## CBSE Class 12 Business Studies Compartment Answer Key 2020 (September 24, Set 1 - 66/C/1)

			MARKING SCHEME COMPTT-	DISTRIBUTION
			SEPTEMBER 2020	OF
			<b>BUSINESS STUDIES</b>	MARKS
66/C/1	66/C/2	66/C/3	66/C/1	
			<b>EXPECTED ANSWERS / VALUE</b>	
			POINTS	
			SECTION A	
1	4	3	The objective of management which	
			consistently creates economic value for	•
			various constituents of society is :	3.3.
			(A) Organisational objective	
				platform
			(B) Social objective	ow Plan
			(C) Personal objective	
3			(D) Both Social and Personal objective	
			Largest	
	1		Ans (B) Social objective	

		6	Ans. (B) Social objective	1 mark
2	1	4	Which of the following is a component of	
			economic environment ?	
			(A) Concern with quality of life	
			(B) Rates of saving and investment	
			(C) Extent of government intervention in	
			business	
			(D) Birth and death rates	
			<b>Ans.</b> (B) Rates of saving and investment	1 mark

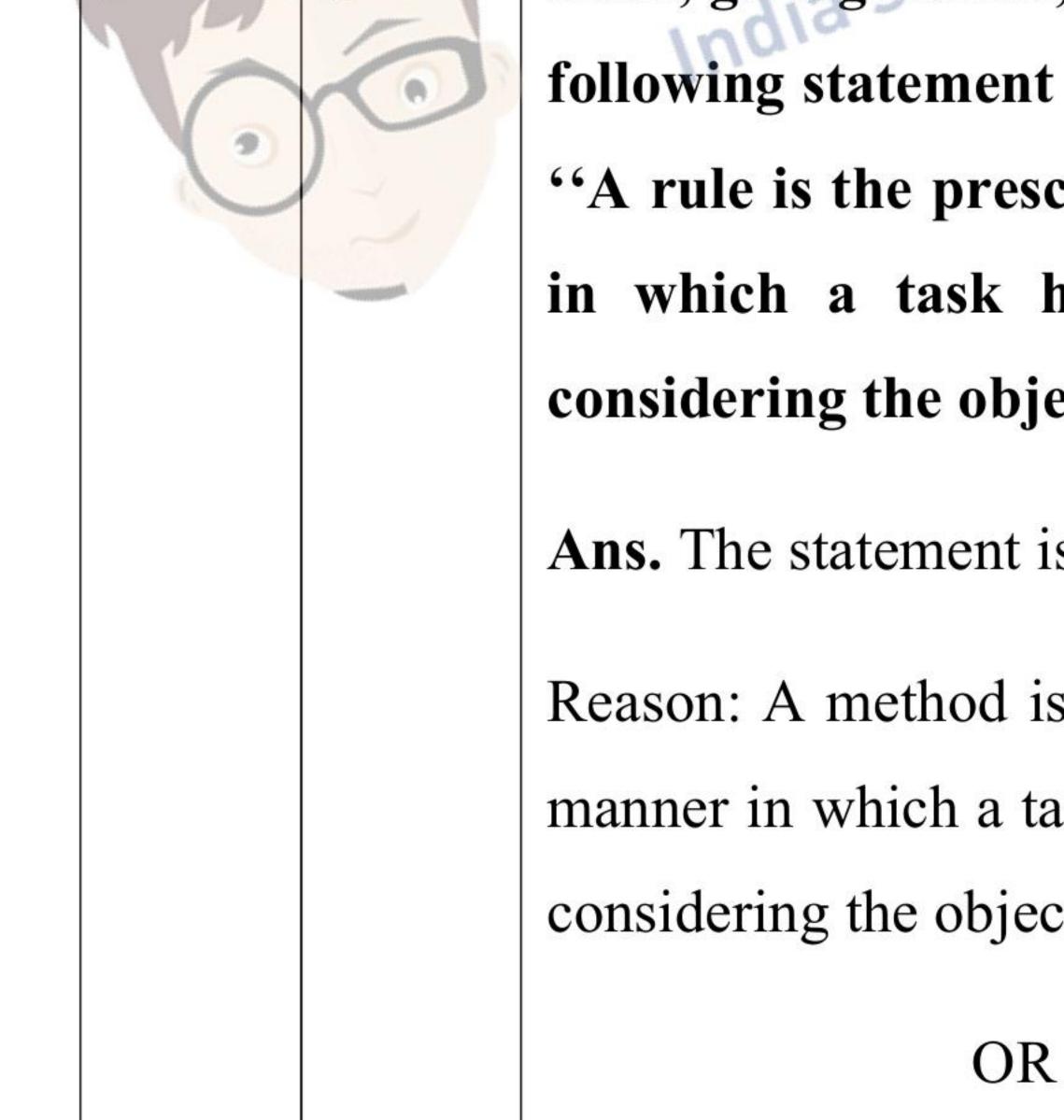
		8	

3



3	2	5	The principles of management are said to	
			be flexible as :	
			(A) they aim at influencing behaviour of	
			human beings.	
			(B) they are general guidelines to action,	
			but do not provide readymade solutions	

 4
 3
 1
 State, giving reason, whether the

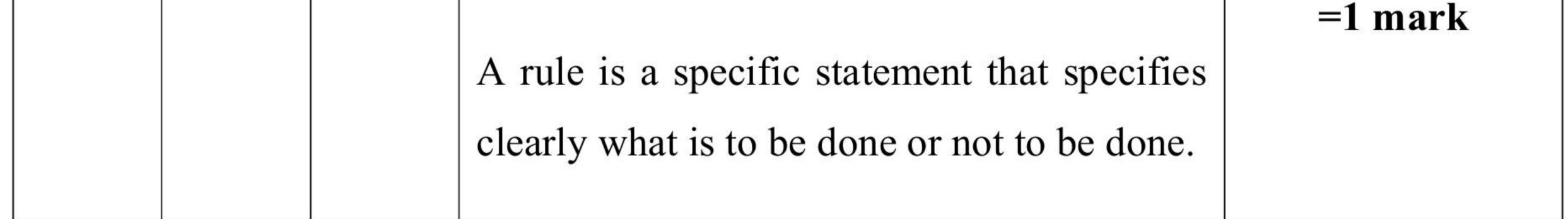


following statement is *true* or *false*:
"A rule is the prescribed way or manner in which a task has to be performed considering the objective."
Ans. The statement is false.
Reason: A method is the prescribed way or manner in which a task has to be performed considering the objective.

