

Strictly Confidential: (For Internal and Restricted use only)
Senior Secondary School Term II Examination, 2022
Marking Scheme – BUSINESS STUDIES (SUBJECT CODE – 054)
(PAPER CODE – 66/2/3)

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 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 marks be awarded to them.**
4. 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. 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.
5. Evaluators will mark($\sqrt{}$) wherever answer is correct. For wrong answer ‘X’ be marked. Evaluators will not put right kind of mark while evaluating which gives an impression that answer is correct and no marks are awarded. **This is most common mistake which evaluators are committing.**

6. 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.
7. 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.
8. If a student has attempted an extra question, answer of the question deserving more marks should be retained and the other answer scored out.
9. No marks to be deducted for the cumulative effect of an error. It should be penalized only once.
10. A full scale of 0-40 marks as given in Question Paper) has to be used. Please do not hesitate to award full marks if the answer deserves it.
11. Every examiner has to necessarily do evaluation work for full working hours i.e. 8 hours every day and evaluate 30 answer books per day in main subjects and 35 answer books per day in other subjects (Details are given in Spot Guidelines). This is in view of the reduced syllabus and number of questions in question paper.
12. Ensure that you do not make the following common types of errors committed by the Examiner in the past:-
 - 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 a reply.
 - 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.
 - 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.
13. 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.
14. Any unassessed portion, non-carrying over of marks to the title page, or totaling error detected by the candidate shall damage the prestige of all the personnel engaged in the evaluation work as also of the Board. Hence, in order to uphold the prestige of all concerned, it is again reiterated that the instructions be followed meticulously and judiciously.
15. The Examiners should acquaint themselves with the guidelines given in the Guidelines for spot Evaluation before starting the actual evaluation.
16. 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.
17. The Board permits candidates to obtain photocopy of the Answer Book on request in an RTI application and also separately as a part of the re-evaluation process on payment of the processing charges.

MARKING SCHEME

Senior Secondary School Examination TERM–II, 2022

BUSINESS STUDIES (Subject Code–054)

[Paper Code: 66/2/3]

Maximum Marks: 40

Q. No.	EXPECTED ANSWER / VALUE POINTS	Marks
1.	<p>Q. How does ‘Controlling’ function of management motivate the employees and help them in giving better performance? State.</p> <p>Ans. Controlling helps in improving employees’ motivation as:</p> <ul style="list-style-type: none">• the employees know well in advance what they are expected to do and• the basis on which they will be appraised. <p>This helps them to give better performance.</p>	2 marks
2.	<p>Q. Calling for information by undertaking inspection, conducting enquiries and audits of stock exchanges and intermediaries’ is a function performed by Securities and Exchange Board of India. State any two other functions of the same category.</p> <p>Ans. <u>Two other Regulatory functions of Securities and Exchange Board of India are (Any two):</u></p> <p>(i) It registers brokers and sub brokers and other players in the market.</p> <p>(ii) It registers collective investment schemes and mutual funds.</p> <p>(iii) It regulates stock brokers, portfolio exchanges, underwriters and merchant bankers.</p>	

	<p>(iv) It regulates takeover bids by companies.</p> <p>(v) It levies fee or other charges for carrying out the purposes of the Act.</p> <p>(vi) It performs and exercises such powers under Securities Contract (Regulation) Act 1956 as may be delegated by the government of India.</p> <p><i>(If an examinee has only listed the points, ½ mark for each point should be awarded)</i></p>	<p>1 x 2</p> <p>=</p> <p>2 marks</p>
3.	<p>Q. ‘Promotion stops infusion of new blood in the organisation.’ However it is still being used as a good source of filling the vacancies internally. State any two reasons for the same.</p> <p>Ans. <u>Reasons for filling vacancies through internal sources/promotion:</u> (Any two)</p> <p>(i) <u>Motivate employees</u> as promotion at a higher level may lead to a chain of promotions at lower levels in the organisation.</p> <p>(ii) <u>Simplify the process of selection</u> as the candidates are already known to the organisation.</p> <p>(iii) <u>No need for induction training</u> as the employees are already familiar with the organisation.</p> <p>(iv) Help in <u>adjustment of surplus staff</u> in those departments where there is shortage of staff.</p> <p>(v) <u>Economical source</u> of recruitment.</p> <p><i>(If an examinee has only listed the points, ½ mark for each point should be awarded)</i></p>	<p>1 x 2</p> <p>=</p> <p>2 marks</p>

