

Strictly Confidential: (For Internal and Restricted Use Only)
Senior School Certificate Examination
March -----2024

Marking Scheme---Business Studies (054) 66/4/3

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. In class -XII, while evaluating two competency based questions, please try to understand given answer and even if reply is not from marking scheme but correct competency is enumerated by the candidate due marks should be awarded.
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 80 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). This is in view of the reduced syllabus and number of questions in question paper.
13	Ensure that you do not make the following common types of errors committed by the Examiner in the past:- <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 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
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

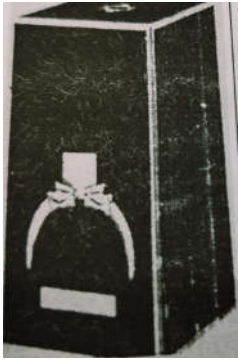
66 /4 /3	MARKING SCHEME– 2024 BUSINESS STUDIES 66/4/3 -054 EXPECTED ANSWERS / VALUE POINTS	Marks
1	<p>Read the following statements Assertion (A) and Reason (R). Choose the correct option from the given options.</p> <p>Assertion (A): Amount of Earnings is a major determinant of the decision about dividend.</p> <p>Reason (R) : Dividends are paid out of current and past earnings.</p> <p>(A) Both Assertion (A) and Reason (R) are true and Reason (R) is correct explanation of Assertion (A).</p> <p>(B) Both Assertion (A) and Reason (R) are true but Reason (R) is not correct explanation of Assertion (A).</p> <p>(C) Assertion (A) is true but Reason (R) is false.</p> <p>(D) Assertion (A) is false but Reason (R) is true.</p> <p>Ans. (A) Both Assertion (A) and Reason (R) are true and Reason (R) is correct explanation of Assertion (A).</p>	1 mark
2	<p>Q. Choose the incorrect statement with respect to levels of management from the following:</p> <p>(A) Operational level management is responsible for implementing and controlling plans and strategies developed by top management.</p> <p>(B) At middle level management, managers interpret the policies framed by top management.</p> <p>(C) At operational level management with the efforts of supervisors wastage of materials is minimised.</p> <p>(D) At top level management manager is responsible for the welfare and survival of the organisation.</p> <p>Ans (A) Operational level management is responsible for implementing and controlling plans and strategies developed by top management.</p>	1 mark
3	<p>Q ‘Merely allocating work is not enough. Each individual should also know who he has to take orders from and to whom he is accountable’.</p> <p>The above statement is related to one of the steps of organising process. Identify the step from the following:</p> <p>(A) Identification and division of work</p>	

	<p>(B) Departmentalisation (C) Assignment of duties (D) Establishing authority and reporting relationship</p> <p>Ans (D) Establishing authority and reporting relationship</p>	1 mark
4	<p>Q. A multinational sweets and snacks company had been into catering business for the last many years. To add to its prospects and to grow in the long run, it wants to increase its sales volume, the number of products and capital investment.</p> <p>The organisational objective of management it seeks to achieve is: (A) Survival (B) Profit (C) Growth (D) Corporate Social responsibility</p> <p>Ans (C) Growth</p>	1 mark
5	<p>Q. Rajat was carrying on a business of manufacturing plastic disposables like plastic plates, plastic cups and plastic straws. He heard about the upcoming ban on single use plastics. He was able to identify this external environmental trend which could hinder his firm's performance. So he took action and shifted to manufacturing the plates, cups and straws from bamboo and palm leaves. As a result, his business not only survived but was able to generate profit.</p> <p>The point of importance of Business Environment highlighted above is: (A) It enables the firm to identify opportunities and getting the first mover advantage. (B) It helps the firm to identify threats and early warning signals. (C) It helps in tapping useful resources. (D) It helps in assisting in planning and policy formulation.</p> <p>Ans (B) It helps the firm to identify threats and early warning signals.</p>	1 mark
6	<p>Q. _____ is the process by which a manager synchronises the activities of different departments. (A) Management (B) Planning (C) Co-ordination</p>	

