

66/1/2

<b>MARKING SCHEME COMPTT– 2018-19</b> <b>BUSINESS STUDIES</b> <b>66/1/2</b> <b>EXPECTED ANSWERS / VALUE POINTS</b>		<b>Marks</b>
<b>SECTION A</b>		
<b>1</b>	<b>Q. Give the meaning of Co-ordination.</b>  <b>Ans.</b> Co-ordination is the process by which a manager synchronises the activities of different departments towards the achievement of a common goal.  (or any other correct meaning)	<b>1 mark</b>
<b>2</b>	<b>Q. Archana is a pure vegetarian. She went to a popular food chain shop and asked for a packaged ‘Veg-Biryani’. While eating the same she noticed that it had some non-vegetarian content. Neither the advertisement, nor the label on the package showed that the product had non-vegetarian content. Name the consumer right under which Archana can claim for compensation as per the provisions of Consumer Protection Act, 1986.</b>	<b>1 mark</b>

	<b>Ans.</b> Right to seek redressal.	
<b>3</b>	<p><b>Q. ‘Technological Upgradation’ affects one of the types of capital requirement of an organisation. Identify the type of capital affected with reference to the above statement.</b></p> <p><b>Ans.</b> Fixed Capital.</p>	<b>1 mark</b>
<b>4</b>	<p><b>Q. Name the method of training in which the trainee works under the guidance of a master worker.</b></p> <p><b>Ans.</b> Apprenticeship training.</p> <p style="text-align: center;"><b>OR</b></p> <p><b>Q. Name the type of barrier of communication which refers to problems and obstructions in the process of encoding and decoding of message into words or impressions.</b></p> <p><b>Ans.</b> Semantic barriers.</p>	<p><b>1 mark</b></p> <p style="text-align: center;"><b>OR</b></p> <p><b>1 mark</b></p>
<b>5</b>	<p><b>Q. Distinguish between ‘Principles of Management’ and ‘Techniques of Management’.</b></p> <p><b>Ans.</b> <u>Management Principles</u> are guidelines for managerial decisions or actions whereas <u>management techniques</u> are procedures or methods, which involve a series of steps to be performed to accomplish desired goals.</p>	<b>1 mark</b>



	<p style="text-align: center;"><b>OR</b></p> <p><b>Q. Distinguish between ‘Time study’ and ‘Motion study’.</b></p> <p><b>Ans.</b> Time study is a technique used to measure the standard time i.e. the time that may be taken by a workman of reasonable skill and efficiency to perform a specific job.</p> <p>Motion study is a technique used to study movements of workers to eliminate unnecessary and wasteful movements.</p>	<p style="text-align: center;"><b>OR</b></p> <p style="text-align: center;"><b>1 mark</b></p>
<p style="text-align: center;"><b>6</b></p>	<p><b>Q. What is meant by ‘Labelling’?</b></p> <p><b>Ans.</b> Labelling is the process of designing the label and putting it on the package to provide information regarding the product, its contents, method of use etc.</p> <p style="text-align: center;"><b>OR</b></p> <p><b>Q. What is meant by ‘Channels of Distribution’?</b></p> <p><b>Ans.</b> Channels of distribution mean a set of individuals and firms that <u>combine physical movement and title movement of products to reach specific destinations.</u></p> <p style="text-align: center;"><b>Or</b></p> <p>Channels of distribution mean the path through which the ownership as well as possession of goods passes from the</p>	<p style="text-align: center;"><b>OR</b></p> <p style="text-align: center;"><b>1 mark</b></p>

	producer to the consumer.	
7	<p><b>Q. Raj Auto Ltd. was engaged in manufacturing motor cycles. Its long term objective was to capture the market by increasing sales every year. For this it analysed the pricing policy of the competitors. To achieve this objective it decided to offer a discount of ₹3,000 and free insurance on purchase of every motor cycle. This attracted the customers and the sales increased.</b></p> <p><b>Identify the type of plan being followed by Raj Auto Ltd.</b></p> <p><b>Ans. Strategy.</b></p>	1 mark
8	<p><b>Q. Raj and Riya are working in different departments of Leo Infocom. One day at lunch time Riya told Raj that due to recession many people are going to be retrenched soon from the organisation. Name the type of communication that took place between Raj and Riya.</b></p> <p><b>Ans. Informal communication.</b></p>	1 mark
<b>SECTION B</b>		
9	<p><b>Q. Stock index measures the movement of prices of securities at a stock exchange. Stock index reflects the day-to-day fluctuations in stock prices and are known as barometers of market behaviour of securities.</b></p> <p><b>In the light of this statement, state any three functions of stock exchange.</b></p>	