1/2

1/2

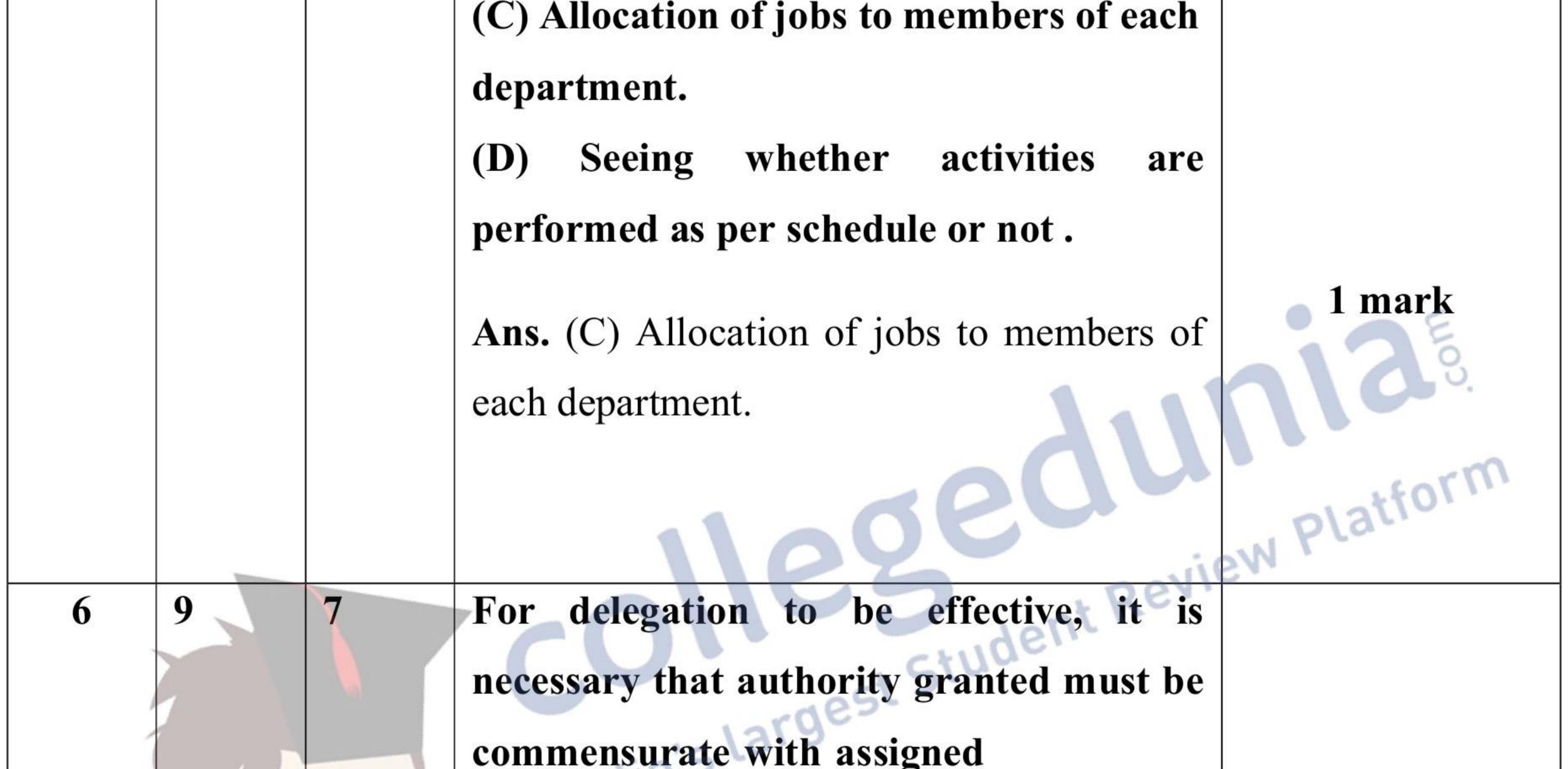
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4



5	6	2	Which of the following is <i>not</i> a step in the
			process of planning ?
			(A) Making assumptions about the
			future.
			(B) Evaluating different proposals in
			light of the objectives to be achieved.

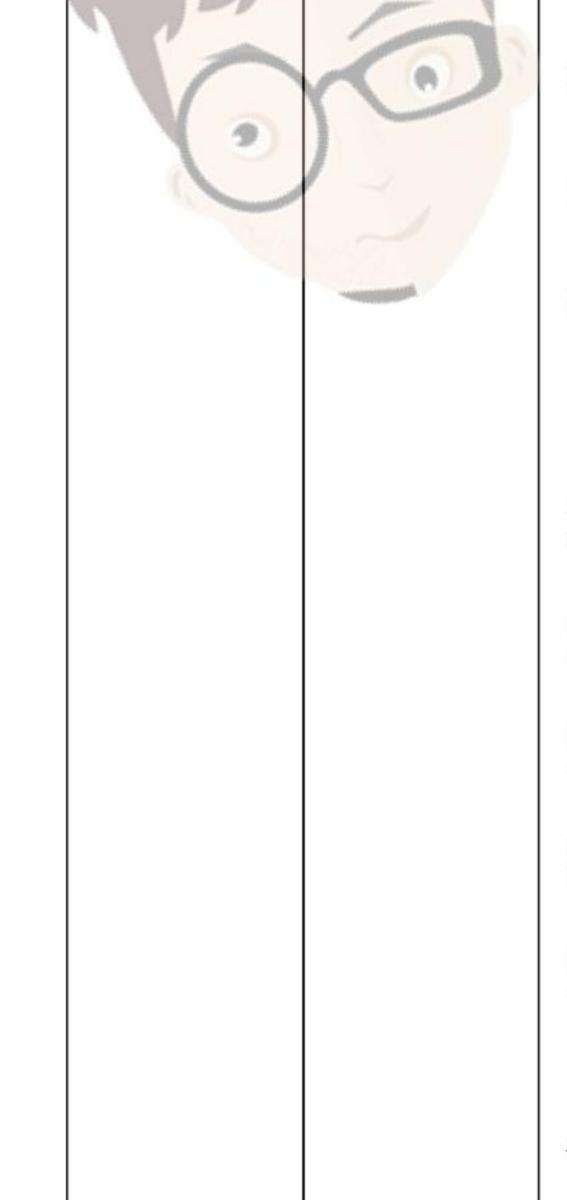


			• Ans. Responsibility	1 mark
7	5	6	Identify the type of organisation structure from the organisational chart given below of Swastika Industries Ltd. located in Uttarakhand :	
			Ans. Divisional Structure	1 mark

8	7	9	Which statement is <i>not</i> correct, with	



			(C) Specifies relationship between people,
			work and resources.
			(D) Establishes standards for controlling.
			Ans. (D) Establishes standards for 1 mark
			controlling.
			Ξ.
	+	10	
9	8	10	Using external sources for filling vacant
9	8	10	positions:
9	8	IU	a lation.
9	8		positions:



(iii) moust a competitive spirit among the

existing employees.