	<p>(D) Directing</p> <p>Ans (C) Co-ordination</p>	1 mark																
7	<p>Q. Lyka Ltd. launched its new range of herbal shampoos at the beginning of the year. As per legal framework, Lyka Ltd. provided the name and address of the manufacturer, the weight, manufacturing date, expiry date, maximum retail price etc. on the package and label of the herbal shampoo.</p> <p>The consumer right highlighted above is:</p> <p>(A) Right to choose (B) Right to be informed (C) Right to consumer education (D) Right to safety</p> <p>Ans (B) Right to be informed</p>	1 mark																
8	<p>Q _____ is the step in the controlling process where standards may have to be revised in case the deviation can not be corrected through managerial action.</p> <p>(A) Setting Performance Standards. (B) Measurement of Actual performance. (C) Comparing Actual Performance with standards and analysing deviation. (D) Taking corrective action</p> <p>Ans (D) Taking corrective action</p>	1 mark																
9	<p>Q. Match the functions of Securities and Exchange Board of India given in Column-I with their headings given in Column-II:</p> <table border="1"> <thead> <tr> <th></th> <th>Column - I</th> <th></th> <th>Column -II</th> </tr> </thead> <tbody> <tr> <td>A.</td> <td>Training of intermediaries of securities markets</td> <td>(i)</td> <td>Regulatory function</td> </tr> <tr> <td>B.</td> <td>Regulation of takeover bids by companies</td> <td>(ii)</td> <td>Protective function</td> </tr> <tr> <td>C.</td> <td>Controlling insider trading and imposing penalties for such practices</td> <td>(iii)</td> <td>Development function</td> </tr> </tbody> </table> <p>Choose the correct alternative: (A) A(ii); B(iii); C(i)</p>		Column - I		Column -II	A.	Training of intermediaries of securities markets	(i)	Regulatory function	B.	Regulation of takeover bids by companies	(ii)	Protective function	C.	Controlling insider trading and imposing penalties for such practices	(iii)	Development function	
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	<p>(B) A(i); B(ii); C(iii) (C) A(iii); B(i); C(ii) (D) A(iii); B(ii); C(i)</p> <p>Ans (C) A(iii); B(i); C(ii)</p>	1 mark
10	<p>Q. ‘It is a process that allocates or directs funds available for investment into their most productive instrument opportunity’.</p> <p>This is known as: (A) Financial planning (B) Financial Intermediation (C) Allocative function (D) Capital budgeting</p> <p>Ans (B) Financial Intermediation</p>	1 mark
11	<p>Statement-I: That part of a brand which can be spoken is called a brand name. Statement-II: That part of the brand which is given legal protection is called Trademark.</p> <p>Choose the correct option from the following: (A) Statement I is true and Statement II is false. (B) Statement II is true and Statement 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>	1 mark
12	<p>Q. _____ is the process of holding securities in electronic form.</p> <p>(A) Financial Intermediation (B) Dematerialisation (C) Allocative function (D) Mobilisation of securities</p> <p>Ans (B) Dematerialisation</p>	1 mark
13	<p>Q. Payal was working in a Multinational company. Her father gifted her a smart phone worth ₹ 40,500 on her birthday. The</p>	

	<p>mobile phone was purchased by her father from his friend's shop. After few months, the mobile phone started creating problems. Payal tried to contact the manufacturer many times but he did not respond. Ultimately Payal decided to file a complaint against the manufacturer. The appropriate grievance redressal machinery where Payal can file a complaint is:</p> <p>(A) District Forum/Commission (B) State Commission (C) National Commission (D) Supreme Court</p> <p>Ans (A) District Forum/Commission</p>	1 mark
14	<p>Q. Which of the following is NOT a feature of 'Directing' function of management?</p> <p>(A) Directing initiates Action. (B) Directing takes place at every level of management. (C) Directing ensures that activities are performed as per plans. (D) Directing flows from top to bottom.</p> <p>Ans (C) Directing ensures that activities are performed as per plans.</p>	1 mark
15	<p>Q. 'Marbury biscuits' launched its new range of oat cookies in three varieties. They decided to distribute free samples of their biscuits in schools as a part of their promotional campaign.</p> <p>Identify the tool of promotion used by 'Marbury Biscuits':</p> <p>(A) Advertising (B) Personal Selling (C) Sales Promotion (D) Public Relations</p> <p>Ans (C) Sales Promotion</p>	1 mark
16	<p>Q. Which of the following is an advantage of Informal organisation?</p> <p>(A) It provides stability to the organisation because behaviour of employees can be fairly predicted since there are specific rules to guide them. (B) It leads to effective accomplishment of goals by providing a framework for the operations to be performed.</p>	

