

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

Senior School Certificate Examination, 2023

SUBJECT NAME BUSINESS STUDIES (66/3/3)

General Instructions: -

1	You are aware that evaluation is the most important process in the actual and correct assessment of the candidates. A small mistake in evaluation may lead to serious problems which may affect the future of the candidates, education system and teaching profession. To avoid mistakes, it is requested that before starting evaluation, you must read and understand the spot evaluation guidelines carefully.
2	“Evaluation policy is a confidential policy as it is related to the confidentiality of the examinations conducted, Evaluation done and several other aspects. Its’ leakage to public in any manner could lead to derailment of the examination system and affect the life and future of millions of candidates. Sharing this policy/document to anyone, publishing in any magazine and printing in News Paper/Website etc may invite action under various rules of the Board and IPC.”
3	Evaluation is to be done as per instructions provided in the Marking Scheme. It should not be done according to one’s own interpretation or any other consideration. Marking Scheme should be strictly adhered to and religiously followed. However, while evaluating, answers which are based on latest information or knowledge and/or are innovative, they may be assessed for their correctness otherwise and due marks be awarded to them.
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

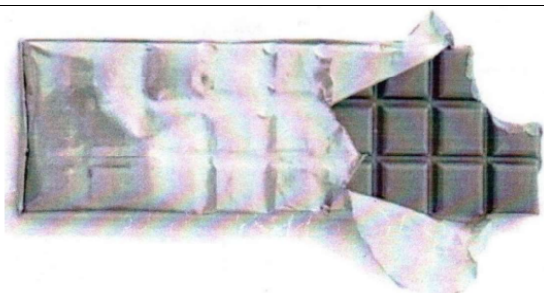
Senior Secondary School Examination, 2023
BUSINESS STUDIES (Subject Code — 054)
[Paper Code — 66/3/3]

Q. No.	EXPECTED ANSWER / VALUE POINTS	Marks
1.	<p>Q. Government of India demonetised notes of ₹500 and ₹1000 on November 8, 2016. Demonetisation means:</p> <p>(a) They ceased to be legal tender except for a few specified purposes. (b) These notes could not be banked but could be freely used otherwise. (c) These notes could be converted into gold coins from Reserve Bank of India. (d) These notes could be used for household purposes but not for business purposes.</p> <p>Ans (a) They ceased to be legal tender except for a few specified purposes.</p>	1 mark
2.	<p>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:</p> <p>(a) Science, not the Rule of Thumb (b) Cooperation, not Individualism (c) Harmony, not Discord (d)Development of Each and Every Person to His or Her Greatest Efficiency and Prosperity</p> <p>Ans (c) Harmony, not Discord</p>	1 mark
3.	<p>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</p>	

	<p>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.</p> <p>The step of the controlling process discussed in the above para is:</p> <p>(a) Setting performance standards (b) Measurement of actual performance (c) Comparison of actual performance with standards (d) Analysing deviations</p> <p>Ans (b) Measurement of actual performance</p>	1 mark
4.	<p>Q. Prateek Singh opened a jewellery store Fashion Jewels' offering workwear, light jewellery with 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:</p> <p>(a) Packaging and labelling (b) Promotion (c) Customer support service (d) Product designing and development</p> <p>Ans (d) Product designing and development</p>	1 mark
5.	<p>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:</p> <p>(a) Organising (b) Controlling (c) Staffing (d) Planning</p>	

	Ans (a) Organising	1 mark
6.	<p>Q. Identify the correct sequence of two-level-channel of distribution:</p> <p>(a) Manufacturer → Retailer → Agent → Customer</p> <p>(b) Manufacturer → Consumer → Retailer → Wholesaler</p> <p>(c) Manufacturer → Agent → Customer → Retailer</p> <p>(d) Manufacturer → Wholesaler → Retailer → Consumer</p> <p>Ans (d) Manufacturer → Wholesaler → Retailer → Consumer</p>	1 mark
7.	<p>Q. _____ has been established with the specific objective of providing a ready market for money market instruments.</p> <p>(a) Discount Finance House of India</p> <p>(b) Securities and Exchange Board of India</p> <p>(c) Reserve Bank of India</p> <p>(d) State Bank of India</p> <p>Ans (a) Discount Finance House of India</p>	1 mark
8.	<p>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?</p> <p>(a) Money market</p> <p>(b) Primary market</p> <p>(c) Secondary market</p> <p>(d) Both (b) and (c)</p> <p>Ans (c) Secondary market</p>	1 mark
9.	Q. Statement I: Values are general rules for behaviour of individuals in society formed on the basis of common practise and principles after research in	