(iv) Does not infuse fresh talent in the

organisation.

Choose the correct option from the

following :

(A) (i) and (ii)

(B) (i) and (iii)

(C) (i), (iii) and (iv)

(D) (ii) and (iv)

**Ans.** (B) (i) and (iii)

1 mark

10	12	8	test is a measure of an	

6



			Ans. (B) Aptitude	1 mark
11	10	13	State the objective of financial	
			management.	E
			Ans. The objective of financial	
			management is to maximise shareholders	tform
			wealth by maximization of the current	N P1 mark
			market price of equity shares of the	
			company.	
	J.		India's La.	
	6	50		
12	13	11	Organisations which choose to diversify	
			their operations require	
			fixed capital. (more/less)	
			Ans. More	1 mark
13	11	15	'Temptations' is a food joint in Imperial	
			Mall in Bengaluru. It is becoming	
			popular among students and working	
			people due to healthy, on-the-go dishes	
			on its menu like 'Paneer Wrap',	

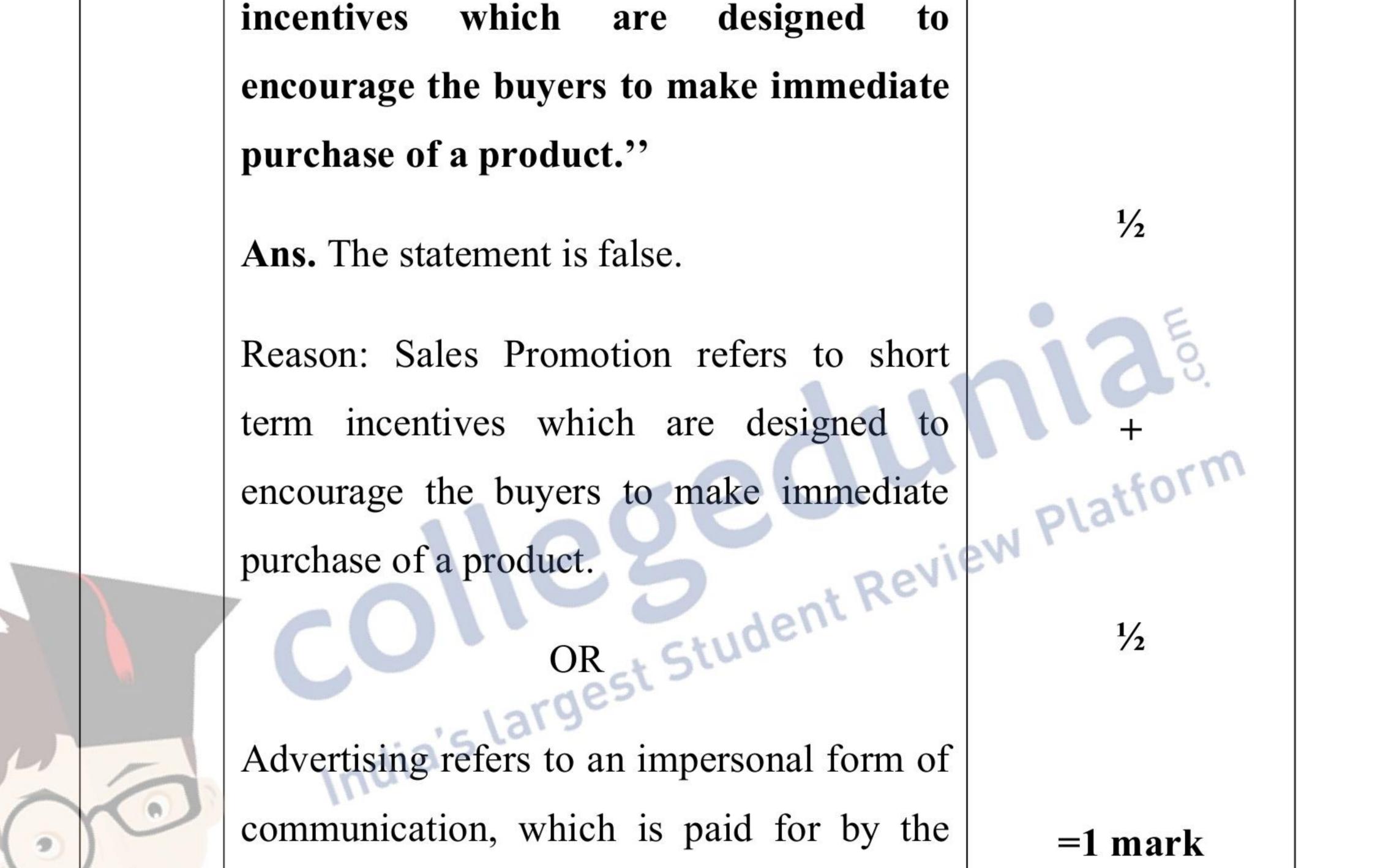


15	14	14	While the product sets the lower limit of the price, the utility provided by the product sets the upper	
			Ans. (A) Grading	1 mark
			(D) Marketing planning	
			(C) Product designing	
	L.		(B) Standardisation	
		6	(A) Grading	
	1		of the following marketing functions ?	
			into different groups on the basis of their important characteristics refers to which	
14	17	12	The process of classification of products	en ru
				natiorm
				C. C.
			Ans. (A) Long-term investment decision	E
			(D) Financing decision	1 mark
			(C) Dividend decision	
			(B) Short-term investment decision	
			(A) Long-term investment decision	
			Which financial decision has been discussed in the above case ?	
			branches in other parts of Bengaluru.	
			It has now decided to open two new	
			etc.	
			'Chickpeas Salad', 'Grilled Sandwiches',	

		limit of price, which a buyer would be	
		prepared to pay.	
			1 mark



			Ans. Cost	
16	15	17	State, giving reason, whether the	
			following statement is true or false :	
			"Advertising refers to short term	



			Advertising refers to an impersonal form of communication, which is paid for by the marketer to promote their products.	=1 mark
17	19	16	<ul> <li>Who among the following is <i>not</i></li> <li>considered a consumer under the</li> <li>Consumer Protection Act, 1986 ?</li> <li>(A) A person who buys any goods for a</li> <li>consideration which has been paid.</li> <li>(B) A person who avails of any service for</li> </ul>	

a consideration which has been promised.	
(C) A person who avails of a service for a	
commercial purpose.	