4.	<p>Q. Staffing ensures optimum utilisation of human resources Justify the statement by giving any two points.</p> <p>Ans. Staffing ensures optimum utilisation of human resources by:</p> <p>(i) Avoiding overmanning, it prevents under-utilisation of personnel and high labour costs</p> <p>(ii) Avoids disruption of work by indicating in advance the shortages of personnel.</p>	<p>1 x 2 = 2 marks</p>
5.	<p>Q. Explain ‘Private Placement’ and ‘e-IPOs’ as methods of floatation of new issues in the primary market.</p> <p>Ans.</p> <p><u>Private Placement</u></p> <ul style="list-style-type: none"> • It refers to the allotment of securities by a company to institutional investors and some selected individuals. • It helps to raise capital more quickly and economically than a public issue. <p><u>E-IPO</u></p> <ul style="list-style-type: none"> • It refers to issuing securities through the online system of stock exchange in which the company enters into an agreement with the stock exchange. • SEBI registered brokers, registrar to the issue are appointed and the lead manager co-ordinates the activities amongst the intermediaries connected with the issue. 	<p>1½ marks + 1½ marks = 3 marks</p>
6.	<p>Q. Name and give the meaning of the process which is career-oriented and designed to help the employees in the</p>	

	<p>progress towards maturity and actualisation of their potential capabilities.</p> <p>Ans.</p> <p>The process which is career-oriented and designed to help the employees in the progress towards maturity and actualisation of their potential capabilities is <u>Development</u>.</p> <ul style="list-style-type: none"> • It is the process by which the employees acquire skills and competencies for handling higher jobs in future. • It covers not only those activities which improve job performance but also those which bring about growth of the personality. 	<p>1 mark for naming</p> <p>+</p> <p>2 marks for meaning</p> <p>=</p> <p>1+2</p> <p>=</p> <p>3 marks</p>
7.	<p>Q. Tanushree is working in a multinational company. Her performance is appreciated by everyone in the company. As an incentive, the company offered her to buy the shares of the company at a price that is less than the market price.</p> <p>(a) Name and give the meaning of the incentive offered to Tanushree.</p> <p>(b) State any two more incentives of the same type.</p> <p>Ans. The incentive offered to Tanushree by the company was <u>Co-partnership/ Stock option</u>.</p> <p>It is an incentive under which the employees are offered company shares at a set price which is lower than market price.</p> <p><u>Two more incentives of the same type are: (Any two)</u></p> <p>(i) <u>Pay and allowances</u> which includes basic pay, dearness allowance and other allowances</p>	<p>1 mark for naming the incentive</p> <p>+</p> <p>1 mark for meaning</p> <p>+</p>

	<p>(ii) <u>Productivity linked wage incentive</u> involves linking payment of wages of employees to the increase in their productivity at individual or group level.</p> <p>(iii) <u>Bonus</u> involves offering an amount of funds over and above the wages/ salary to the employees.</p> <p>(iv) <u>Profit Sharing</u> involves providing a share in the profits of the organization to employees.</p> <p>(v) <u>Retirement Benefits</u> include benefits such as provident fund, pension and gratuity that provide financial security to employees after their retirement.</p> <p>(vi) <u>Perquisites</u> include incentives such as car allowance, housing, medical aid and education to the children etc., which are offered over and above the salary.</p> <p><i>(If an examinee has only listed the points, ½ mark for each point should be awarded)</i></p>	<p>(½ mark for stating each incentive = 1/2 x 2 = 1 mark) = 1+1+1 = 3 marks</p>
8.	<p>(a) What is meant by ‘leadership’? State any two leadership styles.</p> <p>Ans. <u>Leadership</u> is the process of influencing people so that they strive willingly and enthusiastically towards the achievement of group goals.</p> <p><i>(Or any other correct meaning)</i></p> <p><u>The various leadership styles are: (Any two)</u></p> <p>(i) Autocratic or Authoritarian leadership style in which an autocratic leader gives orders and insists that they are obeyed.</p>	<p>1 mark for meaning</p> <p>+</p> <p>1 mark for stating each leadership style</p>

