  (b) Transportation packaging  (c) Designer packaging  (d) Primary packaging</p> <p><b>Ans (d) Primary packaging</b></p>		<b>1 mark</b>
8.	<p><b>Q. Sarita bought a flat from Sugan Developers for ₹5 crore and was shocked to discover that the quality of construction was bad, roof leaked during the rainy season and plaster was coming off at various places. Which consumer forum should she approach for redressal of her grievance?</b></p> <p>(a) District Commission  (b) State Commission  (c) National Commission</p>		

	<p><b>(d)Supreme Court</b></p> <p><b>Ans.(b) State Commission</b></p>	<b>1 mark</b>
<b>9.</b>	<p><b>Q. In a recent ruling, the Supreme Court of India has ordered an immediate stop on commercial activities in a 500-metre radius of the Taj Mahal and asked Agra Development Authority to ensure compliance of its directive. Which dimension of business environment is reflected here?</b></p> <p><b>(a) Social</b>  <b>(b) Technological</b>  <b>(c) Legal</b>  <b>(d) Political</b></p> <p><b>Ans ( c ) Legal</b></p>	<b>1 mark</b>
<b>10.</b>	<p><b>Q.'Compro Solutions' offers IT services to clients across the country. During Covid-19, to accommodate changes taking place in the business environment, it suitably modified its organisation structure in a way that work from home became the new way of working for all employees bringing cost benefits and flexibility in the organisation. The point of importance of organising discussed above is:</b></p> <p><b>(a) Benefits of specialisation</b>  <b>(b) Adaptation to change</b>  <b>(c) Development of personnel</b>  <b>(d) Clarity in working relationships</b></p> <p><b>Ans. (b) Adaptation to change</b></p>	<b>1 mark</b>
<b>11.</b>	<p><b>Q. Which of the following is not a part of social environment of Business?</b></p> <p><b>(a) Life expectancy</b>  <b>(b) Education system and literacy rates</b>  <b>( c ) Consumption habits</b>  <b>(d) Money supply in the economy</b></p>	<b>1 mark</b>

	<b>Ans (d)</b> Money supply in the economy	
<b>12.</b>	<p><b>Q. Which of the following is not a function of middle level management?</b></p> <p>(a) Analysing the business environment and its implications for survival of the firm.</p> <p>(b) Interpreting the policies framed by top management.</p> <p>(c) Ensuring that their department has necessary personnel</p> <p>(d) Motivating people in their department to achieve desired objectives.</p> <p><b>Ans (a)</b>Analysing the business environment and its implications for survival of the firm.</p>	<b>1 mark</b>
<b>13.</b>	<p><b>Q. These days consumers are making eco-friendly and healthy choices and are saying no to all things made of plastic and replacing it with stainless steel and ceramic containers, thus forcing business to change as well. Identify the feature of business environment highlighted above:</b></p> <p>(a) Totality of external sources</p> <p>(b) Specific and general forces</p> <p>(c) Inter-relatedness</p> <p>(d) Dynamic nature</p> <p><b>Ans (d)</b> Dynamic nature</p>	<b>1 mark</b>
<b>14.</b>	<p><b>Q. Government of India demonetised notes of ₹500 and ₹1000 on November 8, 2016. Demonetisation means:</b></p> <p>(a) They ceased to be legal tender except for a few specified purposes.</p> <p>(b) These notes could not be banked but could be freely used otherwise.</p> <p>(c) These notes could be converted into gold coins from Reserve Bank of India.</p>	