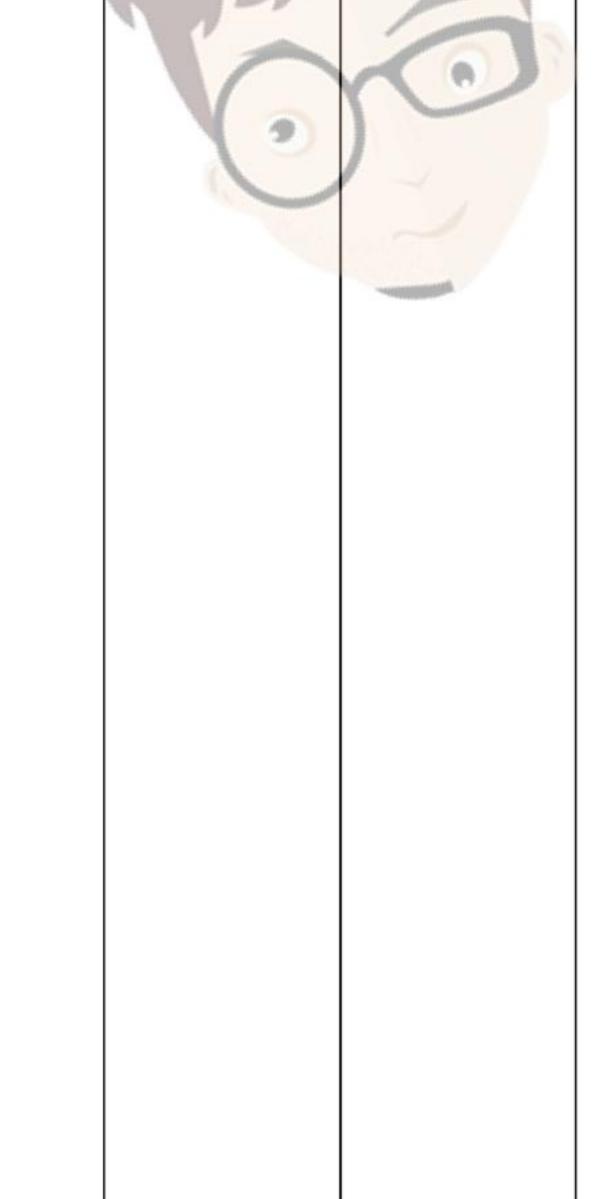
(D) Any user of goods when such use is made with the approval of the buyer.	
<b>Ans.</b> (C) A person who avails of a service for a commercial purpose.	1 mark

18	16	20	Aarushi purchased a pack of biscuits.	
			When she opened it, she felt the biscuits	
			were stale. She carefully read the label on	
			the pack of biscuits which mentioned :	
			<b>''If you are not satisfied with the product</b>	E
			quality, write to our Customer Care Cell	a C.S.
			at Bell Foods Pvt. Ltd.	maarm
			B/321, Jalandhar, Punjab.'	N Platforn
			The biscuit company has set up its own	
			consumer service and grievance cell to	
			promote and protect the following right :	
		0	(A) Right to Safety	
	Le le		(B) Right to be Heard	
			(C) Right to be Informed	
			(D) Right to Consumer Education	
			Ans. (B) Right to be Heard	1 mark
			Ans. (D) Right to be field	
19	20	18	The package of KRM Rawa Idli Mix	
			describes the procedure of cooking idlis	
			in three easy steps. It also specifies its	

		ingredients, instructions for storage and	
		serving.	
		The function performed by the label in	



			various components to make computers and supplies them as per order.	
			Place in New Delhi, where he assembles	S.A.A
			sell computers. He hired a shop in Nehru	N Platforn
20	18	19	Arnav has recently started a business to	maarm
				3.0.
			specifies its contents.	
			specifies its contents.	1 mark
			Ans. (A) Describing the product and	
			law.	
			(D) Providing information required by	
			(C) Helping in promotion of products.	
			brand.	
			(B) Identification of the product or	
			its contents.	
			(A) Describing the product and specifies	
			the above case is :	



and supplies them as per bruch.

He performs a series of composite but

separate functions simultaneously and

ensures that computers are delivered in

time as per orders. These functions are

performed by all managers at all times.

The feature of management highlighted

above is : (A) Management is a

continuous process.

(B) Management is pervasive.

(C) Management is dynamic.

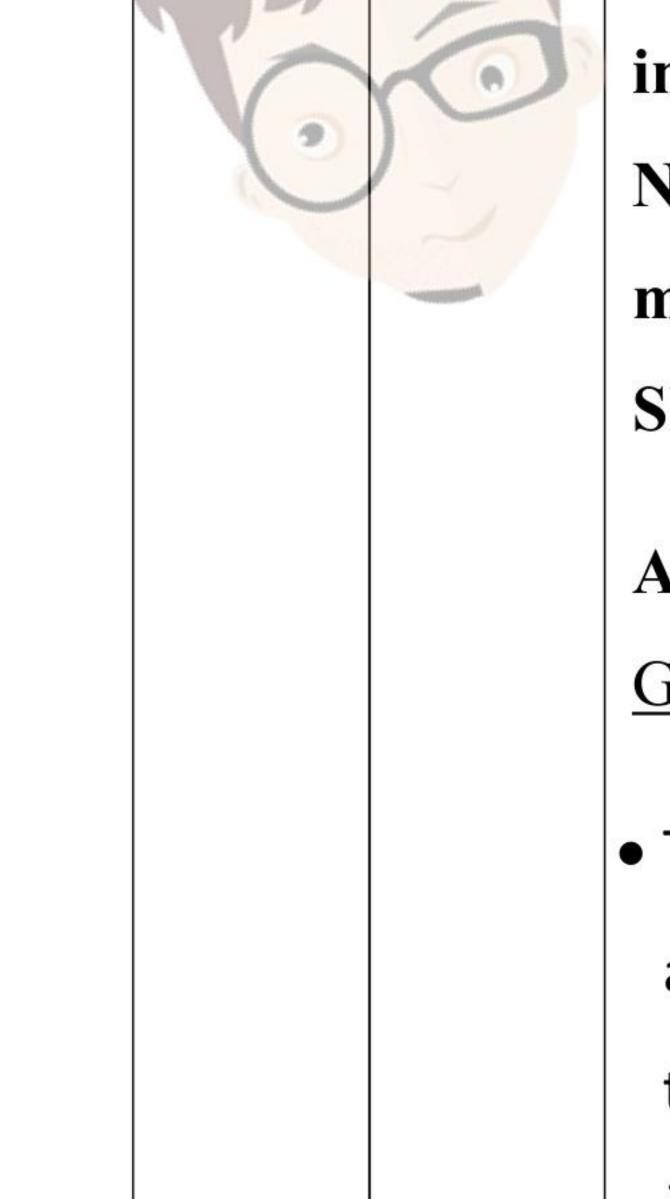
(D) Management is a group activity.	
Ans. (A) Management is a continuous	1 mark

11



			process.	
			SECTION B	
21	23	23	Vaibhav Sharma was working as the	
			<b>Production Manager in Crescent</b>	

Pharmaceuticals Pvt. Ltd. To get his son admitted in school he wanted to take leave from the office but on the same day, an important meeting with the Chief **Executive Officer (CEO) of the company** was scheduled to discuss about some new In platform medicines to be manufactured. Considering the significance of the meeting, he did not take leave. The CEO appreciated his exemplary behaviour as he gave priority to the organisational



interest over his personal interest.