	<p>work situations.</p> <p>Statement II: While practising principles of management, values cannot be neglected as businesses have to fulfil social and ethical responsibilities towards society.</p> <p>Choose the correct option from the options given below:</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>Ans (c) Both the statements are true.</p>	<p>1 mark</p>
10.	<p>Q. Which of the following is a development function of Securities and Exchange Board of India?</p> <p>(a) Training of intermediaries of the securities market (b) Promotion of fair practices and code of conduct in the securities market (c) Undertaking steps for investor protection (d) Prohibition of fraudulent and unfair trade practices</p> <p>Ans (a) Training of intermediaries of the securities market</p>	<p>1 mark</p>
11.	<p>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:</p> <p>(a) Personal selling (b) Public relations (c) Marketing (d) Sales promotion</p> <p>Ans (b) Public relations</p>	<p>1 mark</p>

12.	<div></div> <p>The level of packaging of the chocolate shown in the picture below is:</p> <ul style="list-style-type: none">(a) Secondary packaging(b) Transportation packaging(c) Designer packaging(d) Primary packaging <p>Ans (d) Primary packaging</p>	1 mark						
13.	<p>Q. The process of holding securities in electronic form is called dematerialisation. Which of the following statement does not relate to dematerialisation?</p> <ul style="list-style-type: none">(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>Ans (d) Existing physical shares cannot be converted into electronic form</p>	1 mark						
14.	<p>Q. Match the various communication barriers given in Column II with their respective categories given in Column I:</p> <table><tr><td><i>Column I</i></td><td><i>Column II</i></td></tr><tr><td>P. Semantic Barriers</td><td>(i) Distrust</td></tr><tr><td>Q. Psychological Barriers</td><td>(ii) Lack of proper incentives</td></tr></table>	<i>Column I</i>	<i>Column II</i>	P. Semantic Barriers	(i) Distrust	Q. Psychological Barriers	(ii) Lack of proper incentives	
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Q. Psychological Barriers	(ii) Lack of proper incentives							

	<p>R. Organisational Barriers (iii) Symbols with different meanings</p> <p>S. Personal Barriers (iv) Status</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>Ans (c) P-(iii), Q-(i), R-(iv), S-(ii)</p>	1 mark
15.	<p>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?</p> <p>(a) District Commission (b) State Commission (c) National Commission (d) Supreme Court</p> <p>Ans.(b) State Commission</p>	1 mark
16.	<p>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?</p> <p>(a) Social (b) Technological (c) Legal (d) Political</p> <p>Ans (c) Legal</p>	1 mark
17.	<p>Q.'Compro Solutions' offers IT services to clients across the country. During Covid-19, to accommodate changes taking place in the business environment, it</p>	

	<p>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:</p> <p>(a) Benefits of specialisation (b) Adaptation to change (c) Development of personnel (d) Clarity in working relationships</p> <p>Ans. (b) Adaptation to change</p>	1 mark
18.	<p>Q. Which of the following is not a part of social environment of Business?</p> <p>(a) Life expectancy (b) Education system and literacy rates (c) Consumption habits (d) Money supply in the economy</p> <p>Ans (d) Money supply in the economy</p>	1 mark
19.	<p>Q. Which of the following is not a function of middle level management?</p> <p>(a) Analysing the business environment and its implications for survival of the firm. (b) Interpreting the policies framed by top management. (c) Ensuring that their department has necessary personnel (d) Motivating people in their department to achieve desired objectives.</p> <p>Ans (a)Analysing the business environment and its implications for survival of the firm.</p>	1 mark
20.	<p>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.</p>	

	<p>Identify the feature of business environment highlighted above:</p> <p>(a) Totality of external sources (b) Specific and general forces (c) Inter-relatedness (d) Dynamic nature</p> <p>Ans (d) Dynamic nature</p>	1 mark												
21.	<p>Q. Distinguish between 'Capital market' and Money market' on the basis of:</p> <p>(i) Participants (ii) Investment outlay (iii) Safety</p> <p>Ans <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 and principal repayment.</td><td>Money market is much safer due to shorter duration of investing and financial soundness of the issuers.</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 and principal repayment.	Money market is much safer due to shorter duration of investing and financial soundness of the issuers.	<p>= 1×3</p> <p>=3 marks</p>
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	<p style="text-align: center;">OR</p> <p>(b) State any three regulatory functions of the Securities and Exchange Board of India.</p> <p>Ans <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;">OR</p> <p style="text-align: center;">= 1×3</p> <p style="text-align: center;">=3 marks</p>
22.	<p>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 reasons in support of his opinion. Explain the three reasons that Praveen might have given.</p>	