	<p>He does not give the subordinates any freedom to influence his decision.</p> <p>(ii) <u>Democratic or Participative leadership style</u> in which the democratic leader favours decision making by the group and allows them (subordinates) to become part of the team and helps leaders (seniors) to make better decisions.</p> <p>(iii) <u>Laissez Faire or Free –rein leadership style</u> in which the leader gives complete freedom to the subordinates and depends largely upon the group to establish its own goals and work out its own problems.</p> <p><i>(Or any other explanation which clarifies the meaning of leadership styles)</i></p> <p style="text-align: center;">OR</p> <p>(b) State the last two steps in the process of ‘Controlling’ function of management.</p> <p>Ans. The last two steps in the process of ‘Controlling’ function of management are:</p> <p>(i) <u>Analysing deviations</u></p> <p>Deviations are analysed for their causes through Critical Point Control and Management by Exception.</p> <ul style="list-style-type: none"> • Critical Point Control focuses on control of Key Result Areas which are critical to the success of the organisation. • Management by exception is based on the belief that an attempt to control everything results in controlling nothing. Thus, only significant deviations which go beyond the permissible limit should be brought to the notice of the management. 	<p>=</p> <p>1 x 2</p> <p>=</p> <p>2 marks</p> <p>=</p> <p>1+2</p> <p>=</p> <p>3 marks</p> <p>OR</p> <p>2 marks</p> <p>+</p>
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	<p>(ii) <u>Taking corrective action</u></p> <ul style="list-style-type: none"> • Corrective action is taken if deviations go beyond the acceptable limits. • In case the deviation cannot be corrected through managerial action, the standards may have to be revised. <p><i>(If an examinee has only listed the points, ½ mark for each point should be awarded)</i></p>	<p>1 mark</p> <p>=</p> <p>3 marks</p>
9.	<p>Q. Explain the following rights of a consumer provided under The Consumer Protection Act, 2019:</p> <p>(i) Right to be Informed</p> <p>(ii) Right to be Heard</p> <p>Ans.</p> <p>(i) <u>Right to be informed:</u></p> <ul style="list-style-type: none"> • The consumer has a right to have complete information about the product he intends to buy such as, ingredients, date of manufacture, price, quantity etc. • It is because of this reason that the legal framework in India requires the manufacturers to provide such information on the package and label of the product. <p>(ii) <u>Right to be heard:</u></p> <ul style="list-style-type: none"> • The consumer has right to file a complaint and to be heard in case of dissatisfaction with a product or a service. • It is because of this reason many firms have set up their own consumer service and grievance cells. <p style="text-align: center;">OR</p>	<p>2 ½ marks</p> <p>+</p> <p>2 ½ marks</p> <p>=</p> <p>5 marks</p> <p>OR</p>

	<p>(b) (i) Give the meaning of a consumer as per the Consumer Protection Act, 2019.</p> <p>(ii) State when can a grievance be directly redressed in ‘State Commission’ and ‘National Commission’ by the aggrieved party.</p> <p>(i) Under the Consumer Protection Act 2019:</p> <ul style="list-style-type: none"> • A consumer is a person who buys any goods or avails services for a consideration, which has been paid or promised, or partly paid and partly promised, or under any scheme of deferred payment. • It includes any user of such goods or beneficiary of services if such use is made with the approval of the buyer. • It applies to both offline and online transactions through electronic means or by teleshopping or direct selling or multilevel marketing. <p>(ii) A grievance be directly redressed in ‘State Commission’ where value of goods and services paid as consideration <u>exceeds one crore but does not exceed ten crore rupees</u></p> <p>A grievance be directly redressed in ‘National Commission’ where the value of goods or services paid as consideration <u>exceeds ₹ 10 crores.</u></p>	<p>3 marks</p> <p>+</p> <p>1 mark</p> <p>+</p> <p>1 mark</p> <p>=</p> <p>3+1+1</p> <p>=</p> <p>5 marks</p>
10.	Q. What is meant by ‘Financial Market’? State any four functions of ‘Financial Market’.	

	<p>Ans. Financial Market is the market for the creation and exchange of financial assets.</p> <p><u>Functions of financial market:</u></p> <p>(i) It <u>mobilises savings and channelises</u> them into most productive use by facilitating transfer of savings from savers to investors.</p> <p>(ii) It <u>facilitates price discovery</u> for financial assets by interaction of forces of demand and supply.</p> <p>(iii) It <u>provides liquidity</u> to financial assets as the securities can be easily converted into cash.</p> <p>(iv) <u>Reduces cost of transactions</u> as it helps to save time, effort and money that both buyers and sellers of a financial asset would have to otherwise spend to try and find each other.</p> <p><i>(If an examinee has only listed the points, ½ mark for each point should be awarded)</i></p>	<p>1 mark for the meaning</p> <p>+</p> <p>1 x 4 = 4 marks = 1+4 = 5 marks</p>
11.	<p>Q. Rahul has just completed his B.Tech. and joined a leading company manufacturing inverters. To capture 70% of the market share, the company is planning to enter into the manufacturing of solar inverters.</p> <p>To achieve this target it requires trained workforce. The Human Resource Manager asked Rahul to give any five benefits to the organisation, with reasons, for training the workforce. State the five points of benefits of trained workforce to the organisation that might have been sent by Rahul in his reply to the Human Resource Manager.</p>	