Name and explain the principle of management being followed by Vaibhav

Sharma in the above case.

Ans. Subordination of individual interest to General Interest

This principle states that the interests of

an organization should take priority over

the

1 mark for naming the principle +2 marks for

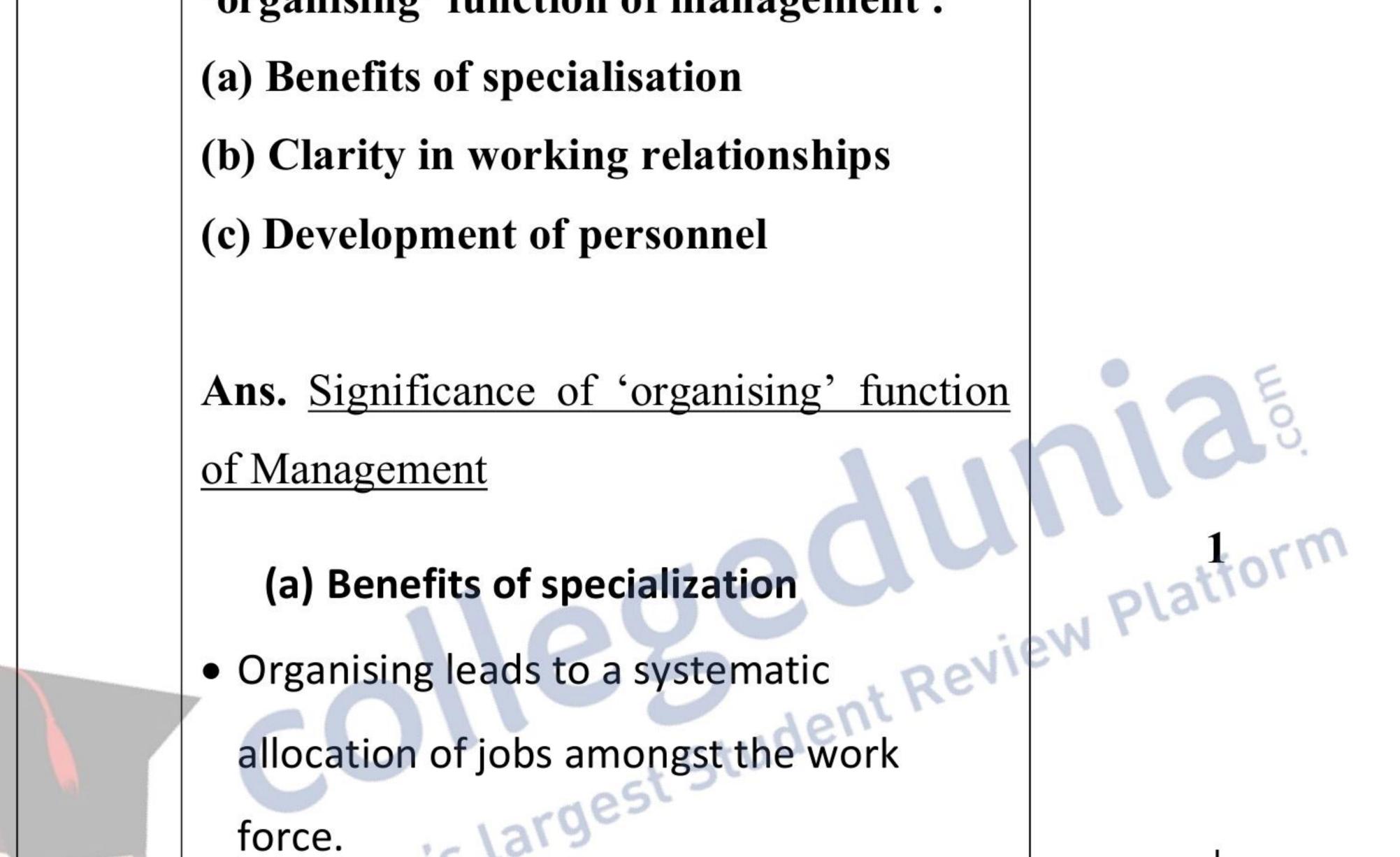
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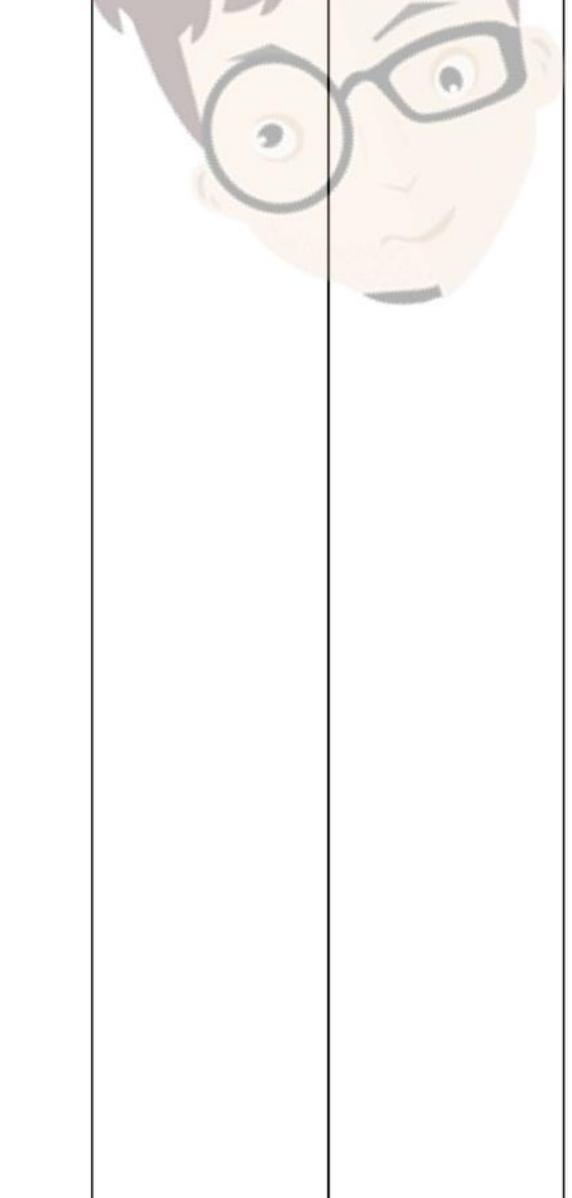
interests of any one individual employee.	explanation
<ul> <li>This is so because larger interests of</li> </ul>	=3 marks

12



		the workers and stakeholders are more important than the interest of any one person.	
22	-	Explain the following as significance of 'organising' function of management :	





Repetitive performance of a particular

task allows a worker to gain experience

in that area and leads to specialisation.