	<p>(C) It enhances the employee's job satisfaction since it gives them a sense of belongingness in the organisation and allows them to find like minded people.</p> <p>(D) It helps in avoiding duplication of efforts as there is no ambiguity in the role that each member has to play.</p> <p>Ans (C) It enhances the employee's job satisfaction since it gives them a sense of belongingness in the organisation and allows them to find like minded people.</p>	1 mark
17	<p>Q. The picture given below is the package of a perfume bottle:</p>  <p>Identify the level of packaging of the box shown above:</p> <p>(A) Primary package (B) Secondary packaging (C) Transportation packaging (D) Both (A) and (B)</p> <p>Ans (B) Secondary packaging</p>	1 mark
18	<p>Q. Statement - I: Business Environment is dynamic as it differs from country to country.</p> <p>Statement II: Business Environment is largely uncertain as it is very difficult to predict future happenings.</p> <p>Choose the correct option from the following:</p> <p>(A) Statement I is true and Statement II is false. (B) Statement II is true and Statement I is false. (C) Both the statements are true. (D) Both the statements are false.</p> <p>Ans (B) Statement II is true and Statement I is false.</p>	1 mark
19	<p>Q. Which of the following is <u>NOT</u> a feature of demonetisation?</p>	

	<p>(A) It leads to creation of a less-cash or cash-less (free) economy i.e. channeling more savings through the formal financial system and improving tax compliance.</p> <p>(B) It is interpreted as a shift on the part of the government indicating that tax evasion will no longer be tolerated or accepted.</p> <p>(C) It is viewed as a tax administration measure.</p> <p>(D) It led to tax administration channelising savings away from the formal financial system.</p> <p>Ans (D) It led to tax administration channelising savings away from the formal financial system.</p>	1 mark
20	<p>Q. _____ is the process of holding securities in electronic form.</p> <p>(A) Financial Intermediation (B) Dematerialisation (C) Allocative function (D) Mobilisation of securities</p> <p>Ans (B) Dematerialisation</p> <p><i>(Note: One mark is to be awarded to all the students of this set)</i></p>	1 mark
21	<p>Q. (a) ‘Planning and controlling are inseparable twins of management’. Explain with the help of any three points.</p> <p>Ans.</p> <p>Planning and controlling are inseparable twins of management (Any three)</p> <p>1. Planning without controlling is meaningless and Controlling is blind without planning</p> <p>Once a plan becomes operational, controlling is necessary to monitor the progress, measure it, discover deviations and initiate corrective measures to ensure that events conform to plans. So, Planning without controlling is meaningless. A system of control presupposes the existence of certain standards which are provided by planning. Therefore, controlling is blind without planning</p>	

2. Planning is a prerequisite for controlling while controlling seeks to compel events to conform to plans

Without planning there is no predetermined understanding of the desired performance while controlling seeks to compel events to conform to plans

3. Planning is prescriptive while controlling is evaluative

Planning is basically an intellectual process involving thinking, articulation and analysis to discover and prescribe an appropriate course of action for achieving objectives. Controlling, on the other hand, checks whether decisions have been translated into desired action.

4. Planning is forward-looking while controlling is looking back

Planning involves looking ahead as plans are prepared for future and are based on forecasts about future conditions. On the contrary, controlling is like a postmortem of past activities to find out deviations from the standards. In that sense, controlling is looking back.

5. Controlling is forward-looking while planning is looking back

The corrective action in controlling seeks to improve the performance in the future or to revise future plans. So, controlling is also forward looking. However, it should be understood that planning is guided by past experiences and the corrective action initiated by control function aims to improve future performance. Thus, planning is also looking back.

(If an examinee has not given the headings as above but has given the correct explanation, full credit should be given)

OR

Q. (b) Explain 'Critical point control' and 'Management by exception' as discussed in the controlling process.

Ans.