	<p>Ans. <u>Reasons that Praveen might have given (Any three):</u></p> <p>Restricted entry – 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>Professional Association – 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>Ethical code of conduct: 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>Service motive– 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>(If an examinee has only listed the points, ½ mark for each point should be awarded.)</p>	<p>1 mark for each reason</p> <p>=1 x 3</p> <p>=3 marks</p>
23.	<p>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</p>	

	<p>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.</p> <p>Ans <u>Benefits of Staffing (any three):</u></p> <ul style="list-style-type: none"> (i) It helps in discovering and <u>obtaining competent personnel</u> for various jobs. (ii) It ensures continuous <u>survival and growth</u> of the enterprise through the succession planning for managers. (iii) It helps to ensure <u>optimum utilisation</u> of human resources by avoiding overmanning and under-utilisation of personnel. (iv) It improves <u>job satisfaction and morale</u> of employees through objective assessment and fair reward of their contribution. <p>(If an examinee has only listed the points, ½ mark for each point should be awarded.)</p>	<p>1 mark for each benefit</p> <p>= 1 x 3 = 3 marks</p>
24.	<p>Q.(a) Explain any three points of importance of 'Controlling' function of management.</p> <p>Ans. <u>Importance of Controlling (any three):</u></p> <ul style="list-style-type: none"> (i) Accomplishing organisational goals (ii) Judging accuracy of standards (iii) Making efficient use of resources 	<p>½ mark for naming + ½ mark for its explanation</p> <p>= 1 x 3</p>

	<p>(iv) Improving employee motivation</p> <p>(v) Ensures order and discipline</p> <p>(vi) Facilitating coordination in action</p> <p style="text-align: center;">OR</p> <p>(b) ‘Planning and Controlling are inseparable twins of management.’ Explain the relationship between planning and controlling with the help of any three points.</p> <p><u>Ans Relationship between planning and controlling (Any three with explanation):</u></p> <p>(i) Controlling takes place on the basis of standards developed by planning.</p> <p>(ii) Planning without controlling is meaningless as controlling ensures that the events conform to plans.</p> <p>(iii) Planning prescribes an appropriate course of action for achieving objectives whereas controlling evaluates 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>= 3 marks</p> <p style="text-align: center;">OR</p> <p>= 1 x 3</p> <p>= 3 marks</p>
25.	<p>Q. (a) Identify and explain the following:</p> <p>(i) It is a process which ensures that the organisation attracts potential employees with the necessary characteristics or qualifications, in adequate numbers for the jobs available.</p> <p>(ii) It is a process which ensures that the organisation gets the best among the available candidates and enhances the self-esteem and prestige of those selected and conveys to them the seriousness with which things are done in the organisation.</p> <p>Ans (i) Recruitment</p>	<p>1 mark for identification +</p>

	<p>Recruitment means the process of searching for prospective employees and stimulating them to apply for jobs in an organisation.</p> <p>(ii) Selection Selection is the process of identifying and choosing the best person out of a number of prospective candidates for a job.</p> <p style="text-align: center;">OR</p> <p>(b) Identify and explain any three merits of the source of recruitment which is used when the existing staff is insufficient or does not fulfil the eligibility criteria of the jobs to be filled.</p> <p>Ans External Sources of Recruitment</p> <p><u>Merits of External Sources of Recruitment (any three):</u></p> <ul style="list-style-type: none"> (i) Qualified Personnel (ii) Wider Choice (iii) Fresh Talent (iv) Competitive Spirit 	<p>1 mark for its explanation</p> <p>= 2 x 2 = 4 marks</p> <p style="text-align: center;">OR</p> <p>1 mark for identification + ½ mark for naming + ½ mark for explanation = 1+3 = 4 marks</p>
26.	<p>Q.(a) Identify and state any three features of the process of stimulating people to action to accomplish desired goals.</p> <p>Ans Motivation</p> <p><u>Features of Motivation (any three):</u></p> <ul style="list-style-type: none"> (i) Motivation is an internal feeling. (ii) Motivation produces goal directed behaviour. (iii) Motivation can be either positive or negative. (iv) Motivation is a complex process as the individuals are heterogeneous in their expectations, perceptions and reactions. <p style="text-align: center;">OR</p> <p>(b) Identify and state any three points of importance of</p>	<p>1 mark for identification + 1 mark for each feature = 1 + 3 =4 marks</p> <p style="text-align: center;">OR</p>