# (b) Clarity in working relationships

- The establishment of working
  - relationships clarifies lines of
  - communication and specifies who is to
  - report to whom.
- This removes ambiguity in transfer of

	information and instructions.	
		=3 marks

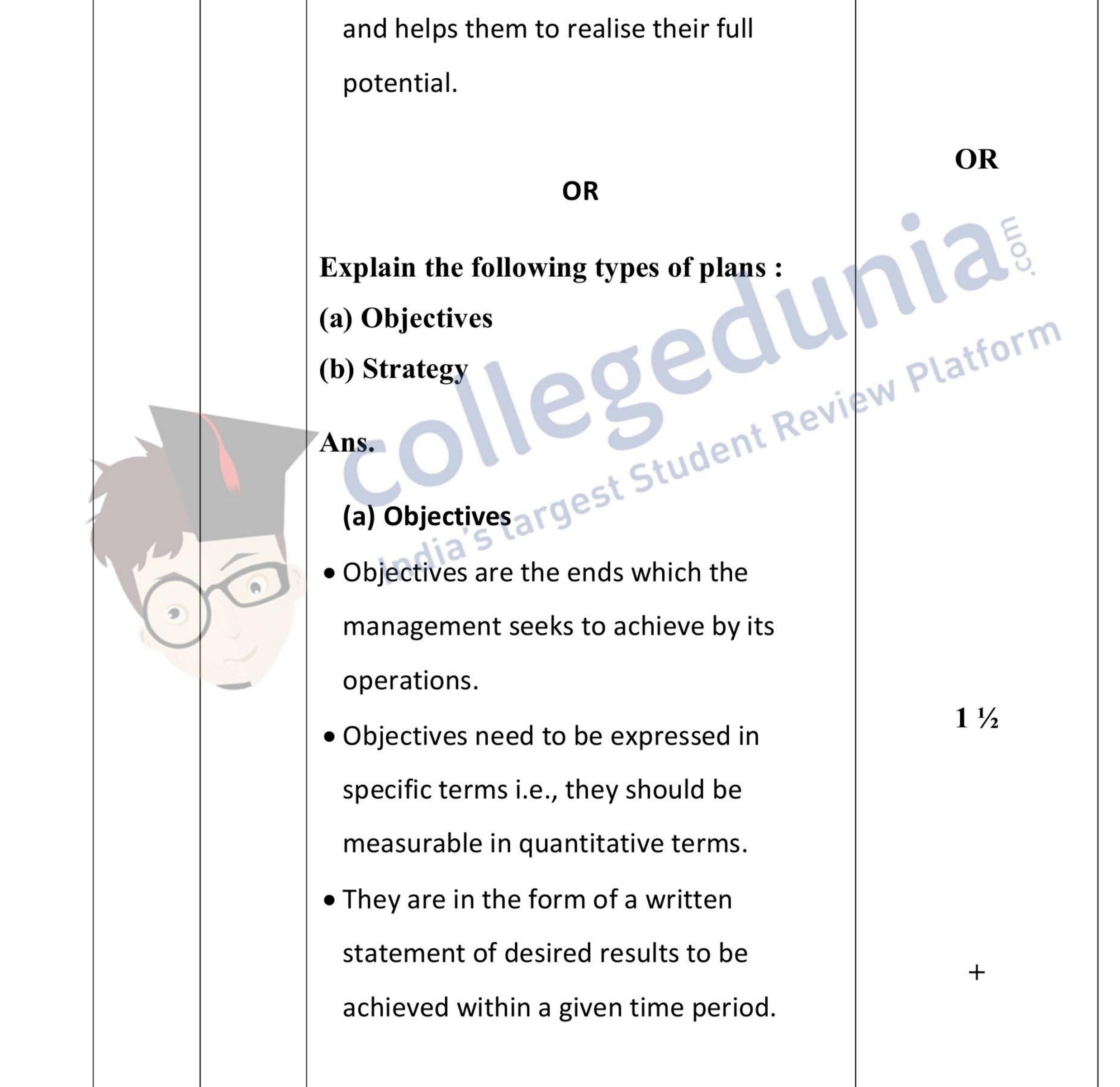
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+

(c) Development of personnel
<ul> <li>Effective delegation allows the managers</li> </ul>
to reduce their workload and explore
areas for growth.
<ul> <li>It also develops in the subordinate the</li> </ul>
ability to deal effectively with challenges

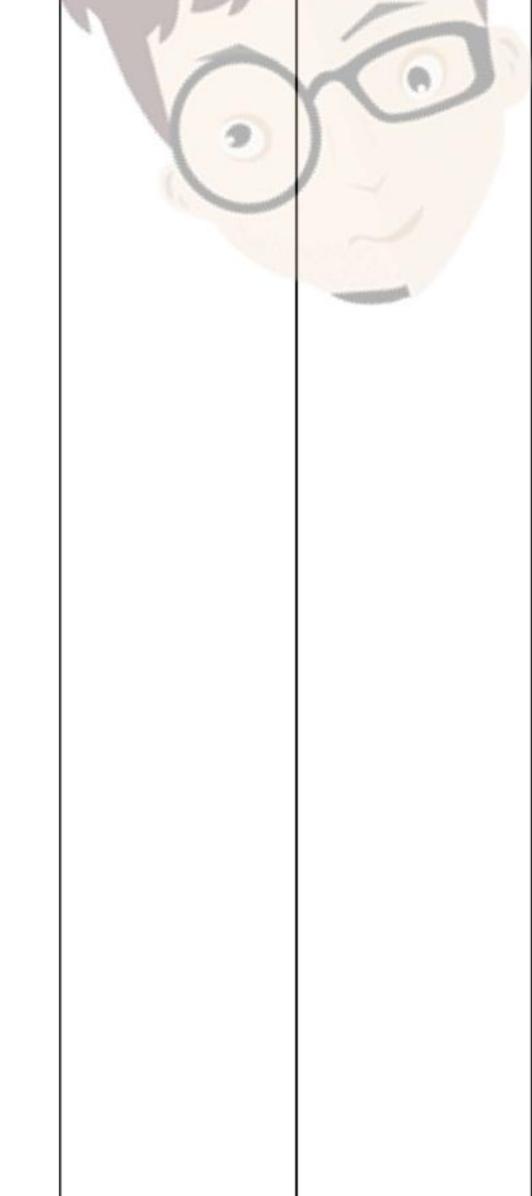


(b) Strategy	
<ul> <li>A strategy is a comprehensive plan for</li> </ul>	
accomplishing an organization objectives,	1 1/2



taking business environment into	
consideration.	
<ul> <li>A strategy provides the broad contours of</li> </ul>	
an organisation's business.	
<ul> <li>It will also refer to future decisions</li> </ul>	=3 marks
defining the organisation's direction and	

			scope in the long run.
23	21	24	Explain the following steps in the process
			of staffing :
			(a) Performance Appraisal
			(b) Promotion and Career Planning
			(c) Compensation
3			Ans. Steps in the process of staffing :
			(a) Performance Appraisal
			'c lar 2



Performance appraisal means evaluating

an employee's current and/or past

performance as against certain

predetermined standards.