**1 x 3 = 3
Marks**

OR

	<p>1. Critical Point Control: Control should focus on key result areas (KRAs) which are critical to the success of an organisation. These KRAs are set as the critical points. If anything goes wrong at the critical points, the entire organisation suffers.</p> <p>2. Management by Exception: Management by exception, also known as control 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 management.</p>	<p>1 ½ Mark</p> <p>1 ½ Mark</p> <p>(1 ½ + 1 ½ = 3 Marks)</p>												
22	<p>Q. (a) Distinguish between ‘Capital Market’ and ‘Money Market’ on the basis of :</p> <p>(i) Instruments (ii) Liquidity (iii) Safety</p> <p>Ans.</p> <p>Distinction between ‘Capital Market’ and ‘Money Market’ :</p> <table border="1" data-bbox="199 1137 1225 1870"> <thead> <tr> <th>Basis</th> <th>Capital Market</th> <th>Money market</th> </tr> </thead> <tbody> <tr> <td>Instruments</td> <td>Equity shares, Debentures, Bonds, Preference shares etc are the instruments of capital market.</td> <td>Short term debt instruments such as T-bills, trade bills reports, commercial paper and certificates of deposit are money market instruments.</td> </tr> <tr> <td>Liquidity</td> <td>They are less liquid in comparison to money market instruments</td> <td>They are highly liquid</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 generally much safer with a minimum risk of default</td> </tr> </tbody> </table> <p style="text-align: center;">OR</p>	Basis	Capital Market	Money market	Instruments	Equity shares, Debentures, Bonds, Preference shares etc are the instruments of capital market.	Short term debt instruments such as T-bills, trade bills reports, commercial paper and certificates of deposit are money market instruments.	Liquidity	They are less liquid in comparison to money market instruments	They are highly liquid	Safety	Capital market instruments are riskier both with respect to returns and principal repayment	Money market is generally much safer with a minimum risk of default	<p>1 x 3 = 3 Marks</p> <p>OR</p>
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	<p>Q. (b) Explain the following as factors affecting 'Financing Decision:</p> <p>(i) Fixed operating costs and (ii) State of Capital Market</p> <p>Ans.</p> <p>(i) Fixed Operating Costs: If a business has high fixed operating costs, it must reduce fixed financing costs. Hence, lower debt financing is better. Similarly, if fixed operating cost is less, more of debt financing may be preferred.</p> <p>(ii) State of Capital Market: During the period when stock market is rising, more people invest in equity. However, a depressed capital market may make issue of equity shares difficult for any company.</p>	<p>1 ½ Mark</p> <p>1 ½ Mark</p> <p>(1 ½ + 1 ½ = 3 marks)</p>
23	<p>Q. Three friends, Aman, Ashish and Ashi after completing their MBA from a reputed management institute, formed a start up named 'Solutions'. The goal of the start up was to make a social and environmental impact through its services. 'Solutions' supports social business ideas to improve living conditions in slums of Mumbai. As all the three friends are specialised in social work, they adopted three different slums of Mumbai and started educating the slum dwellers in their own creative manner. Aman used 'playway method', Ashish used 'music' as a method of learning while Ashi used 'activity based method of learning'. They used basic knowledge in their unique manner and were able to educate the slum dwellers.</p> <p>It implies that skillful and personal application of acquired knowledge varies from individual to individual in achieving desired results.</p> <p>(a) Identify and state the nature of management discussed in the above case.</p> <p>(b) Quoting lines from the above para, state any two features of nature of management identified in (a) above.</p> <p>Ans.</p> <p>(a) Management as an Art Art refers to skillful and personal application of existing knowledge to achieve desired results.</p>	<p>(½ + ½ = 1 Mark)</p>

	<p>(b) Features of Management as an Art:</p> <p>(i) Personalised Application: <i>‘They used basic knowledge in their unique manner and were able to educate the slum dwellers.’</i></p> <p style="text-align: center;">OR</p> <p><i>‘skillful and personal application of acquired knowledge varies from individual to individual’</i></p> <p>A manager applies this acquired knowledge in a personalised and skillful manner in the light of the realities of a given situation.</p> <p>(ii) Based on Practice and creativity: <i>‘they adopted three different slums of Mumbai and started educating the slum dwellers in their own creative manner.’</i></p> <p>A good manager works through a combination of practice, creativity, imagination, initiative and innovation.</p>	<p>($\frac{1}{2}$ Mark for quoting the lines + $\frac{1}{2}$ Mark for correct Statement)</p> <p>(1+1 = 2 Marks)</p> <p>(1+2 = 3 Marks)</p>
24	<p>Q. The rapid changes having taken place in the society have created pressure on organisations to readapt its products, type of jobs required and type of skills necessary to complete these jobs. To keep up pace with the rapid changes in the business environment, 'Suzon cars', a company manufacturing automobiles for the last thirty years decided to start manufacturing electric cars with Artificial Intelligence technology. With the introduction of Artificial Intelligence, the company had to improve the knowledge and skills of its employees. They wanted that all their employees improve their performance on the current job and are prepared for any intended job in future. This way they would not only be able to increase their knowledge and skills but would also improve their performance. By doing this, the organisation too would get various benefits.</p> <p>(a) Identify the concept discussed above which would help the employees to do the job in a better way using Artificial Intelligence Technology.</p> <p>(b) State any five benefits of the concept identified in (a) above to the organisation.</p>	

