

Strictly Confidential: (For Internal and Restricted use only)
Senior Secondary School Term II Examination, 2022
Marking Scheme – BUSINESS STUDIES (SUBJECT CODE – 054)
(PAPER CODE – 66/4/2)

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: 66/4/2]

Maximum Marks: 40

Q. No.	EXPECTED ANSWER / VALUE POINTS	Marks
1.	<p>Q. Identify and state the step of selection process which helps the Human Resource Manager in eliminating unqualified job seekers on the basis of information supplied in the application form. Also, list the next two steps involved in the process of selection.</p> <p>Ans. Step of the selection process is <u>Preliminary screening</u>. It helps the manager in eliminating unqualified job seekers on the basis of information supplied in the application forms.</p> <p><u>Next two steps involved in the process of selection are:</u></p> <p>(i) Selection test</p> <p>(ii) Employment interview</p>	<p>$\frac{1}{2}$ mark for identifying the step + $\frac{1}{2}$ mark for stating the step + $\frac{1}{2}$ mark for listing each step = $\frac{1}{2} \times 2$ = 1 mark = 1+1 = 2 marks</p>
2.	<p>Q. Virat has 2500 shares of Suraj Bulb Ltd. He received an offer from Suraj Bulb Ltd. to purchase two shares for every ten shares held by him.</p> <p>Identify and explain the method of floatation of new issue reflected in the above lines.</p>	

	<p>Ans. The method of floatation of new issue reflected in the above lines is Right issue.</p> <ul style="list-style-type: none"> • It is a method of floatation of new issue in which the shareholders are offered the 'right' to buy new shares in proportion to the number of shares that they already possess. • It is the privilege given to existing shareholders to subscribe to a new issue of shares according to the terms and conditions of the company. 	<p>½ mark for identifying the method</p> <p>1½ marks for its explanation</p> <p>= 2 marks</p>
3.	<p>Q. Staffing is considered as a very important managerial function in all types of organisations. In the light of the above statement, state any two benefits of staffing.</p> <p>Ans. Benefits of staffing: (Any two)</p> <p>(i) Helps in <u>discovering and obtaining competent personnel</u> for various jobs.</p> <p>(ii) Makes for <u>higher performance</u> by putting right person on the right job.</p> <p>(iii) Ensures the <u>continuous survival and growth of the enterprise</u> through succession planning for managers.</p> <p>(iv) Helps to <u>ensure optimum utilization of human resources</u> by avoiding overmanning and shortages of personnel.</p> <p>(v) <u>Improves job satisfaction and morale of the employees</u> through objective assessment and fair rewards for their contribution.</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 = 2 marks</p>

4.	<p>Q. ‘Analysing deviations’ and ‘taking corrective actions’ are the steps in the process of one of the significant functions of management. Identify the function and list the first three steps of the process of the function identified.</p> <p>Ans. Function of management referred here is Controlling.</p> <p><u>First three steps of the process of controlling are:</u></p> <p>(i) Setting performance standards</p> <p>(ii) Measurement of actual performance</p> <p>(iii) Comparing actual performance with standards</p>	<p>$\frac{1}{2}$ mark for identifying the function + $\frac{1}{2}$ mark for listing each step = $\frac{1}{2} \times 3$ = 1½ marks = $\frac{1}{2} + 1\frac{1}{2}$ = 2 marks</p>
5.	<p>(a) State any three features of motivation.</p> <p>Ans. <u>Features of motivation:</u> (Any three)</p> <p>(i) It is an <u>internal feeling</u> as the urges, drives or needs of human beings which influence human behaviour are internal.</p> <p>(ii) It <u>produces goal directed behaviour</u> as it stimulates people to accomplish desired goals.</p> <p>(iii) It can be <u>positive</u> in the form of positive rewards <u>or negative</u> like punishment, stopping increments etc.</p> <p>(iv) It is a <u>complex process</u> as any type of motivation may not have a uniform effect on all the members.</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>1×3 = 3 marks</p> <p style="text-align: center;">OR</p>