	<p><b>(d) These notes could be used for household purposes but not for business purposes.</b></p> <p><b>Ans</b> (a) They ceased to be legal tender except for a few specified purposes.</p>	<b>1 mark</b>
<b>15.</b>	<p><b>Q. Taylor called for complete mental revolution on the part of both management and workers. It meant that management and workers should transform their thinking. 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. The principle of management highlighted above is:</b></p> <p><b>(a) Science, not the Rule of Thumb</b>  <b>(b) Cooperation, not Individualism</b>  <b>(c ) Harmony, not Discord</b>  <b>(d)Development of Each and Every Person to His or Her Greatest Efficiency and Prosperity</b></p> <p><b>Ans (c ) Harmony, not Discord</b></p>	<b>1 mark</b>
<b>16.</b>	<p><b>Q. Keya Ltd. is a large organisation manufacturing a popular brand of desi ghee and supplying it to various states of India. They manufacture 10,000 litres of desi ghee every day and pack in cartons of 250 ml, 500 ml and 1 litre sizes. The production manager ensures that one out of every ten cartons of each size is checked for quality control everyday.</b></p> <p><b>The step of the controlling process discussed in the above para is:</b></p> <p><b>(a) Setting performance standards</b>  <b>(b) Measurement of actual performance</b>  <b>(c) Comparison of actual performance with standards</b>  <b>(d) Analysing deviations</b></p> <p><b>Ans (b) Measurement of actual performance</b></p>	<b>1 mark</b>
<b>17.</b>	<p><b>Q. Prateek Singh opened a jewellery store Fashion Jewels' offering workwear, light jewellery with</b></p>	



	<p><b>modern designs for young working women. Good jewellery designs not only made the jewellery attractive for young working women but also gave him a competitive edge in the market. The jewellery was a hit with working women and 'Fashion Jewels' was able to report a profit of ₹3 crore in the first year itself. The function of marketing performed by Prateek Singh in the above case was:</b></p> <p><b>(a) Packaging and labelling</b>  <b>(b) Promotion</b>  <b>(c) Customer support service</b>  <b>(d) Product designing and development</b></p> <p><b>Ans (d) Product designing and development</b></p>	<b>1 mark</b>
<b>18.</b>	<p><b>Q. The process that initiates implementation of plans by clarifying jobs and working relationships and effectively deploying resources for attainment of identified and desired results is known as:</b></p> <p><b>(a) Organising</b>  <b>(b) Controlling</b>  <b>(c) Staffing</b>  <b>(d) Planning</b></p> <p><b>Ans (a) Organising</b></p>	<b>1 mark</b>
<b>19.</b>	<p><b>Q. Identify the correct sequence of two-level-channel of distribution:</b></p> <p><b>(a) Manufacturer → Retailer → Agent → Customer</b>  <b>(b) Manufacturer → Consumer → Retailer → Wholesaler</b>  <b>(c) Manufacturer → Agent → Customer → Retailer</b>  <b>(d) Manufacturer → Wholesaler → Retailer → Consumer</b></p> <p><b>Ans (d) Manufacturer → Wholesaler → Retailer → Consumer</b></p>	<b>1 mark</b>

20.	<p><b>Q. _____ has been established with the specific objective of providing a ready market for money market instruments.</b></p> <p>(a) Discount Finance House of India  (b) Securities and Exchange Board of India  (c) Reserve Bank of India  (d) State Bank of India</p> <p><b>Ans (a) Discount Finance House of India</b></p>	1 mark
21.	<p><b>Q. Human resources are the most important asset of an organisation. The ability of an organisation to achieve its goal depends upon the quality of its human resources. The General Manager of 'Allied and Sons' appointed an IIM graduate, Pawan Rai, specialised in finance as Marketing Manager. On monthly evaluation, it was found that Pawan Rai's performance was not up to expectations and he was not able to meet the monthly targets of the organisation. The Chief Executive Officer (CEO) of the company asked for investigation into the matter. The CEO was told that Pawan Rai has specialisation in finance but was appointed as a Marketing Manager. The CEO discussed this matter with the General Manager and explained to him the importance of putting the right person at the right job. He further explained that it would not only lead to higher performance but would also provide many other benefits. Besides the benefits of putting the right man at the right job, state the three other benefits which the CEO might have explained to the General Manager that are not given in the above para.</b></p> <p><b>Ans <u>Benefits of Staffing (any three):</u></b></p> <p>(i) It helps in discovering and <u>obtaining competent personnel</u> for various jobs.</p> <p>(ii) It ensures continuous <u>survival and growth</u> of the enterprise through the succession planning for</p>	1 mark for each benefit