<p><b>Ans. <u>Functions of Stock Exchange are: (Any three)</u></b></p> <p>(a) It <u>provides liquidity and marketability</u> to existing securities by allowing the investors a chance to disinvest and reinvest.</p> <p>(b) It <u>determines the price of securities</u> on the basis of the forces of demand and supply.</p> <p>(c) It <u>ensures safety of transactions</u> as the transactions carried out within an existing legal framework.</p> <p>(d) It <u>contributes to economic growth</u> as it indirectly promotes capital formation.</p> <p>(e) It <u>spreads equity cult</u> and ensures wider share ownership.</p> <p>(f) It <u>provides scope for speculation</u> within the provisions of law.</p> <p><b>(If an examinee has given only the heading, ½ mark for each heading should be awarded)</b></p> <p style="text-align: center;"><b>OR</b></p> <p><b>Q. To promote orderly and healthy growth of securities market and protection of investors, Securities and Exchange Board of India was set up.</b></p> <p><b>In the light of the given statement, state any three regulatory</b></p>	<p style="text-align: center;"><b>1 x 3</b></p> <p style="text-align: center;">=</p> <p style="text-align: center;"><b>3 marks</b></p> <p style="text-align: center;"><b>OR</b></p>
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<p><b>functions of the Securities and Exchange Board of India.</b></p> <p><b>Ans.</b> <u>Regulatory functions of Securities and Exchange Board of India are (Any three):</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 calls for information by undertaking inspection, conducting enquiries and audit of stock exchanges and intermediaries.</p> <p>(vi) It levies fee or other charges for carrying out the purposes of the SEBI Act, 1992.</p> <p>(vii) It performs and exercises such powers under Securities Contract (Regulation) Act 1956 as may be delegated by the Government of India.</p> <p><b>(If an examinee has given only the heading, ½ mark for the heading should be awarded)</b></p>	<p><b>1 x 3</b></p> <p><b>=</b></p> <p><b>3 marks</b></p>
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10	<p><b>Q. State any three limitations of Planning.</b></p> <p><b>Ans. Limitations of planning: (any three)</b></p> <p>(i) Planning <u>leads to rigidity</u> because once a well defined plan is drawn, the managers may not be in a position to change it.</p> <p>(ii) Planning <u>may not work in a dynamic environment</u> as the organisation has to constantly adapt itself to changes.</p> <p>(iii) Planning <u>reduces creativity</u> since people tend to think on the same lines as others.</p> <p>(iv) Planning <u>involves huge costs</u> in terms of time and money.</p> <p>(v) Planning is <u>time consuming</u> and sometimes not much time is left for its implementation.</p> <p>(vi) Planning <u>does not guarantee success</u> unless it is translated into action.</p> <p><b>(If an examinee has given only the heading, ½ mark for each heading should be awarded)</b></p> <p style="text-align: center;"><b>OR</b></p>	<p style="text-align: right;"><b>1 x 3</b></p> <p style="text-align: center;">=</p> <p style="text-align: right;"><b>3 marks</b></p> <p style="text-align: center;"><b>OR</b></p>