It also includes providing feedback to the

employee on his/her performance.

# (b) Promotion and Career Planning

Promotions are an integral part of

people's career. They refer to being

placed in positions of increased	
responsibility.	
<ul> <li>Managers need to design activities to</li> </ul>	+

15

\*These answers are meant to be used by evaluators

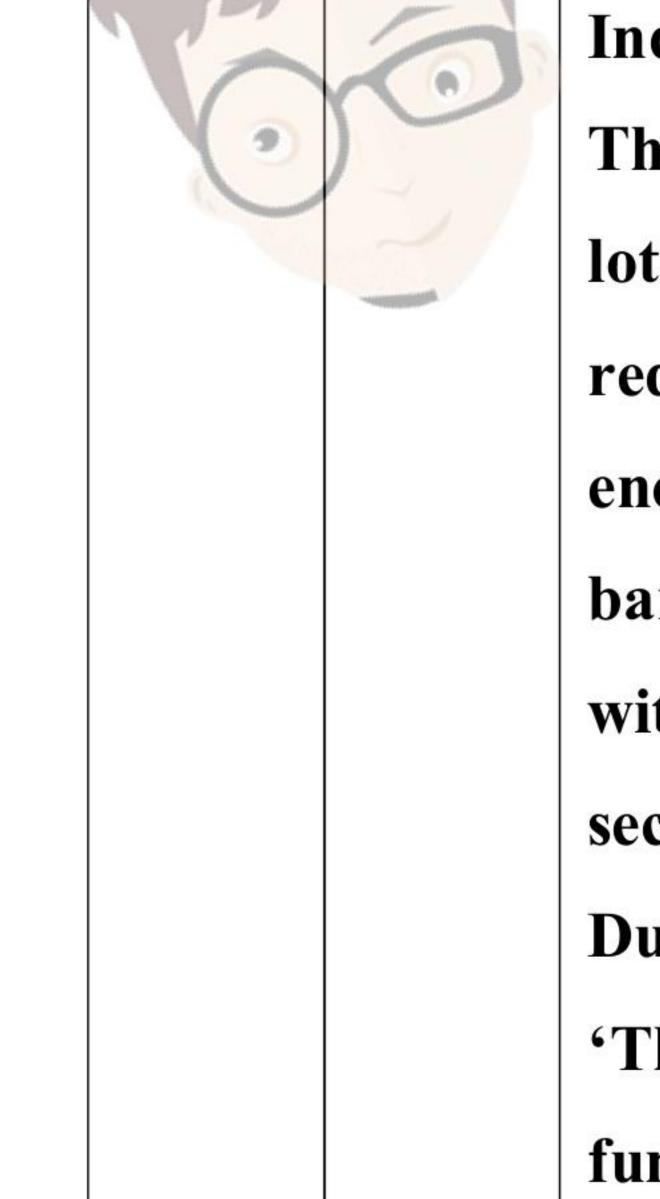


1

+

1

24	25 21	financial payments and indirect payments. Currently, the banking sector in the	= 3 marks
		Indian economy is facing lots of problems. The rates of interest that banks are paying on deposits have sharply decreased; as a result banks are able to collect lesser amounts of deposits. Due to the policies of the Reserve Bank of	Nelation



India, lending rates have also decreased.

The automobile industry is also facing a

lot of problems and thus they have also

reduced the prices of cars. This has

encouraged people to take car loans from

banks as the interest rates on loans, along

with prices of cars in the automobile

sector are declining.

Due to this position of tight liquidity,

'The Oberoi Bank Ltd.' decided to raise

funds by issuing an unsecured. short-

		Tunus by issuing an unsecured, short-
		term instrument which could be
		purchased by corporations, companies
		and individuals.

16



(a) Identify and explain the money

market instrument used by 'The Oberoi

Bank Ltd.' to raise funds.

(b) Also explain the money market

instrument used by the banks to maintain

**Cash Reserve Ratio.** 

Ans. (a) The money market instrument used by 'The Oberoi Bank Ltd.' to raise funds is 1 mark for Certificate of Deposit. naming the instrument It is an unsecured, negotiable, short-term instruments in bearer form, issued by latform commercial banks and development Revi 1 mark for its financial institutions. explanation It can be issued to individuals, corporations and companies during

		0	periods of tight liquidity.	- <b>+</b> -
				½ mark for
			(b) The money market instrument used by	naming the
			the banks to maintain Cash Reserve Ratio is	instrument
			Call Money by which banks borrow from	+
			each other for a period of one day to fifteen	½ mark for its
			days.	explanation
				=1+1+1
				= 3 marks
25	24	25	'Stay Fit', a probiotic drink was	
			launched in the market by Dabal India	
			Ltd. and is available in various cities	
			across the country. Doctors are	

17



recommending it as it is very useful forthe stomach. The company is also usingvarious tools to inform and persuadecustomers about its product.It has recently started free distribution ofits samples to encourage the customers to

know about its benefits to buy this

probiotic drink in future.