	<p>managers.</p> <p>(iii) It helps to ensure <u>optimum utilisation</u> of human resources by avoiding overmanning and under-utilisation of personnel.</p> <p>(iv) It improves <u>job satisfaction and morale</u> of employees through objective assessment and fair reward of their contribution.</p> <p><b>(If an examinee has only listed the points, ½ mark for each point should be awarded.)</b></p>	<p>= 1 x 3 = <b>3 marks</b></p>
22.	<p><b>(a) Q. Explain any three points of importance of ‘Controlling’ function of management.</b></p> <p><b>Ans</b> <u>Importance of ‘Controlling’</u></p> <p>(i) Accomplishing organizational goals.</p> <p>(ii) Judging the 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>(vi) Facilitating co-ordination in action</p> <p style="text-align: center;"><b>OR</b></p> <p><b>(b) Planning and Controlling are inseparable twins of management.’ Explain the relationship between planning and controlling with the help of any three points.</b></p> <p><b>Ans</b> <u>Relationship between planning and controlling (Any three with explanation):</u></p> <p>(i) Controlling takes place on the basis of <u>standards developed by planning.</u></p>	<p>½ mark for naming + ½ mark for its explanation</p> <p>= 1 x 3 = <b>3 marks</b></p> <p style="text-align: center;"><b>OR</b></p> <p>1 mark for each point</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.</p> <p>(iv) Planning and controlling are both forward-looking as well as looking back.</p>	<p>= 1 x 3</p> <p><b>= 3 marks</b></p>												
23.	<p><b>Q. Distinguish between 'Capital market' and Money market' on the basis of:</b></p> <p><b>(i) Participants</b>  <b>(ii) Investment outlay</b>  <b>(iii) Safety</b></p> <p><b>Ans</b> <u>Distinction between 'Capital market' and 'Money market':</u></p> <table border="1"> <thead> <tr> <th>Basis</th><th>Capital market</th><th>Money market</th></tr> </thead> <tbody> <tr> <td>Participants</td><td>The participants in capital market are financial institutions, banks, corporate entities, foreign investors and retail investors.</td><td>The money market participants are institutions like RBI, banks, financial institutions and finance companies.</td></tr> <tr> <td>Investment outlay</td><td>Investment in capital market does not require huge financial outlays as value of securities is low.</td><td>Money market transactions entail huge sums of money as the instruments are quite expensive.</td></tr> <tr> <td>Safety</td><td>Capital market instruments are riskier, both with respect to returns</td><td>Money market is much safer due to shorter duration of investing and</td></tr> </tbody> </table>	Basis	Capital market	Money market	Participants	The participants in capital market are financial institutions, banks, corporate entities, foreign investors and retail investors.	The money market participants are institutions like RBI, banks, financial institutions and finance companies.	Investment outlay	Investment in capital market does not require huge financial outlays as value of securities is low.	Money market transactions entail huge sums of money as the instruments are quite expensive.	Safety	Capital market instruments are riskier, both with respect to returns	Money market is much safer due to shorter duration of investing and	<p>= 1×3</p> <p><b>=3 marks</b></p>
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	and principal repayment.	financial soundness of issuers.	
	<p style="text-align: center;"><b>OR</b></p> <p><b>(b) State any three regulatory functions of the Securities and Exchange Board of India.</b></p> <p><b>Ans</b> <u>Regulatory functions of SEBI (any three):</u></p> <p>(i) Registration of brokers and sub-brokers and other players in the market.</p> <p>(ii) Registration of collective investment schemes and mutual funds.</p> <p>(iii) Regulation of stock brokers, portfolio exchanges, underwriters, etc.</p> <p>(iv) Regulation of takeover bids by companies.</p> <p>(v) Calling for information by undertaking inspection, conducting enquiries and audits of the stock exchanges and intermediaries.</p> <p>(vi) Levying fees or other charges for purposes of this act.</p> <p>(vii) Performing and exercising such power under Securities Contracts (Regulation) Act 1956, as may be delegated by the Government of India.</p>		<p style="text-align: center;"><b>OR</b></p> <p style="text-align: center;">= 1×3</p> <p style="text-align: center;"><b>=3 marks</b></p>
24.	<p><b>Q. Praveen and Naveen are friends. Praveen became a professional after completing his MBBS from 'Hindu Medical College'. Naveen completed his MBA from IIM, Bangalore. In a discussion with Praveen, Naveen said that he too is a professional and is working with a multinational company as a senior manager getting a good package. Praveen was not convinced about the fact that Naveen was a professional in spite of being aware that nowadays there is increasing emphasis on managed business concerns. Praveen gave three</b></p>		