	<p>Ans. <u>Benefits of training to the organisation</u> that might have been sent by Rahul in his reply to the Human Resource Manager:</p> <p>(i) It <u>avoids wastage of efforts and money</u> as training is systematic learning, better than hit and trial methods.</p> <p>(ii) It <u>enhances employee productivity</u> both in terms of quantity and quality leading to higher profits.</p> <p>(iii) It <u>equips the future manager</u> to take over in an emergency.</p> <p>(iv) It <u>reduces employees' turnover</u> as it increases employee morale and reduces absenteeism.</p> <p>(v) It helps in <u>obtaining effective response in a fast changing environment</u></p> <p><i>(If an examinee has only listed the points, ½ mark for each point should be awarded)</i></p>	<p>1 x 5 = 5 marks</p>
12.	<p>(a) Sahil is the Finance Manager of 'Knitwear Ltd' . The company is engaged in the manufacturing of woollen clothes. The demand of the company's products is seasonal whereas the production continues throughout the year. Due to the quality of its products, the company's business is spreading across the country. The company is operating at a large scale having its regional offices in Northern, Southern, Eastern and Western India. The performance of its each division is of very high level. For uninterrupted availability of raw materials, the company requires high stock levels. Not only this, to face the competition and to meet the urgent orders of the customers, the company also needs enough stock of finished goods.</p> <p>Considering the above discussion, state five factors affecting working capital requirements of 'Knitwear Ltd.'.</p>	

	<p><u>Ans. Factors affecting working capital requirements of ‘Knitwear Ltd.’:</u></p> <p>(i) <u>Nature of business</u> affects working capital requirement as trading organisation requires smaller amounts of working capital than manufacturing organisations as there is no processing. Service industries require less working capital as they do not have to maintain inventory.</p> <p>(ii) <u>Scale of operations</u> affects working capital requirement as firms operating on a higher scale require more working capital as their quantum of inventory and debtors is generally high.</p> <p>(iii) <u>Seasonal factors</u> affects working capital requirement as peak season requires higher working capital than lean season due to higher level of activity.</p> <p>(iv) Free and continuous <u>availability of raw materials</u> enables the firms to keep lesser stock and hence work with smaller working capital.</p> <p>(v) <u>Level of competition</u> affects working capital requirement as higher competition requires larger stocks to meet urgent orders from customers and thus higher working capital</p> <p><i>(If an examinee has only listed the points, ½ mark for each point should be awarded)</i></p> <p style="text-align: center;">OR</p> <p>(b) Abhishek Engineering Ltd. , a leading manufacturer of steel rods wants to enter into the business of manufacturing trucks. For this, the Finance Manager has to ensure the availability of funds whenever required and its possible sources. He has to see that the company does not raise funds unnecessarily. In this way he has to match the funds requirement and their availability.</p>	<p style="text-align: center;">1 x 5 = 5 marks</p> <p style="text-align: center;">OR</p>
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	<p>(i) Identify and give the meaning of the concept discussed in the above para which will help the Finance Manager to achieve his objectives.</p> <p>(ii) Also, state any three points of importance of the concept identified in (i) above.</p> <p>Ans. The concept discussed in the above para is <u>Financial Planning</u>.</p> <p>The process of <u>estimating the fund requirements</u> of a business and <u>specifying the sources of funds</u> is called financial planning.</p> <p style="text-align: center;">Or</p> <p>Financial planning is the <u>preparation of a financial blueprint</u> of an organisation's future operations.</p> <p><u>Importance of Financial planning: (Any three)</u></p> <p>(i) It helps the company to prepare for the future.</p> <p>(ii) It helps in avoiding business shocks and surprises.</p> <p>(iii) It helps in co-ordinating various business functions.</p> <p>(iv) It helps in reducing waste, duplication of efforts, gaps in planning and confusion.</p> <p>(v) It links the present with the future.</p> <p>(vi) It provides a link between investment and financing decisions.</p> <p>(vii) It makes evaluation of actual performance easier by spelling out detailed objectives for various business segments.</p>	<p>1 mark for identifying</p> <p style="text-align: center;">+</p> <p>1 mark for meaning</p> <p style="text-align: center;">+</p> <p>1 mark for each statement</p> <p style="text-align: center;">=</p> <p style="text-align: center;">1 x 3</p> <p style="text-align: center;">=</p> <p style="text-align: center;">3 marks</p> <p style="text-align: center;">=</p> <p style="text-align: center;">1+1+3</p> <p style="text-align: center;">=</p> <p style="text-align: center;">5 marks</p>
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	<i>(If an examinee has only listed the points, ½ mark for each point should be awarded)</i>	
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