	<p>Ans</p> <p>(a) Training</p> <p>(b) Benefits of training to an organisation:</p> <p>(i) Training is a <u>systematic learning</u>, always better than hit and trial methods which lead to wastage of efforts and money.</p> <p>(ii) It <u>enhances employee productivity</u> both in terms of quantity and quality, leading to higher profits.</p> <p>(iii) Training <u>equips the future manager</u> who can take over in case of emergency.</p> <p>(iv) Training <u>increases employee morale</u> and reduces absenteeism and employee turnover.</p> <p>(v) It helps in obtaining <u>effective response to fast changing environment</u> – technological and economic.</p> <p><i>(If an examinee has only listed the underlined points, ½ mark for each point should be awarded)</i></p>	<p>½ Mark for identifying the concept</p> <p>½ x 5 = 2½ Marks</p> <p>(½ + 2½ = 3 Marks)</p>
25	<p>Q. (a) Give the meaning of ‘Leadership’ and ‘Communication’ as elements of directing function of management</p> <p>Ans.</p> <p>Leadership:</p> <ul style="list-style-type: none"> • It is the process of influencing the behaviour of people by making them strive voluntarily towards achievement of organisational goals. • It indicates the ability of an individual to maintain good interpersonal relations with followers and motivate them to contribute for achieving organizational goals. <p>Communication:</p> <ul style="list-style-type: none"> • It is understood as a process of exchange of ideas, views, facts, feelings, etc., between people to reach common understanding. • It is the process of exchange of information between two or more persons to reach common understanding. <p style="text-align: center;">OR</p>	<p>2 Marks</p> <p>2 Marks</p> <p>(2+2= 4 Marks)</p> <p>OR</p>

	<p>(b) Explain the following as Semantic barriers to communication: (i) Faulty Translations (ii) Unclarified assumptions</p> <p>Ans. Semantic Barriers to communication: (i) Faulty Translations:</p> <ul style="list-style-type: none"> • Sometimes the communications originally drafted in one language need to be translated to the language understandable to workers • If the translator is not proficient with both the languages, mistakes may creep in causing different meanings to the communication. <p>(ii) Unclarified assumptions:</p> <ul style="list-style-type: none"> • Some communications may have certain assumptions which are subject to different interpretations. • The subordinate may interpret it differently. 	<p>2 Marks</p> <p>2 Marks</p> <p>(2+2= 4 Marks)</p>
26	<p>Q. Kaysons Ltd. was a reputed company manufacturing automotive parts for electric vehicles. As the demand for the electric vehicles grew, Kaysons Ltd. needed more capital to keep up with the demand for automotive parts. Atul, the Finance Manager of Kaysons Ltd. suggested that the company should raise funds through a public issue of shares as the stock market was bullish. The Chief Executive Officer fully understood that this process of raising funds would not only reduce the managements' holding in the company but would also require considerable expenditure. Even then he agreed with the Finance Manager and the public issue of shares was made complying with the guidelines of Securities and Exchange Board of India.</p> <p>Identify and state four factors affecting choice of capital structure being discussed above.</p> <p>Ans.</p> <p>(i) Stock Market Conditions: If the stock markets are bullish, use of equity is preferred as they are more easily sold even at a higher price and in bearish conditions, it's better to opt for debt</p> <p>(ii) Control:</p>	<p>(½ Mark for identification +</p>

	<p>Issue of more equity may lead to dilution of management's control over the business.</p> <p>(iii) Floatation Costs: Process of raising resources also involves some cost. These considerations may also affect the choice between debt and equity</p> <p>(iv) Regulatory Framework: While deciding the capital structure, the regulatory framework provided by law e.g. SEBI should be considered.</p>	<p>½ mark for statement)</p> <p>(1 x 4 = 4 Marks)</p>
27	<p>Q. Nishi had gone to a grocery store to make routine purchases. On reaching home, as she took out Binx tomato chips packet from the bag to give it to her son, she felt that it was underweight. She checked its weight on the kitchen weighing scale and found that it weighed 60 grams whereas the label on the chips packet mentioned the weight of the packet as 100 grams. She approached the manufacturer and complained about it. The manufacturer offered her a gift hamper and requested her not to disclose this to anyone. Nishi refused to accept the gift hamper and took the issue to a redressal agency.</p> <p>a) State two responsibilities discharged by Nishi, as a consumer, in the above case</p> <p>b) State any two reliefs which can be granted to Nishi, if the consumer court is satisfied with the genuineness of the complaint.</p> <p>Ans.</p> <p>a) Responsibilities discharged by Nishi:</p> <p>(i) <u>Read labels carefully</u> so as to have information about prices, net weight, manufacturing and expiry dates, etc.</p> <p>(ii) <u>File a complaint</u> in an appropriate consumer forum 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>b) Reliefs available (any two):</p> <p>(i) To <u>replace the defective product</u> with a new one, free from any defect.</p> <p>(ii) To <u>refund the price</u> paid for the product, or the charges paid for the service.</p> <p>(iii) To <u>pay a reasonable amount of compensation</u> for any</p>	<p>1 x 2 = 2 marks</p>