	<p><b>reasons in support of his opinion. Explain the three reasons that Praveen might have given.</b></p> <p><b>Ans.</b> <u>Reasons that Praveen might have given (Any three):</u></p> <p><b>Restricted entry</b> – There is no restriction on anyone being appointed as manager in any business enterprise, irrespective of the educational qualifications possessed as compared to other professions like a doctor, a lawyer, etc</p> <p><b>Professional Association</b> – There are several associations of practicing managers in India, like the AIMA (All India Management Association), however, there is no compulsion for managers to be members of such an association nor does it have any statutory backing unlike other professions.</p> <p><b>Ethical code of conduct:</b> All professionals are bound by a code of conduct which guides the behaviour of its members, which may not be followed by manager though AIMA has laid down a code of conduct to regulate the activities of their members.</p> <p><b>Service motive</b>– The basic purpose of management is to serve their clients interests by rendering dedicated and committed service whereas the basic purpose of management is to help the business organisation to achieve its stated goal which is profit maximisation.</p> <p><b>(If an examinee has only listed the points, ½ mark for each point should be awarded.)</b></p>	<p>1 mark for each reason</p> <p>=1 x 3</p> <p><b>=3 marks</b></p>
25.	<p><b>Q. Explain two sources of recruitment for various job positions which are more reliable as the candidates are already known to the organisation and they do not need induction training.</b></p> <p><b>Ans</b> <u>Internal sources of recruitment</u></p> <p><b>(i) Transfer</b> It involves shifting of an employee from one job to another, one department to another or from one shift</p>	<p>1 mark for naming +</p> <p>1 mark for explanation</p>

	<p>to another, without a substantive change in the responsibilities and status of the employee.</p> <p><b>(ii) Promotion</b>  Promotion leads to shifting an employee to a higher position, carrying higher responsibilities, facilities, status and pay.</p> <p style="text-align: center;"><b>OR</b></p> <p><b>(b) ‘It is a process by which the aptitudes skills and abilities of employees to perform specific jobs are increased.’ Identify the process and any three of its benefits to the organisation.</b></p> <p><b>Ans Training</b></p> <p><u>Benefits of training to the organisation (any three):</u></p> <ul style="list-style-type: none"> <li>(i) Training is a <u>systematic learning</u>, always better than hit and trial methods which lead to wastage of efforts and money.</li> <li>(ii) It enhances <u>employee productivity</u> both in terms of quantity and quality, leading to higher profits.</li> <li>(iii) Training <u>equips the future manager</u> who can take over in case of emergency.</li> <li>(iv) Training <u>increases employee morale</u> and reduces absenteeism and employee turnover.</li> <li>(v) It helps in obtaining effective <u>response to fast changing environment</u>—technological and economic.</li> </ul>	<p>= 2 x 2  <b>= 4 marks</b></p> <p style="text-align: center;"><b>OR</b></p> <p>1 mark for identification    +  1 mark for each benefit    = 1+ 3  <b>= 4 marks</b></p>
26.	<p><b>Q.(a) Identify and state any three features of the process of instructing, guiding, counselling, motivating and leading people in the organisation to achieve its objectives.</b></p> <p><b>Ans Directing</b></p> <p><u>Features of Directing ( any three):</u></p> <ul style="list-style-type: none"> <li>(i) Directing initiates action.</li> <li>(ii) Directing takes place at every level of</li> </ul>	<p>1 mark for identification  +  1 mark for each feature</p>