	<p>the process of instructing, guiding, counselling, motivating and leading people in the organisation to achieve its objectives.</p> <p>Ans Directing</p> <p><u>Importance of Directing (any three):</u></p> <p>(i) Directing helps to initiate action by people in the organization towards attainment of desired objectives by guiding the people and clarifying the doubts in performing a task.</p> <p>(ii) Directing integrates employees' efforts in the organization in such a way that every individual effort contributes to the organizational performance.</p> <p>(iii) Directing guides employees to fully realize their potential and capabilities by motivating and providing effective leadership.</p> <p>(iv) Directing facilitates introduction of needed changes in the organization through effective motivation, communication and leadership.</p> <p>(v) Directing helps to bring stability and balance in the organization by fostering co-operation and commitment among the people.</p> <p>(If an examinee has only listed the points, ½ mark for each point should be awarded.)</p>	<p>1 mark for identification</p> <p>+</p> <p>1 mark for each point of importance</p> <p>= 1 + 3 =4 marks</p>
27.	<p>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.</p>	<p>1 mark for identification</p> <p>+</p>

	<p>Ans <u>Consumer Rights</u> being promoted by the company:</p> <p>(i) Right to be heard</p> <p>(ii) Right to consumer education</p>	<p>1 mark for its explanation</p> <p>=2x 2</p> <p>= 4 marks</p>
28.	<p>Q. State any four factors affecting the requirements of the capital needed for day-to-day working of the business.</p> <p>Ans <u>Factors affecting Working Capital (any four):</u></p> <p>(i) 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>(ii) <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>(iii) 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, the requirement of working capital will be comparatively low.</p> <p>(iv) <u>Seasonality</u> in operations affects working capital requirements as in peak season, larger amount of working capital is required while the requirement for working capital will be lower during the lean season.</p> <p>(v) Working capital requirement is higher in firms with longer <u>production cycle</u> and lower in firms with shorter production cycle.</p> <p>(vi) A liberal <u>credit policy</u> results in higher amount of debtors, increasing the requirement of working capital.</p>	<p>= 1 x 4</p> <p>= 4 marks</p>

	<p>(vii) To the extent a firm <u>avails the credit</u> on purchases from its suppliers, the working capital requirement is reduced.</p> <p>(viii) <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>(ix) 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>(x) 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>(xi) 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>(If an examinee has only listed the points, ½ mark for each point should be awarded.)</p>	
29.	<p>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'.</p> <p>Ans <u>Measures to improve communication effectiveness (any four):</u></p> <p>(i) Clarify the ideas before communication.</p>	

	<p>(ii) Communicate according to the needs of receiver.</p> <p>(iii) Consult others before communicating.</p> <p>(iv) Be aware of languages, tone and content of message.</p> <p>(v) Convey things of help and value to listeners.</p> <p>(vi) Ensure proper feedback to make communication process more responsive.</p> <p>(vii) Communicate for present as well as future.</p> <p>(viii) Follow up communication.</p> <p>(ix) Be a good listener.</p>	<p>1 mark for each measure</p> <p>=1 x 4</p> <p>=4 marks</p>
30.	<p>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.</p> <p>Identify the concept and state three points of its importance in addition to those explained in the above para.</p> <p>Ans. Financial Planning</p> <p><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>(ii) It helps in avoiding business shocks and surprises and helps the company in <u>preparing for the future</u>.</p>	<p>1 mark for identification</p> <p>+</p> <p>1 mark for each</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 tries to <u>link the present</u> with the future.</p> <p>(v) It provides a <u>link between investment and financing</u> decisions on a continuous basis.</p> <p>(vi) It makes the <u>evaluation</u> of actual performance easier.</p> <p>(If an examinee has only listed the points, ½ mark for each point should be awarded.)</p>	<p>statement</p> <p>= 1 +3</p> <p>= 4 marks</p>
31.	<p>(a) What is meant by ‘Decentralisation’? State any four points that highlight the importance of decentralisation.</p> <p>Ans Decentralisation refers to delegation of authority throughout all the levels of the organisation such that decision making authority is placed nearest to the points of action.</p> <p style="text-align: center;">Or</p> <p>Decentralisation refers to systematic delegation of authority through all the levels of management and in all the departments except that which can be exercised only at central points.</p> <p><u>Importance of Decentralisation (any four):</u></p> <p>(i) Decentralisation <u>develops initiative</u> among subordinates as lower managerial levels are given freedom to take their own decisions.</p> <p>(ii) It <u>develops managerial talent</u> for the future as it gives the subordinates a chance to prove their abilities.</p> <p>(iii) It facilitates <u>quick decision making</u> since decisions are taken at levels which are nearest to the points of action.</p>	<p>2 marks for the meaning</p> <p style="text-align: center;">+</p> <p>1 mark for each point of importance</p> <p>= 2+ 4</p> <p>= 6 marks</p>