	<p>loss or injury suffered by the consumer due to the negligence of the opposite party.</p> <p>(iv) To <u>pay punitive damages</u> in appropriate circumstances.</p> <p>(v) To <u>discontinue the unfair/restrictive trade practice</u> and not to repeat it in the future.</p> <p>(vi) To <u>pay adequate cost</u> to the appropriate party.</p> <p><i>(If an examinee has only listed the underlined points, ½ mark for each point should be awarded)</i></p>	<p>1 x 2 = 2 Marks</p> <p>2 +2 = 4 Marks</p>
28	<p>Explain the following factors affecting the working capital requirements of a company:</p> <p>(a) Operating Efficiency</p> <p>(b) Availability of Raw Material</p> <p>Ans.</p> <p>(i) Operating Efficiency:</p> <ul style="list-style-type: none"> • Firms manage their operations with varied degrees of efficiency. • Such efficiencies may reduce the level of raw materials, finished goods and debtors resulting in lower requirement of working capital. <p>(ii) Availability of Raw Material :</p> <ul style="list-style-type: none"> • If the raw materials and other required materials are available freely and continuously, lower stock levels may suffice. • Larger the lead time, larger the quantity of material to be stored and larger shall be the amount of working capital required 	<p>2 Marks</p> <p>2 Marks</p> <p>(2 +2 = 4 Marks)</p>
29	<p>Q. (a) Explain the following steps of the selection process:</p> <p>(i) Selection Tests</p> <p>(ii) Employment Interview</p> <p>Ans.</p> <p>(i) Selection Tests:</p> <ul style="list-style-type: none"> • It is a mechanism that attempts to measure certain characteristics of individuals. • These characteristics range from aptitudes, such as manual dexterity, to intelligence to personality. <p>(ii) Employment Interview:</p>	<p>2 Marks</p>

	<ul style="list-style-type: none"> • It is a formal, in-depth conversation conducted to evaluate the applicant's suitability for the job. • The role of the interviewer is to seek information and that of the interviewee is to provide the same. <p style="text-align: center;">OR</p> <p>Q. (b) State any four points of importance of 'Staffing' function of management.</p> <p>Ans. Importance of 'Staffing' function of management (any four)</p> <p>Proper staffing ensures the following benefits to the organisation:</p> <p>(i) It helps in <u>discovering and obtaining competent personnel</u> for various jobs.</p> <p>(ii) It <u>makes for higher performance</u>, by putting right person on the right job.</p> <p>(iii) It ensures <u>the continuous survival and growth</u> of the enterprise through the succession planning for managers.</p> <p>(iv) It helps to <u>ensure optimum utilization of the human resources</u> by avoiding over manning and shortages of personnel.</p> <p>(v) It <u>improves job satisfaction and morale of employees</u> through objective assessment and fair reward for their contribution.</p> <p><i>(If an examinee has only listed the underlined points, ½ mark for each point should be awarded)</i></p>	<p>2 Marks</p> <p>2+2= 4 Marks</p> <p>OR</p> <p>1 x 4 = 4 Marks</p>
30	<p>Q. 'Shanta Enterprises' was in the business of manufacturing solar panels for the last fifteen years. With their expertise now they were able to manufacture good quality solar panels at lower cost. As a result 'Shanta Enterprises' was flooded with orders and was able to generate a good profit margin.</p> <p>To motivate the employees the company decided to compensate some of them for their hard work. Arvind and Yogesh, who were working on contract basis, were absorbed permanently in the company. Both were happy as now there was stability about their future income. Ekta, a regular employee of the company, working</p>	