	<p>management</p> <p>(iii) Directing is a continuous process</p> <p>(iv) Directing flows from top to bottom</p> <p style="text-align: center;"><b>OR</b></p> <p><b>(b) State four incentives which are in direct monetary form or measurable in monetary terms and serve to motivate people for better performance.</b></p> <p><b>Ans</b> <u>Financial incentives (any four):</u></p> <p>(i) <b>Pay and allowances</b> include basic pay, dearness allowance and other allowances given to employees.</p> <p>(ii) <b>Productivity linked wage incentives</b> aim at linking payment of wages to increase in productivity at individual or group level.</p> <p>(iii) <b>Bonus</b> is an incentive offered over and above the wages/salaries to the employees for higher performance.</p> <p>(iv) <b>Profit-sharing</b> means providing a share to employees in the profits of the organisation.</p> <p>(v) <b>Co-partnership/stock option</b> is an incentive in which employees are offered company shares at a set price, which is lower than market price, to create a feeling of ownership and make them contribute for the growth of the organisation.</p> <p>(vi) <b>Retirement benefits</b> 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>(vii) <b>Perquisites</b> 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>= 1 + 3</p> <p><b>=4 marks</b></p> <p style="text-align: center;"><b>OR</b></p> <p>1 mark for each incentive</p> <p>=1 x 4</p> <p><b>=4 marks</b></p>
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	(If an examinee has only listed the points, ½ mark for each point should be awarded.)	
27.	<p><b>Q. Managers in 'Galaxy Enterprises' faced lot of issues due to barriers in communication leading to creation of an environment of distrust and misunderstanding. Suggest any four measures to improve communication effectiveness in Galaxy Enterprises'.</b></p> <p><b>Ans</b> <u>Measures to improve communication effectiveness (any four):</u></p> <ul style="list-style-type: none"> <li>(i) Clarify the ideas before communication.</li> <li>(ii) Communicate according to the needs of receiver.</li> <li>(iii) Consult others before communicating.</li> <li>(iv) Be aware of languages, tone and content of message.</li> <li>(v) Convey things of help and value to listeners.</li> <li>(vi) Ensure proper feedback to make communication process more responsive.</li> <li>(vii) Communicate for present as well as future.</li> <li>(viii) Follow up communication.</li> <li>(ix) Be a good listener.</li> </ul>	<p>1 mark for each measure</p> <p>=1 x 4 <b>=4 marks</b></p>
28.	<p><b>Q. Identify and state any three factors affecting the decision which involves determining the relative proportion of the use of different sources in raising funds.</b></p> <p><b>Ans</b> Capital Structure</p> <p><u>Factors affecting choice of Capital Structure (any three):</u></p>	<p>1 mark for identification</p>

	<ol style="list-style-type: none"> <li>1. <u>Cash flow position</u> must be considered to meet fixed payment obligations associated with debt.</li> <li>2. <u>The higher the Interest Coverage Ratio (ICR)</u>, lower shall be the risk of company failing to meet its interest payment obligations.</li> <li>3. A higher <u>Debt Service Coverage Ratio (DSCR)</u> indicates the company's potential to increase debt component in its capital structure.</li> <li>4. If the <u>Return on Investment(RoI)</u> of the company is higher than the interest on debt, its ability to use debt is greater.</li> <li>5. A firm's ability to borrow (<u>cost of debt</u>) at a lower rate increases its capacity to employ higher debt.</li> <li>6. A higher <u>tax rate</u> makes debt relatively cheaper and increases its attraction vis-à-vis equity.</li> <li>7. <u>Cost of Equity</u> increases when debt is used beyond a certain point.</li> <li>8. <u>Floataion cost</u> of raising various resources may also affect the choice between debt and equity.</li> <li>9. If a firm's <u>business risk</u> is lower, its capacity to use debt is higher and vice versa.</li> <li>10. If a firm uses its debt potential to the full, it loses <u>flexibility</u> to issue further debt.</li> <li>11. Debt normally does not cause a dilution of <u>control</u> while a public issue of equity may reduce the managements' holding in the company.</li> <li>12. Every company operates within a <u>regulatory framework</u> provided by the law, so the relative ease with which the norms can be met may have a bearing upon the choice of the source of finance.</li> <li>13. If the <u>stock markets</u> are bullish, equity shares are more easily sold whereas during a bearish phase, a company may opt for debt.</li> </ol>	<p style="text-align: center;">+</p> <p style="text-align: center;">1 mark for each factor</p> <p style="text-align: center;">= 1 + 3 <b>=4 marks</b></p>
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	<p>14. A useful guideline in the capital structure planning is the <u>capital structure of other companies</u> in the same industry.</p> <p><b>(If an examinee has only listed the points, ½ mark for each point should be awarded.)</b></p>	
29.	<p><b>Q. ‘MVT Ltd.’ is a leading cosmetic manufacturing company. It has its own consumer service and grievance redressal centre to address consumer concerns. The mobile phone number of the consumer service and grievance redressal cell is printed on the labels of all its products as a policy to get feedback or complaints from their consumers. It also runs various programmes to educate the consumers about their rights and reliefs available to them in case a product or service falls short of their expectations. Explain the two rights of the consumers which are being promoted by the company.</b></p> <p><b>Ans</b> <u>Consumer Rights being promoted by the company:</u></p> <p>(i) Right to be heard (ii) Right to consumer education</p>	<p>1 mark for identification + 1 mark for its explanation</p> <p>=2x 2 <b>= 4 marks</b></p>
30.	<p><b>Q. Kaveri is busy in preparing the financial blueprint for her organisation's future operations. She feels that detailed plans of action reduce waste and duplication of efforts. However, her friend, Sana feels that in an uncertain and dynamic world, this type of planning may not work. Kaveri again stresses on her statement and explains why this financial blueprint is important.</b></p> <p><b>Identify the concept and state three points of its importance in addition to those explained in the above para.</b></p> <p><b>Ans.</b> Financial Planning</p>	<p>1 mark for identification</p>