	<p>(b) Identify the function of management which is concerned with instructing, guiding, counselling, motivating and leading people in the organisation to achieve its objectives. Also, state any two features of the identified function of management.</p> <p>Ans. The function of management is Directing.</p> <p><u>The two features of directing are: (Any two)</u></p> <p>(i) <u>Directing initiates action</u>: While other functions prepare a setting for action, directing implements it in the organisation</p> <p>(ii) <u>Directing takes place at every level of management</u> wherever superior- subordinate relations exist.</p> <p>(iii) <u>Directing is a continuous process</u> as it takes place throughout the life of the organisation irrespective of people occupying managerial positions.</p> <p>(iv) <u>Directing flows from top to bottom</u> through organisational hierarchy as every manager can direct his immediate subordinate and take instructions from his immediate boss.</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 identifying the function +</p> <p>1 x 2 = 2 marks = 1+2 = 3 marks</p>
<p>6.</p>	<p>Q. Explain any two factors affecting the ‘Dividend decision’ of a company.</p> <p>Ans. Factors affecting dividend decision of a company are: (Any two)</p> <p>(i) Amount of earnings. (ii) Stability of earnings. (iii) Stability of dividends. (iv) Growth opportunities. (v) Cash Flow position. (vi) Shareholders preference.</p>	<p>(½ mark for heading + 1 mark for explanation 1½ x 2 =</p>

	(vii) Taxation policy. (viii) Stock market reaction. (ix) Access to capital market. (x) Legal constraints. (xi) Contractual constraints. <i>(If an examinee has given only the heading, ½ mark for each heading should be awarded)</i>	3 marks
7.	<p>Q. GDFS Limited are the manufacturers of consumer goods. The demand for their products was continuously declining after the outbreak of COVID-19. In spite of fall in demand, the company assured its employees that no worker will be retrenched from the job. Name the category of incentive and the incentive offered to the employees. Also explain any two more incentives of the same category.</p> <p>Ans. The category of incentive offered to the employees by GDFS limited is Non- financial and the incentive offered is Job Security.</p> <p><u>Two more incentives of the same category are:</u></p> <p>(i) Status.</p> <p>(ii) Organisational climate.</p> <p>(iii) Career advancement opportunity.</p> <p>(iv) Job enrichment.</p> <p>(v) Employees recognition programme.</p> <p>(vi) Employee participation.</p> <p>(vii) Employee empowerment.</p>	1/2 mark for naming the category + ½ mark for the incentive + ½ mark for naming each incentive + ½ mark for its explanation = 1 x 2 = 2 marks = 1+2 = 3 marks

	<i>(If an examinee has not given the headings as above but has given the correct explanation, full credit should be given)</i>	
8.	<p>Q. Abhishek Limited is engaged in manufacturing of Air Purifiers. The target production is 500 Air Purifiers in a week. Over the last few months, it has been observed by the Production Manager that the weekly production target was not achieved. Identify the function and explain any two points of its importance.</p> <p>Ans. The function is Controlling.</p> <p><u>Importance of controlling: (Any two)</u></p> <p>(i) Accomplishing organisational goals.</p> <p>(ii) Making efficient use of resources.</p> <p>(iii) Ensuring order and discipline.</p> <p>(iv) Improving employee motivation.</p> <p>(v) Judging accuracy of standards.</p> <p>(vi) Facilitating co-ordination in action.</p> <p><i>(If an examinee has not given the headings as above but has given the correct explanation, full credit should be given)</i></p>	<p>1 mark for identifying the function +</p> <p>½ mark for the heading +</p> <p>½ mark for its explanation = 1 x 2 = 2 marks = 1+2 = 3 marks</p>
9.	<p>Q. State any three protective and any two regulatory functions of the Securities and Exchange Board of India.</p> <p>Ans. <u>Protective functions of SEBI: (Any three)</u></p> <p>(i) It <u>prohibits fraudulent and unfair trade practices</u> like misleading statements, manipulations, price rigging etc.</p>	<p>1 x 3 = 3 marks</p>