	<p>as Research and Development Head, was awarded the 'Best Employee of the year Award'.</p> <p>(a) Identify and explain the incentives given by Shanta Enterprises to its employees. (b) State the needs of the employees being met by such incentives as per Maslow's Need Hierarchy Theory.</p> <p>Ans.</p> <p>(a) Incentives given by Shanta Enterprises to its employees:</p> <p>1. Job security: It refers to stability about future income and work so that the employees do not feel worried on these aspects and work with greater zeal.</p> <p>2. Employee Recognition programmes: It refers to acknowledgment with a show of appreciation so that the employees feel motivated to perform/work at higher level.</p> <p>(b) The needs of the employees being met by such incentives as per Maslow's Need Hierarchy Theory:</p> <p>(i) <u>Safety/Security needs</u> provide security and protection from physical and emotional harm. (ii) <u>Esteem needs</u> include factors such as self-respect, autonomy status, recognition and attention</p> <p><i>(If an examinee has only listed the underlined points, ½ mark for each point should be awarded)</i></p>	<p>½ Mark for Identification + ½ Mark for explanation</p> <p>(1+1= 2 Marks)</p> <p>(1+1=2 Marks)</p> <p>(2+2= 4 Marks)</p>
31	<p>(a) Explain the following as features of planning function of management :</p> <p>(i) Planning focuses on achieving objectives. (ii) Planning is futuristic. (iii) Planning involves decision making.</p> <p>Ans. Features of planning function of management:</p> <p>(i) Planning focuses on achieving objectives:</p>	

	<ul style="list-style-type: none"> • Specific goals are set out in the plans along with the activities to be undertaken to achieve the goals. • Planning has no meaning unless it contributes to the achievement of predetermined organisational goals <p>(ii) Planning is futuristic.</p> <ul style="list-style-type: none"> • The purpose of planning is to meet future events effectively to the best advantage of an organisation. • It is regarded as a forward looking function based on forecasting. <p>(iii) Planning involves decision making</p> <ul style="list-style-type: none"> • Planning essentially involves choice from among various alternatives and activities. • It involves thorough examination and evaluation of each alternative and choosing the most appropriate one 	<p>2 Marks</p> <p>2 Marks</p> <p>2 Marks</p> <p>(2+2+2=6 Marks)</p>
OR		
	<p>(b) Explain the following steps in the process of planning:</p> <p>(i) Setting Objectives</p> <p>(ii) Developing premises</p> <p>(iii) Identifying alternative courses of action</p> <p>Ans. Steps in the process of planning:</p> <p>(i) Setting Objectives:</p> <ul style="list-style-type: none"> • Objectives may be set for the entire organisation and each department or unit within the organization, which specify what the organization wants to achieve. • Objectives should be stated clearly for all departments, units and employees. <p>(ii) Developing premises:</p> <ul style="list-style-type: none"> • The manager is required to make certain assumptions about the future called premises which are the base material upon which plans are to be drawn. • These base material may be in the form of forecasts, existing plans or any past information about policies. 	<p>OR</p> <p>2 Marks</p> <p>2 Marks</p>

	<p>(iii) Identifying alternative courses of action:</p> <ul style="list-style-type: none"> • All the alternative courses of action should be identified. • The course of action which may be taken could be either routine or innovative. 	<p>2 Marks</p> <p>(2+2+2=6 Marks)</p>
<p>32</p>	<p>Q. Ankur Sachdeva did his MBA from ITB University. He decided to apply his knowledge of scientific management in the fast food restaurant chain 'Coffee Bean' set up by him. This restaurant was providing burgers, fries, shakes etc, as a part of its menu.</p> <p>Now a days people are quality conscious, so he was using standardised raw materials, processes, methods, working conditions, machinery etc. The objective was to establish standards of excellence. By doing this he was not only able to reduce the cost but was also able to provide new varieties of burgers, fries and shakes leading to increased turnover.</p> <p>Ankur Sachdeva also believed that there was only one best method to maximise efficiency. As a result he developed best way of grilling burgers, cooking fries and preparing shakes. His main objective was to maximise the satisfaction of customers, which he was able to achieve.</p> <p>Not only to learn the best way of doing a job, but to perform their tasks efficiently, 'Coffee Bean' regularly invests in training and development programmes to equip employees with the necessary skill and knowledge. 'Coffee Bean' believed that efficient employees will produce more and earn more. This will ensure their greatest efficiency and prosperity for both company and workers.</p> <p>The above case highlights the use of Scientific principles and techniques by 'Coffee Bean'. Explain any one such principle and two techniques.</p> <p>Ans.</p> <p>Scientific principles of management: (any one)</p>	