	<p><u>Importance of Financial Planning ( any three):</u></p> <ul style="list-style-type: none"> <li>(i) It helps in <u>forecasting</u> what may happen in future under different situations and face the eventual situation in a better way.</li> <li>(ii) It helps in avoiding business shocks and surprises and helps the company in <u>preparing for the future</u>.</li> <li>(iii) It helps in <u>co-ordinating various business functions</u>, like sales and production functions, by providing clear policies and procedures.</li> <li>(iv) It tries to <u>link the present</u> with the future.</li> <li>(v) It provides a <u>link between investment and financing</u> decisions on a continuous basis.</li> <li>(vi) It makes the <u>evaluation</u> of actual performance easier.</li> </ul> <p><b>(If an examinee has only listed the points, ½ mark for each point should be awarded.)</b></p>	<p>+</p> <p>1 mark for each statement</p> <p>= 1 +3</p> <p><b>= 4 marks</b></p>
31.	<p><b>(a) What is meant by ‘informal organisation’? State any two advantages and two disadvantages of Informal Organisation.</b></p> <p><b>Ans</b> Informal organisation means a network of social relationships among employees arising due to interaction among people at work.  <i>(or any other suitable meaning)</i></p> <p><u>Advantages of informal organization (any two):</u></p> <ul style="list-style-type: none"> <li>(i) It leads to <u>faster spread of information</u> as well quick feedback.</li> <li>(ii) It helps to <u>fulfil the social needs</u> of the members.</li> <li>(iii) It <u>contributes towards fulfilment</u> of organisational objectives by compensating for inadequacies in the formal organisation.</li> </ul> <p><b>(If an examinee has only listed the points, ½ mark for each point should be awarded.)</b></p>	<p>2 marks for the meaning</p> <p>+</p> <p>1 mark for each advantage</p>

	<p><u>Limitations of informal organisation: (any two)</u></p> <p>(i) It leads to <u>spread of rumours</u>.  (ii) It may lead to <u>resistance to change</u>.  (iii) It <u>pressurizes members</u> to conform to group expectations which may be against organisational interest.</p> <p><b>(If an examinee has only listed the points, ½ mark for each point should be awarded.)</b></p> <p style="text-align: center;"><b>OR</b></p> <p><b>(b) Give the meaning of ‘Functional Structure’ of an organisation. State any four advantages of this structure.</b></p> <p><b>Ans</b> Functional structure means an organisational structure which is formed by grouping of jobs of similar nature according to functions and organising these major functions as separate departments like production, finance etc.  <i>(or any other suitable meaning)</i></p> <p><u>Advantages of Functional Structure (any four):</u></p> <p>(i) A functional structure leads to <u>occupational specialisation</u> since emphasis is placed on specific functions.  (ii) It promotes <u>control and coordination</u> within a department because of similarity in the tasks being performed.  (iii) It helps in increasing <u>managerial and operational efficiency</u> and this results in increased profit.  (iv) It leads to <u>minimal duplication</u> of effort which results in economies of scale and this lowers cost.  (v) It makes <u>training of employees</u> easier as the focus is only on a limited range of skills.  (vi) It ensures that different functions get due <u>attention</u>.</p>	<p>+ 1 mark for each disadvantage</p> <p>= 2+2+2  <b>= 6 marks</b></p> <p style="text-align: center;"><b>OR</b></p> <p>2 marks for the meaning</p> <p style="text-align: center;">+</p> <p>1 mark for each advantage</p> <p>= 2+4  <b>= 6 marks</b></p>
32.	<p><b>Q.(a) ‘The activities that communicate availability, features, merits, etc. of the products and services to the target customers and persuade them to buy these</b></p>	