<p><b>Q. State any three points of importance of Organising.</b></p> <p><b>Ans. Importance of organising (Any three):</b></p> <p>(i) It <u>leads to specialisation</u> by a systematic allocation of jobs resulting in reduced workload and enhanced productivity.</p> <p>(ii) It <u>leads to clarity in working relationships</u> by specifying who is to report to whom.</p> <p>(iii) It <u>leads to optimum utilisation of resources</u> by avoiding duplication of work and minimizing wastage of resources and efforts.</p> <p>(iv) It <u>helps in adaptation to change</u> by allowing the organisation structure to be suitably modified paving the way for a smooth transition.</p> <p>(v) It <u>helps in effective administration</u> by providing a clear description of jobs and working relationships.</p> <p>(vi) It <u>helps in development of personnel</u> by delegation of work to subordinates.</p> <p>(vii) It <u>helps in expansion and growth</u> by allowing an enterprise to add more job positions, departments and product lines.</p> <p><b>(If an examinee has given only the headings, ½ mark for each</b></p>	<p><b>1 x 3</b></p> <p><b>=</b></p> <p><b>3 marks</b></p>
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	heading should be awarded)	
11	<p><b>Q. Mayank, the director of a company, is planning to manufacture stuffed toys for utilising waste material of one of his garments factories. He decided that this manufacturing unit will be set up in a rural area, so that people living in rural areas can have job opportunities. For this he selected Arbaaz, Kriti, Lata and Ritik as heads of Sales, Accounts, Purchase and Production departments respectively. They were differently abled but intelligent and creative persons in designing. State the next three steps Mayank has to follow in the staffing process after selecting heads of different departments.</b></p> <p><b>Ans.</b> <u>The next three steps that Mayank has to follow in the staffing process after selecting heads of different departments are:</u></p> <p><u>(a) Placement and orientation</u></p> <p><u>Placement</u> refers to occupying of position by the employee for which he has been selected.</p> <p><u>Orientation</u> refers to introducing the selected employee to other employees and familiarising him with the rules and policies of the organisation.</p> <p><u>(b) Training and development</u></p>	<p><b>½ mark for naming the step + ½ mark for the statement  =</b></p>



	<p><u>Training</u> is the process of increasing knowledge and skills to perform specific jobs. <u>Development</u> is the process of enabling the overall growth of the employees.</p> <p>(c) <u>Performance Appraisal</u></p> <p>Performance Appraisal means evaluating an employee's current and /or past performance as against certain predetermined standards.</p>	<p><b>1 x 3</b></p> <p>=</p> <p><b>3 marks</b></p>
<p><b>12</b></p>	<p><b>Q. Explain any three points of importance of 'delegation'.</b></p> <p><b>Ans. Importance of delegation: (Any three)</b></p> <p>(i) Effective management.</p> <p>(ii) Employee development.</p> <p>(iii) Motivation of employees.</p> <p>(iv) Growth facilitation.</p> <p>(v) Better co-ordination.</p> <p>(vi) Creation of management hierarchy.</p> <p><b>(If an examinee has not given the headings as above but has</b></p>	<p><math>\frac{1}{2}</math> mark</p> <p><b>for heading</b></p> <p>+</p> <p><math>\frac{1}{2}</math> mark</p> <p><b>for</b></p> <p><b>explanation</b></p> <p>= 1 x 3</p> <p>=</p> <p><b>3 marks</b></p>

	given the correct explanation, full credit should be given)	
13	<p><b>Q. Sunflag Iron Ltd. is manufacturing steel at its plant in India. It is enjoying increased demand for its steel as economic growth of the country is about 8%. It is planning to set up a new plant to avail the benefits of increased demand. It is estimated that it will require about ₹4,000 crore for setting up of plant and about ₹600 crore for other expenses to start the new plant.</b></p> <p><b>To collect the above mentioned funds, the sources to be used and the quantity to be collected from different sources had to be considered.</b></p> <p><b>(a) Identify the above discussed concept and give its meaning.</b></p> <p><b>(b) Explain any two factors that affect the concept identified in (a) above.</b></p> <p><b>Ans. (a) Capital Structure.</b></p> <p>It means the <u>proportion of debt and equity</u> used for financing the operations of a business.</p> <p style="text-align: center;"><b>or</b></p> <p>It refers to the mix between owner's funds and borrowed funds.</p> <p><b>(b) <u>Following are the factors affecting the choice of capital</u></b></p>	<p>(½ mark for identifying the concept + ½ mark for its meaning = 1 mark)</p> <p>+</p>