<p>(i) Right to be Heard (ii) Right to be Informed</p> <p>Ans.</p> <p><u>(i) 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><u>(ii) 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 style="text-align: center;">OR</p> <p>Q. State any five responsibilities of a consumer as per The Consumer Protection Act, 2019.</p> <p>Ans. <u>Responsibilities of the consumer as per The Consumer Protection Act, 2019: (Any five)</u></p> <p><u>(i) Be aware</u> about various goods and services available in the market so that an <u>intelligent and wise choice</u> can be made.</p> <p><u>(ii) Buy only standardised goods</u> as they provide quality assurance. Thus, look for <u>ISI mark</u> on electrical goods, <u>FPO mark</u> on food products, <u>Hallmark</u> on jewellery etc.</p>	<p>2½ marks</p> <p>+</p> <p>2½ Marks</p> <p>=</p> <p>5 marks</p> <p>OR</p> <p>1 x 5</p> <p>=</p> <p>5 marks</p>
---	---

	<p>(iii) <u>Learn</u> about the <u>risks</u> associated with products and services, <u>follow manufacturer's instructions</u> and use the products safely.</p> <p>(iv) <u>Read labels carefully</u> so as to have information about <u>prices, net weight, manufacturing and expiry dates</u>, etc.</p> <p>(v) <u>Assert yourself</u> to ensure that you get a <u>fair deal</u>.</p> <p>(vi) <u>Be honest in your dealings</u> and choose only from legal source and discourage unscrupulous practices like black-marketing, hoarding etc.</p> <p>(vii) Ask for a <u>cash memo</u> on purchase of goods or services. This would <u>serve as a proof of the purchase made</u>.</p> <p>(viii) <u>File a complaint in an appropriate consumer forum</u> in case of a shortcoming in the quality of goods purchased or services availed. Do not fail to take an action even when the amount involved is small.</p> <p>(ix) <u>Form consumer societies</u> which would play an active role in educating consumers and safeguarding their interests.</p> <p>(x) <u>Respect the environment</u>. Avoid waste, littering and contributing to pollution.</p> <p><i>(If an examinee has only listed the points, ½ mark for each point should be awarded)</i></p>	
11.	<p>Q. After the outbreak of pandemic COVID-19, Yash Publishing Limited is planning to go digital as the teachers and students are now more interested in E-content. After due consultation with the top management, the company decided to publish E-books. For the same, they hired a recruitment agency to tap the right talent for the job. The company also approached a well-established university in the city of Indore to recruit qualified personnel for various managerial positions. For the post of E-content writer the company is using shine.com and monster.com.</p>	

	<p>(a) Identify and explain the function of management highlighted above. (b) Quoting lines from the above, explain the types of external sources of recruitment discussed in the para. (c) State any two advantages of external sources of recruitment.</p> <p>Ans.</p> <p>(a) The function of management highlighted above is Staffing.</p> <p>Staffing is that part of the process of management which is concerned with obtaining, utilizing and maintaining a satisfactory and satisfied workforce.</p> <p style="text-align: center;">Or</p> <p>Staffing is the managerial function of filling and keeping filled the positions in the organisation structure.</p> <p>(b) <u>Any two</u> from the following:</p> <p>(i) <i>'They find a recruitment agency to tap the right talent for the job'</i> - Placement agencies and management consultants. Placement agencies provide a nationwide service in matching demand and supply by compiling bio data of a large number of candidates and recommending suitable names to their clients. Management consultants help the organisations to recruit technical, professional and managerial personnel by maintaining a data bank of persons with different qualification and skills and even advertise the jobs on behalf of their clients.</p> <p>(ii) <i>'Approached a well establishing university in the city of Indore to recruit qualified personnel for various managerial positions'</i> - Campus recruitment, in which many big organisations maintain a close liaison with the universities, vocational schools and management institutes to recruit qualified personnel for various jobs.</p>	<p>$\frac{1}{2}$ mark for identifying</p> <p>+</p> <p>$\frac{1}{2}$ mark for its explanation</p> <p>+</p> <p>($\frac{1}{2}$ mark for quoting the line + $\frac{1}{2}$ mark for explanation of each external source = 1 x 2 = 2 marks)</p> <p>+</p>
--	---	--