	<p><b>products and services’ is an important element of marketing mix. Explain any three tools of communication used by the marketers for this purpose.</b></p> <p><b>Ans</b> <u>Tools of communication used by the marketers (any three with explanation):</u></p> <ul style="list-style-type: none"> <li>(i) Advertising</li> <li>(ii) Personal Selling</li> <li>(iii) Sales Promotion</li> <li>(iv) Public Relations</li> </ul> <p style="text-align: center;"><b>OR</b></p> <p><b>(b) It refers to a set of marketing tools that a firm uses to pursue its marketing objectives in a target market.</b></p> <p><b>(i) Identify and state the concept.</b></p> <p><b>(ii) Explain three elements of the concept identified in (i) above.</b></p> <p><b>Ans</b> (i) Marketing Mix</p> <p>The combination of variables chosen by a firm to prepare its market offering is called marketing mix.</p> <p><b>(ii) <u>Elements of Marketing Mix (any three):</u></b></p> <ul style="list-style-type: none"> <li>(a) Product</li> <li>(b) Price</li> <li>(c) Place</li> <li>(d) Promotion</li> </ul>	<p><math>\frac{1}{2}</math> mark for naming + 1 <math>\frac{1}{2}</math> mark for explanation = 2 x 3 = 6 marks</p> <p style="text-align: center;"><b>OR</b></p> <p>1 mark for identification + <math>\frac{1}{2}</math> mark for the statement + <math>\frac{1}{2}</math> mark for naming + 1 mark for explanation = 1 <math>\frac{1}{2}</math> + 4 <math>\frac{1}{2}</math> = 6 marks</p>
33.	<p><b>Q. ‘Diamond Logistics Company’ had a turnover of ₹25 lakh during the year ended 31<sup>st</sup> March, 2022. In a board meeting held on 15<sup>th</sup> April, 2022, it was decided to achieve a turnover off ₹45 lakh for the next year. To accomplish this objective after taking into consideration the business environment, a comprehensive plan was drawn. The Chief Executive Officer (CEO) of the company also released a plan that would not only guide the thinking of the</b></p>	<p><math>\frac{1}{2}</math> mark for identification</p>

	<p><b>managers and their decision-making but also channelise their energies towards achievement of this target.</b></p> <p><b>Identify and explain the three types of plans discussed in the above para.</b></p> <p><b>Ans <u>Types of Plans:</u></b></p> <p>(i) Objective</p> <p>(ii) Strategy Policy</p>	<p>+</p> <p>1 ½ mark for its explanation</p> <p>= 2 x 3</p> <p><b>= 6 marks</b></p>
34.	<p><b>Q. A famous cricket coach, Alam Raza was hired by Sports College, Indore to coach the college cricket team for a National level competition. In the first meeting itself, the Principal of the college announced that the players would enter into an agreement with the college. The agreement would state the reporting time for players on the field and other rules and regulations. Failure to obey the agreement and rules would lead to judicious application of penalties. It was also announced by the College Principal that the players would receive orders from the coach and they would all be responsible only to the coach, to prevent confusion regarding tasks to be done. The coach was very determined to train the players to win, as the entire responsibility was on his shoulders. He promoted the spirit of mutual trust and belongingness among the team members without which he felt it would be difficult to win. The players were also enthusiastic and the training started in full swing.</b></p> <p><b>Identify and explain the three principles of management discussed in the above case.</b></p> <p><b>Ans <u>Principles of Management</u></b></p> <p>(i) Discipline</p> <p>(ii) Unity of Command Esprit de Corps</p>	<p>½ mark for identification</p> <p>+</p> <p>1 ½ mark for its explanation</p> <p>= 2 x 3</p> <p><b>= 6 marks</b></p>