	<p>structure are: <b>(Any two)</b></p> <p>(i) Cash flow position  (ii) Interest coverage ratio  (iii) Debt service coverage Ratio  (iv) Return on Investment  (v) Cost of debt  (vi) Tax rate  (vii) Cost of equity  (viii) Floatation costs  (ix) Fixed operating costs  (x) Risk consideration  (xi) Flexibility  (xii) Control  (xiii) Regulatory framework  (xiv) Stock market conditions  (xv) Capital structure of other companies</p> <p><b>(If an examinee has not given the headings as above but has given the correct explanations, full credit should be given)</b></p>	<p><b>( ½ mark for naming each factor + ½ mark for its explanation = 1 x 2 = 2 marks)</b></p> <p><b>= 1+2 = 3 marks</b></p>
	<b>SECTION C</b>	
14	<p><b>Q. Describe ‘Offer for Sale’ and ‘e-IPOs’ as methods of new issues in Primary market.</b></p> <p><b>Ans.</b>  <u>Offer for Sale</u></p>	

<ul style="list-style-type: none"> <li>▪ It is a method in which the securities are not issued directly to the public but through intermediaries like issuing houses or stock brokers.</li> <li>▪ The company sells securities enbloc at an agreed price to the brokers who in turn resell them to the investing public.</li> </ul>	<b>2 marks</b>
<p><u>e-IPOs</u></p> <ul style="list-style-type: none"> <li>▪ These refer to issuing securities through the online system of stock exchange.</li> <li>▪ The company needs to appoint SEBI registered brokers for inviting applications, a registrar having electronic connectivity with the exchange and a lead manager to co-ordinate all the activities amongst the intermediaries connected with the issue.</li> </ul>	<b>2 marks</b>  = <b>2+2</b> = <b>4 marks</b>
<b>OR</b>	
<p><b>Q. Describe ‘Certificate of Deposit’ and ‘Commercial Bill’ as money market instruments.</b></p>	
<p><b>Ans.</b></p>	
<p><u>Certificate of Deposit</u></p>	
<ul style="list-style-type: none"> <li>▪ It is a short term, unsecured, negotiable instrument issued by commercial banks or development financial institutions to</li> </ul>	



	<p><b>Ans. (a) <u>Technological environment</u></b></p> <p>It includes forces relating to scientific improvements and innovations which provide new ways of producing goods and services and new methods and techniques of operating a business.</p> <p><b>(b) <u>Another dimension of business environment: (Any one)</u></b></p> <p>(i) Social environment.</p> <p>(ii) Political environment.</p> <p>(iii) Economic environment.</p> <p>(iv) Legal environment.</p> <p><b>(If an examinee has not given the headings as above but has given the correct explanation, full credit should be given)</b></p>	<p>+</p> <p><b>1 mark for its explanation</b></p> <p>=</p> <p><b>2 marks)</b></p> <p>+</p> <p><b>(1 mark for naming the dimension</b></p> <p>+</p> <p><b>1 mark for its explanation</b></p> <p>=</p> <p><b>2 marks)</b></p> <p>=</p> <p><b>2+2</b></p> <p>=</p> <p><b>4 marks</b></p>
16	<p><b>Q. Anchal purchased a food processing machine for ₹3,000 from ‘Kajal Machinery Pvt. Ltd.’ She found that the machine was not working properly. Despite many complaints, the defect was not rectified by Kajal Machinery Pvt. Ltd.</b></p> <p><b>(a) Identify the consumer right that has been violated by</b></p>	

	<p><b>Kajal Machinery Pvt. Ltd.</b></p> <p><b>(b) Suggest the appropriate forum where Anchal can file her complaint.</b></p> <p><b>(c) Can she appeal to the Supreme Court if she is not satisfied with the order of the appropriate forum ? Give reason in support of your answer.</b></p> <p><b>Ans. (a) Right to be heard</b></p> <p><b>(b) District Forum.</b></p> <p><b>(c) No, she cannot appeal to the Supreme Court if she is not satisfied with the order of the appropriate forum as the claims exceeding ₹1 crore only are appealable before Supreme Court.</b></p>	<p><b>1 mark for identifying the right</b></p> <p><b>+</b></p> <p><b>1 mark for identifying the forum</b></p> <p><b>+</b></p> <p><b>(1 mark for the answer</b></p> <p><b>+</b></p> <p><b>1 mark for its reason</b></p> <p><b>=</b></p> <p><b>2 marks)</b></p> <p><b>=</b></p> <p><b>1+1+2</b></p> <p><b>=</b></p> <p><b>4 marks</b></p>
17	<p><b>Q. Differentiate between ‘Marketing’ and ‘Selling’ on the following basis:</b></p>	