	<p>(iii) 'For the post of e-content writer the company is using shine.com and monster.com' - Web publishing, in which information about both job seekers and job opening is provided through specifically designed and dedicated websites.</p> <p>(c) <u>Advantages of external sources of recruitment: (Any two)</u></p> <p>(i) Attracts <u>qualified personnel</u> to apply for vacant jobs in the organisation.</p> <p>(ii) Gives a <u>wider choice</u> to the management while selecting people.</p> <p>(iii) Brings <u>fresh talent</u> in the organisation.</p> <p>(iv) Develops <u>competitive spirit</u> amongst existing staff.</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 each advantage = 1 x 2 = 2 marks = 1+2+2 = 5 marks</p>
12.	<p>Q. (a) 'Technology upgradation' and 'Level of collaboration' affect one of the types of capital requirements of the company. Identify the type of capital requirement affected with reference to the above statement. Also, explain any other two factors, apart from the ones stated above affecting the type of capital requirement identified.</p> <p>Ans.</p> <p>(a) Fixed capital requirement.</p> <p>Other factors affecting fixed capital requirement are:</p> <p><u>Factors affecting the requirements of fixed capital: (Any two)</u></p> <p>(i) Nature of business (ii) Scale of operations (iii) Choice of technique (iv) Technology upgradation (v) Higher growth prospects</p>	<p>1 mark for identifying</p> <p>½ mark for naming the factor + 1½ mark</p>

<p>(vi) Availability of financing alternatives (vii) Level of Collaboration (viii) Diversification</p> <p><i>(If an examinee has not given the headings as above but has given the correct explanation, full credit should be given)</i></p> <p style="text-align: center;">OR</p> <p>(b) When the ‘Return on Investment’ of the company is higher than the ‘Interest Rate on debt’, it can use more debt in the capital structure of the company in order to increase its ‘Earning Per Share’. Explain the given situation with the help of a suitable example.</p> <p>Ans. When the Return on Investment of the company is higher than rate of interest on debt, it can use more debt to increase its Earning Per Share as not only does debt carry fixed amount of interest but is also tax deductible.</p> <p>Example: Suppose a company has a Capital Employed of ₹60 lakhs and assuming the Tax rate is 50%.</p> <p><u>Situation I:</u> The company has a Debt of ₹20 lakhs @10% p.a. and Return on Investment of 8%.</p> <p><u>Situation II:</u> The company has a Debt of ₹20 lakhs @10% p.a. and Return on Investment of 15%</p> <p><u>Situation III:</u> The company has a Debt of ₹30 lakhs @10% p.a. and a Return on Investment of 15%.</p> <p style="text-align: center;"><u>EBIT-EPS analysis</u></p> <table><tr><td></td><td>Situation I (₹)</td><td>Situation II (₹)</td><td>Situation III (₹)</td></tr></table>		Situation I (₹)	Situation II (₹)	Situation III (₹)	<p>for its explanation = 2 +2 = 4 marks = 1+4 = 5 marks</p> <p>OR</p> <p>5 marks</p>
	Situation I (₹)	Situation II (₹)	Situation III (₹)		

Share Capital	40,00,000	40,00,000	30,00,000
Debt	20,00,000	20,00,000	30,00,000
Total Capital Employed	60,00,000	60,00,000	60,00,000
Earning before Interest and Tax	4,80,000	9,00,000	9,00,000
Less: Interest @ 10% p.a.	2,00,000	2,00,000	3,00,000
Earning before Tax	2,80,000	7,00,000	6,00,000
Less: Tax @50%	1,40,000	3,50,000	3,00,000
Earning after Tax	1,40,000	3,50,000	3,00,000
No. of shares of (₹100 each)	40,000	40,000	30,000
Earning Per Share	3.5	8.75	10

In Situation II, where the Return on Investment (15%) is higher than Situation I (8%) with a rate of interest on debt (10% p.a.), the Earning per share is higher in the former.

In Situation III, where the company uses more debt (₹30 lakhs), the Earning per Share further increases to ₹10 per share.

(Or any other correct example)

(If an examinee has compared only two situations with no debt and with debt or with less debt and more debt, full credit be given)