	<p>Development of Each and Every Person to His or Her Greatest Efficiency and Prosperity: Taylor believed that each person should be scientifically selected. Then work assigned should suit her/his physical, mental and intellectual capabilities. To increase efficiency, they should be given the required training.</p> <p>Science not Rule of Thumb: Taylor believed that there was only one best method to maximise efficiency which should be developed through study and analysis. The method so developed should substitute ‘Rule of Thumb’ throughout the organisation. This results in tremendous saving of human energy as well as wastage of time and material.</p> <p>Techniques of scientific management: Method Study The objective of method study is to find out one best way of doing the job. The objective of the whole exercise is to minimise the cost of production and maximise the quality and satisfaction of the customer. For this purpose many techniques like process charts and operations research etc are used.</p> <p>Standardisation & Simplification: (<u>Standardisation</u>) Standardisation refers to the process of setting standards for every business activity. It can be standardisation of process, raw material, time, product, machinery, methods or working conditions. These standards are the benchmarks, which must be adhered to during production.</p> <p><i>(If an examinee has given only the heading, ½ mark for each heading should be awarded)</i></p>	<p>2 Marks</p> <p>2 Marks</p> <p>2 Marks</p> <p>(2+2+2=6 Marks)</p>
33	<p>(a) Explain the following functions of marketing: (i) Product Designing and Development (ii) Physical Distribution (iii) Storage and Warehousing</p> <p>Ans.</p>	

	<p>(i) Product Designing and Development:</p> <ul style="list-style-type: none"> • The design of the product contributes to making the product attractive to the target customers. • A good design can improve performance of a product and also give it a competitive advantage in the market. <p>(ii) Physical Distribution:</p> <ul style="list-style-type: none"> • The two major decision areas under this function include (a) channels of distribution or the marketing intermediaries to be used and (b) physical movement of the product. • The important decision areas under physical distribution include managing inventory ,storage and warehousing and transportation of goods. <p>(iii) Storage and Warehousing :</p> <ul style="list-style-type: none"> • In order to maintain smooth flow of products in the market, there is a need for proper storage of the products. • There is a need for storage of adequate stock of goods to protect against unavoidable delays in delivery or to meet out contingencies in the demand. <p style="text-align: center;">OR</p> <p>(b) Explain the following factors affecting ‘Price determination’ :</p> <p>(i) Product Cost</p> <p>(ii) The Utility and Demand</p> <p>(iii) Extent of Competition in the market.</p> <p>Ans.</p> <p>Factors affecting ‘Price determination’ :</p> <p>(i) Product Cost:</p> <ul style="list-style-type: none"> • It includes the cost of producing, distributing and selling the product and is the sum total of the fixed, variable and semi-variable costs • Generally all marketing firms strive to cover all their costs, at least in the long run. In addition, they aim at earning a margin of profit over and above the costs. <p>(ii) The Utility and Demand:</p>	<p>2 Marks</p> <p>2 Marks</p> <p>2 Marks</p> <p>(2+2+2=6 Marks)</p> <p>OR</p> <p>2 Marks</p>
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	<ul style="list-style-type: none"> • The utility provided by the product and the intensity of demand of the buyer sets the upper limit of price, which a buyer would be prepared to pay. • The buyer may be ready to pay up to the point where the utility from the product is at least equal to the sacrifice made in terms of the price paid. <p>(iii) Extent of competition in the market:</p> <ul style="list-style-type: none"> • The price will tend to reach the upper limit in case there is lesser degree of competition while under conditions of free competition, the price will tend to be set at the lowest level. • Competitors' prices, their anticipated reactions, quality and features of the competitive products must be considered before fixing the price of a product. 	<p>2 Marks</p> <p>2 Marks</p> <p>(2+2+2=6 Marks)</p>
34	<p>Q. Preeti started her own cooking channel on 'Youtube Mood Art'. As her subscribers increased, she was not in a position to manage everything on her own. She hired Rahul and Riya to help her with filming editing, lighting and content research. She granted authority to them to operate within prescribed limits. She was thus, able to use her time on high priority activities like developing new recipes and content development etc. As a result, Rahul and Riya were given opportunities to develop and exercise initiative. Preeti was now able to focus on objectives and meet the target of achieving a subscriber base of one million in six months.</p> <p>(a) Identify the concept of management used by Preeti to focus on objectives of her business and meet her targets.</p> <p>(b) Explain any five point of importance of the concept identified in (a) above.</p> <p>Ans.</p> <p>(a) Delegation</p> <p>(b) Importance of delegation: (any five with explanation)</p> <p>(i) Effective management</p> <p>(ii) Employee development</p>	<p>1 Mark</p> <p>(½ Mark for heading + ½</p>

	<p>(iii) Motivation of employees (iv) Facilitation of growth (v) Basis of management hierarchy (vi) Better coordination</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>Mark for explanat ion) (1 x 5 = 5 Marks)</p> <p>(1+5 = 6 Marks)</p>
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