- (a) Transfer of title vs. Satisfying customer needs
- (b) Start and End of the activities
- (c) Difference in the Emphasis
- (d) Difference in the Strategies

**Ans.** Difference between Marketing and Selling:

<b>Basis</b>	<b>Marketing</b>	<b>Selling</b>
(a) Transfer of title vs satisfaction of customer needs	Marketing focuses on achieving maximum satisfaction of the customer's needs.	Selling focuses on affecting transfer of title and possession of existing goods.
(b) Start and end of activities	Marketing starts much before the product is produced and continues even after the product is sold.	Selling starts after the product is developed and ends with the sale of the product.
(c) Difference in emphasis	In marketing, the emphasis is on developing the product as per customer's needs.	In selling, the emphasis is on bending the customer according to the

**1 x 4**

**=**

**4 marks**



		product.
(d) Difference in Strategies	Marketing uses integrated marketing efforts.	Selling involves efforts like promotion and persuasion i.e. selling & promoting the product.

OR

OR

**Q. Differentiate between 'Production concept' and 'Selling concept' of marketing on the basis of:**

- (a) Meaning**
- (b) Main focus**
- (c) Means**
- (d) Ends**

**Ans. Difference between 'Production concept' and 'Selling concept'**

	<b>Production</b>	<b>Selling</b>
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		<b>concept</b>	<b>concept</b>	
	(a) Meaning	Production concept is based on the belief that profit could be maximized by producing at <u>large scale</u> , thereby <u>reducing the average cost of production</u> .	Selling concept is based on the belief that profits could be maximised by <u>increasing sales volume</u> by undertaking <u>aggressive selling and promotional efforts</u> .	<b>1 x 4</b> <b>=</b> <b>4 marks</b>
	(b) Main focus	Its focus is on quantity produced.	Its focus is on existing product	
	(c) Means	It uses availability and <u>affordability of product</u> as a means to achieve the objective	It uses selling & promoting as a means to achieve the objective	
	(d) Ends	Its objective is to earn profit through production volume	Its objective is to earn profit through sales volume	
<b>18</b>	<b>Q. 'MICO Automobiles Ltd.' is engaged in manufacturing of auto parts for car manufacturing companies. The company enjoys good creditworthiness. It now wants to expand its business by investing in new plant and machinery. For this it</b>			

requires long terms finance. Arsh, the Finance Manager of the company advised the CEO of the company to raise funds by issuing equity shares. It requires huge floatation cost. To meet the expenses of floatation cost the company decided to tap the money market.

(a) Name the money market instrument the company can use for meeting the floatation cost.

(b) Differentiate between ‘money market’ and ‘capital market’ on any three basis.

Ans. (a) Commercial Paper.

(b) Difference between Money Market and Capital Market: (Any three)

Basis	Money Market	Capital Market
(i) Participants	The participants are RBI, financial institutions, banks, corporates.	The participants are financial institutions, banks, corporates, foreign investors and retail investors.
(ii) Instruments	Instruments traded are treasury bill, commercial paper,	Instruments traded are shares, debentures and bonds.

1 mark for naming the instrument

+

(1 x 3

=

3 marks)



		certificates of deposit, call money and commercial bill.		=  <b>1+3</b>  =
	(iii) Investment outlay	Investment outlay is large.	Investment outlay is small.	<b>4 marks</b>
	(iv) Duration	It deals in short term securities.	It deals in medium term and long term securities.	
	(v) Liquidity	Money market securities are comparatively more liquid.	Capital market securities are comparatively less liquid.	
	(vi) Safety	Money market securities are comparatively safer.	Capital market securities are riskier than money market instruments.	
	(vii) Expected return	Money market securities yield comparatively less return.	Generally yield a higher return than money market instruments.	
<b>19</b>	<b>Q. The Managing Director of ‘Verma Chemicals Pvt. Ltd.’</b>			