	<p>(iv) It provides <u>relief to top management</u> as it diminishes the amount of direct supervision exercised by a superior over the activities of a subordinate.</p> <p>(v) It <u>facilitates growth</u> as due to increased productivity levels, the organisation is able to generate more returns which can be used for expansion purposes.</p> <p>(vi) It facilitates <u>better control</u> as it makes it possible to evaluate performance at each level and hold departments accountable for their results.</p> <p style="text-align: center;">OR</p> <p>(b) What is meant by ‘Delegation’? State any four points that highlight the importance of Delegation.</p> <p>Ans Delegation refers to the downward transfer of authority from a superior to a subordinate.</p> <p style="text-align: center;">or</p> <p>Delegation is the transfer of authority from superior to subordinate, entrustment of responsibility and creation of accountability for performance.</p> <p><u>Importance of Delegation of Authority (any four):</u></p> <p>(i) It facilitates <u>effective management</u> by giving the managers the freedom from doing routine work and providing with opportunities to excel in new areas.</p> <p>(ii) It empowers the employees by providing them with the chance to use their skills and <u>develop</u> themselves for higher positions.</p> <p>(iii) It builds the self- esteem of an employee and <u>motivates</u> him to improve his performance further.</p> <p>(iv) It <u>facilitates growth</u> of an organisation by providing a ready workforce to take up leading positions in new ventures.</p>	<p style="text-align: center;">OR</p> <p>2 marks for the meaning</p> <p style="text-align: center;">+</p> <p>1 mark for each point of importance</p> <p style="text-align: center;">= 2 + 4 = 6 marks</p>
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	<p>(v) It establishes superior-subordinate relationships, which are the <u>basis of hierarchy of management</u>.</p> <p>(vi) It brings clarity in reporting relationships helps in maintaining better coordination amongst the departments, levels and functions of management.</p>	
32.	<p>(a) ‘A mixture of tangible and intangible attributes which is capable of being exchanged for a value with the ability to satisfy customer needs is an important element of marketing mix.’ Identify and state the concept. Also explain the three important decisions included in this element.</p> <p>Ans Product</p> <p>Product means goods or services or ‘anything of value’ which is offered to the market for sale.</p> <p><u>Important decisions included in Product</u></p> <ul style="list-style-type: none"> (i) Branding (ii) Packaging (iii) Labelling <p style="text-align: center;">OR</p> <p>(b) ‘ It is a social process by which individual groups obtain what they need and want through creating offerings and freely exchanging products and services of value with others,’ Identify and state the process. Also explain any three of its features.</p> <p>Ans Marketing</p> <p>Marketing is a process whereby people exchange goods and services for money or for something of value to them.</p> <p><u>Features of marketing (any three):</u></p> <ul style="list-style-type: none"> (i) Needs and wants (ii) Creating a market offering (iii) Customer value 	<p>1 mark for identification + ½ mark for the statement + ½ mark for naming the decision + 1 mark for explanation = 1 ½ + 4 ½ = 6 marks</p> <p style="text-align: center;">OR</p> <p>1 mark for identification + 1 mark for statement + ½ mark for naming the factor</p>

	(iv) Exchange Mechanism	+ 1 mark for explanation $= 1\frac{1}{2} + 4\frac{1}{2}$ = 6 marks
33.	<p>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.</p> <p>Identify and explain the three principles of management discussed in the above case.</p> <p>Ans <u>Principles of Management</u></p> <p>(i) Discipline</p> <p>(ii) Unity of Command Esprit de Corps</p>	$\frac{1}{2}$ mark for identification + 1 $\frac{1}{2}$ mark for its explanation $= 2 \times 3$ = 6 marks
34.	<p>Q. 'Diamond Logistics Company' had a turnover of ₹25 lakh during the year ended 31st March, 2022. In a board meeting held on 15th April, 2022, it was decided to achieve a turnover off ₹45 lakh for the next year.</p>	

	<p>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 managers and their decision-making but also channelise their energies towards achievement of this target.</p> <p>Identify and explain the three types of plans discussed in the above para.</p> <p>Ans <u>Types of Plans:</u></p> <ul style="list-style-type: none"> (i) Objective (ii) Strategy Policy 	<p>½ mark for identification + 1 ½ mark for its explanation</p> <p>= 2 x 3</p> <p>= 6 marks</p>
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