<p><b>held a meeting of all the departmental managers. In the meeting, the managing director said that besides doing their current work efficiently, they also had to make themselves capable of shouldering more responsibility in future as the company is going to add an additional product to its existing product line. For the realisation of this objective he invited suggestions from all departmental heads. The Managing Director proposed a plan on the basis of the suggestions received. All the departmental heads carried out the plan.</b></p> <p><b>(a) Identify and give the meaning of the style of leadership referred in the above para.</b></p> <p><b>(b) Explain the other two styles of leadership.</b></p> <p><b>Ans. (a) <u>Democratic style of leadership</u></b></p> <p>It is a leadership style in which a leader develops action plans and takes decisions in consultation with his subordinates.</p> <p><b>(b) <u>The other two leadership styles are:</u></b></p> <p><b>(i) <u>Autocratic style of leadership</u></b></p> <ul style="list-style-type: none"> <li>• It is a leadership style in which a leader gives orders and expects his subordinates to obey those orders.</li> <li>• There is only one way communication with the subordinates</li> </ul>	<p><b>(½ mark for identifying the leadership style + ½ mark for its meaning = 1 mark)</b></p> <p><b>+ ½ mark for naming each leadership</b></p>
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	<p>only to act according to the command given by the manager.</p> <p>(ii) <u>Laissez Faire style of leadership</u></p> <ul style="list-style-type: none"> <li>• It is a leadership style in which a leader gives a high degree of independence to his followers to formulate their own objectives and ways to achieve them.</li> <li>• The leader does not believe in the use of power unless it is absolutely essential.</li> </ul>	<p><b>style</b></p> <p>+</p> <p><b>1 mark for its explanation</b></p> <p>=</p> <p><b>1 ½ x 2 = 3 marks)</b></p> <p>=</p> <p><b>1 + 3 = 4 marks</b></p>
	<b>SECTION D</b>	
20	<p><b>Q. Each employee of ‘Bhoomika Ltd.’ should manufacture 10 tables per day as per the terms of employment. All the employees met the said target except a few who manufactured between 4 – 6 tables per day. The management look a decision to install Closed Circuit Television (CCTV’s) in the factory for monitoring the activities of the employees.</b></p> <p><b>(a) Identify the managerial function discussed above.</b></p> <p><b>(b) Explain the steps in the process of the function identified in (a) above.</b></p> <p><b>Ans. (a) Controlling</b></p> <p><b>(b) <u>Steps in the process of the function identified above are:</u></b></p> <p><b>(i) Setting standards</b></p>	<p><b>1 mark for identifying the function</b></p> <p>+</p>



	<p>(ii) Measuring actual performance and Comparing actual performance with standards</p> <p>(iii) Analysing deviations</p> <ul style="list-style-type: none"> <li>• Critical Point Control</li> <li>• Management by Exception</li> </ul> <p>(iv) Taking corrective action</p> <p><b>(If an examinee has not given the headings as above but has given the correct explanation, no marks should be deducted)</b></p> <p><b>(½ mark should be deducted if the sequence is not followed)</b></p>	<p><b>(½ mark for naming the step + ½ mark for its explanation = 1 x 4 = 4 marks)</b></p> <p><b>= 1 + 4 = 5 marks</b></p>
<p><b>21</b></p>	<p><b>Q. Identify and state the techniques of sales promotion used by the marketer in the following cases :</b></p> <p><b>(a) A free holiday package of ₹5,000 on purchase of goods worth ₹20,000.</b></p> <p><b>(b) Payment of ₹1,60,000 for the purchase of a bike can be made, ₹40,000 immediately and balance in 20 equal instalments of ₹6000 each.</b></p> <p><b>(c) 30 grams extra soap in a cake of bathing soap.</b></p> <p><b>(d) Get 4 GB memory card free with a ‘Popo’ mobile phone.</b></p> <p><b>(e) Lucky draw coupon for a car on purchase of petrol ₹2,500 from Indian Oil Corporation petrol pumps.</b></p> <p><b>Ans. (a) <u>Usable benefit</u></b></p>	





	<p>It is a technique of sales promotion in which a customer is given some benefit which has the potential of being used.</p> <p>(b) <u>Full financing</u></p> <p>It is a technique of sales promotion in which easy financing schemes are offered.</p> <p>(c) <u>Quantity gift</u></p> <p>It is a technique of sales promotion in which extra quantity of the product is offered to increase sales.</p> <p>(d) <u>Product combination</u></p> <p>It is a technique of sales promotion in which another product is offered as a gift along with the purchase of a product.</p> <p>(e) <u>Lucky draw</u></p> <p>It is a technique of sales promotion in which a draw is taken out on purchase of a product and a gift is given to the winner.</p>	<p><b>½ mark</b></p> <p><b>for</b></p> <p><b>identifying</b></p> <p><b>the</b></p> <p><b>technique</b></p> <p><b>+</b></p> <p><b>½ mark</b></p> <p><b>for its</b></p> <p><b>statement</b></p> <p><b>=</b></p> <p><b>1 x 5</b></p> <p><b>=</b></p> <p><b>5 marks</b></p>
<p><b>22</b></p>	<p><b>Q. State any five points of importance of business environment.</b></p> <p><b>Ans. Importance of business environment: (Any five)</b></p>	

<p>(i) It helps to <u>identify opportunities and getting the first mover advantage</u> instead of losing them to the competitors.</p> <p>(ii) It helps to <u>identify threats</u> on time that serves as an early warning signal.</p> <p>(iii) It helps the business environment in <u>tapping useful resources</u> so that it can convert them into output that the environment desires.</p> <p>(iv) It helps in <u>coping with rapid changes</u> in an increasingly dynamic environment.</p> <p>(v) It helps in <u>assisting in planning and policy formulation</u>.</p> <p>(vi) It helps in <u>improving performance</u> by continuously monitoring the environment and adopting suitable practices.</p> <p><b>(If an examinee has given only the headings, ½ mark for each heading should be awarded)</b></p> <p style="text-align: center;"><b>OR</b></p> <p><b>Q. State any five characteristics of management.</b></p> <p><b>Ans. <u>Characteristics of management: (Any five)</u></b></p>	<p style="text-align: center;"><b>1 x 5</b></p> <p style="text-align: center;">=</p> <p style="text-align: center;"><b>5 marks</b></p> <p style="text-align: center;"><b>OR</b></p> <p style="text-align: center;"><b>1 x 5</b></p>
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	<p>(i) It is a <u>goal oriented process</u> as it strives to achieve organisational goals.</p> <p>(ii) It is <u>pervasive</u> as it is required in all organisations, in all the departments and at all levels.</p> <p>(iii) It is <u>multidimensional</u> as it involves management of work, people and operations.</p> <p>(iv) It is a <u>continuous process</u> as it involves an ongoing series of functions.</p> <p>(v) It is a <u>group activity</u> as it unites individual effort in a common direction.</p> <p>(vi) It is a <u>dynamic function</u> as it adapts itself to the changing environment.</p> <p>(vii) It is an <u>intangible force</u> as it cannot be seen but its presence can be felt in the way the organisation functions.</p> <p><b>(If an examinee has not given the headings as above but has given the correct explanations, full credit should be given)</b></p>	<p style="text-align: center;">=</p> <p style="text-align: center;"><b>5 marks</b></p>
	<b>SECTION E</b>	
23	<b>Q. Mohan is working as a vice-president in Ashoka Ltd. He performs a separate and specialised function having many</b>	

<p>aspects of human relations. His job is closely linked with organising since after the structure and positions have been decided, people are required to work in these positions. His function is seen as a generic function of management. When he performs his duties, his role is slightly limited.</p> <p><b>(a) Identify and explain the meaning of the function being performed by Mohan as the vice-president of Ashoka Ltd.</b></p> <p><b>(b) The function performed by Mohan benefits the organisation in many ways. State any five such benefits.</b></p> <p><b>Ans. (a) Staffing</b></p> <p>It is the process of filling and keeping filled, the positions in the organisation structure.</p> <p><b>(or any other correct meaning)</b></p> <p><b>(b) Benefits of Staffing:</b></p> <p>(a) It helps in discovering and obtaining competent personnel for various jobs.</p> <p>(b) It results in improved performance by putting right person on the right job.</p>	<p>(½ mark for identifying the function + ½ mark for the meaning = 1 mark)</p> <p>+ (1 x 5 = 5 marks)</p>
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	<p>(c) It ensures continuous survival and growth of the enterprise through the succession planning for managers.</p> <p>(d) It ensures optimum utilization of human resources. It avoids disruption of work by indicating in advance the shortage of personnel.</p> <p>(e) It improves job satisfaction and morale of employees through objective assessment and fair reward for their contribution.</p>	<p>=</p> <p><b>1+5</b></p> <p>=</p> <p><b>6 marks</b></p>
24	<p><b>Q. Fayol and Taylor both have contributed immensely to the knowledge of management, which has become a basis for further practice by managers. Taylor thought that by scientifically analysing work it would be possible to find ‘one best way’ to do it. He is most remembered for his time and motion studies and functional foremanship. He said that the best result would come from the partnership between a trained and qualified management and a cooperative and innovative workforce. Fayol explained what amounts to a manager’s work and what principles should be followed in doing this work.</b></p> <p><b>In the light of the above discussion, differentiate between the contribution of Taylor and Fayol on the following basis:</b></p> <p><b>(a) Perspective</b></p> <p><b>(b) Unity of command</b></p> <p><b>(c) Focus</b></p> <p><b>(d) Expression</b></p> <p><b>(e) Applicability</b></p>	

**(f) Basis of formation**

**Ans. Difference between the contribution of Taylor and Fayol:**

	<b>Basis</b>	<b>Taylor</b>	<b>Fayol</b>
(a)	Perspective	Taylor's perspective was on the shop floor level of a factory.	Fayol's perspective was on the Top level of management.
(b)	Unity of Command	Taylor did not feel that it is important as under functional foremanship a worker received orders from eight specialists.	Fayol was a staunch proponent of unity of command.
(c)	Focus	Taylor focused on increasing productivity of workers .	Fayol focused on improving overall administration.
(d)	Expression	Taylor used the expression 'Scientific	Fayol used the expression 'General Theory of

**1 x 6**

**=**

**6 marks**



		Management’.	Administration’.	
(e)	Applicability	Taylor’s principles are applicable to specialised situations.	Fayol’s principles are applicable universally	
(f)	Basis of formation	Principles were based on observations and experimentation.	Principles were based on his personal experience.	
<b>25</b>	<b>Q. Explain any four limitations of planning.</b> <b>Ans. Limitations of planning: (Any four)</b> (i) Leads to rigidity (ii) May not work in a dynamic environment. (iii) Reduces creativity. (iv) Involves huge costs. (v) Time consuming. (vi) Does not guarantee success.			<b>½ mark for heading</b> <b>+</b> <b>1 mark for explanation</b>  <b>=</b> <b>1½ x 4</b>

<p><b>(if an examinee has not given the headings as above but has given the correct explanation, full credit be given)</b></p> <p style="text-align: center;"><b>OR</b></p> <p><b>Q. Explain any four points of importance of organising function of management.</b></p> <p><b>Ans. <u>Importance of organising:</u> (Any four)</b></p> <p>(a) Benefits of specialisation</p> <p>(b) Clarity in working relationships.</p> <p>(c) Optimum utilisation of resources.</p> <p>(d) Adaptation to change.</p> <p>(e) Effective administration.</p> <p>(e) Development of personnel.</p> <p>(f) Expansion and growth.</p> <p><b>(If an examinee has not given the headings as above but has given the correct explanation, no marks should be deducted)</b></p>	<p style="text-align: center;">=</p> <p style="text-align: center;"><b>6marks</b></p> <p style="text-align: center;"><b>OR</b></p> <p style="text-align: center;"><math>\frac{1}{2}</math> mark for heading + 1 mark for explanation</p> <p style="text-align: center;">=</p> <p style="text-align: center;"><math>1\frac{1}{2} \times 4</math></p> <p style="text-align: center;">=</p> <p style="text-align: center;"><b>6 marks</b></p>
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