The company has also appointed a large

number of salespersons, who contact the

prospective buyers and communicate

with them to make sales. This way, the

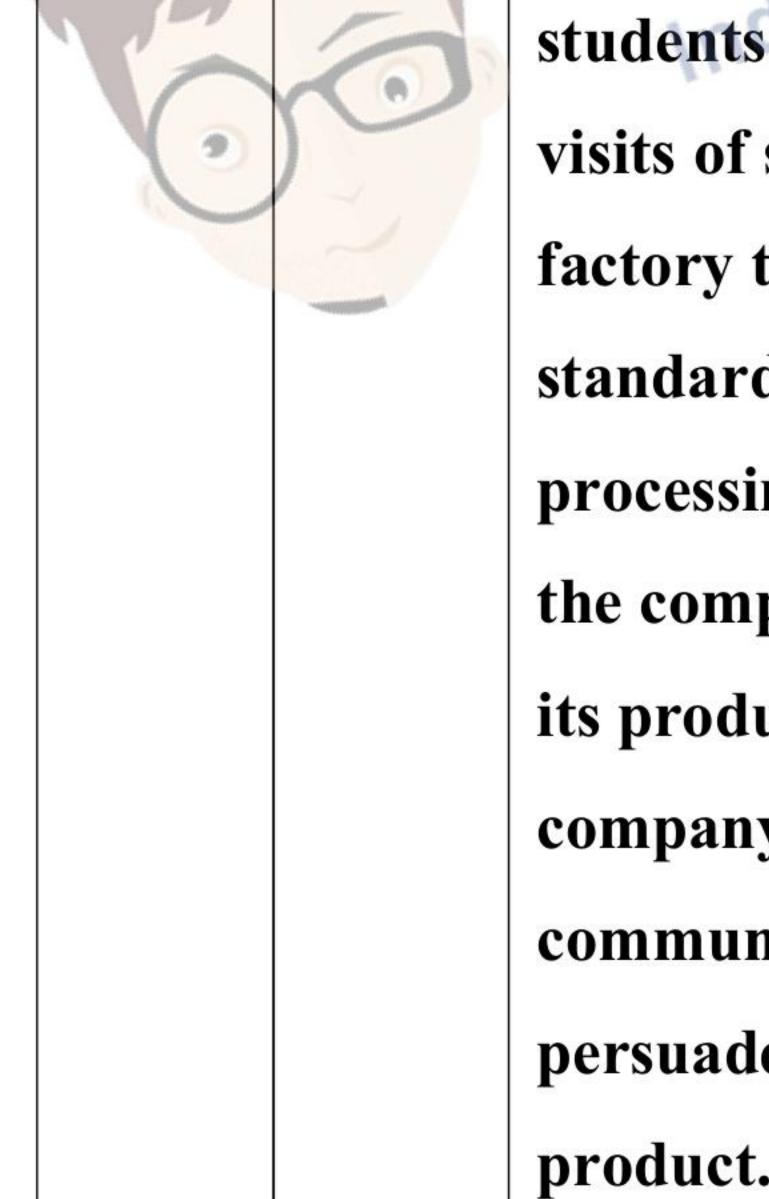
company is able to develop personal

rapport with its customers.

In order to create awareness and to

increase its popularity among school

children, it also organises workshops for



students and teachers. It also arranged

visits of students and teachers to the

factory to create awareness about the

standards of hygiene adopted in processing and packaging, etc. This helps the company to build a positive image of its product in the society. This way the company is using a combination of

communication tools to inform and

persuade customers about their firm's

	product.	
	Identify and explain these tools.	
	Ans. Tools used by the company to inform	½ mark for

18

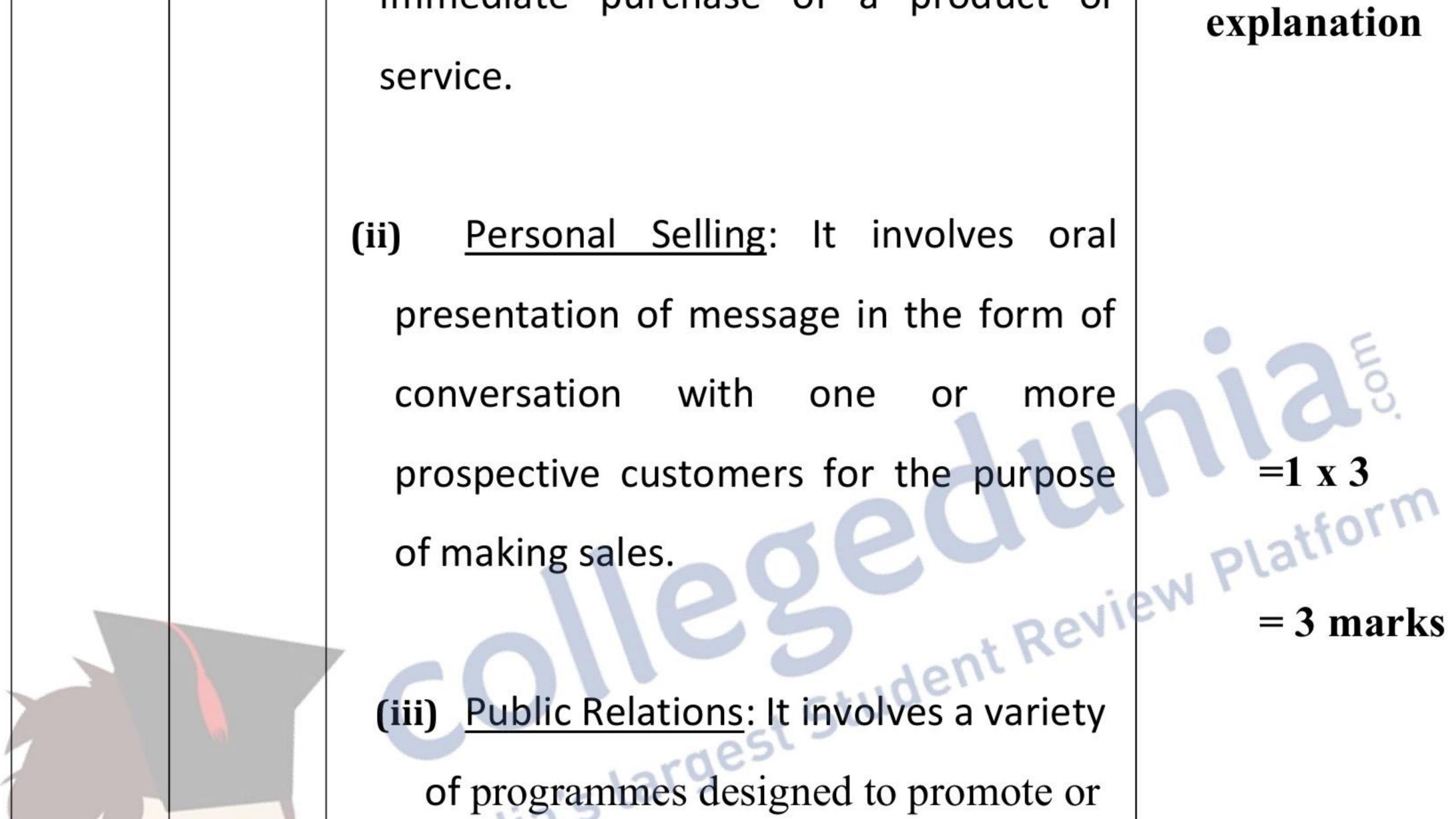
\*These answers are meant to be used by evaluators



15

N Platforn.

identifying each	and persuade customers about their product
tool	<u>are:</u>
	(i) <u>Sales Promotion</u> : It refers to short-
	term incentives, which are designed to
½ mark for its	encourage the buyers to make
	immediate purchase of a product or



			protect a company's image and its individual products in the eyes of the public.	
			SECTION C	
26	27	27	The Government of India, in an effort to eliminate plastic waste, imposed a nationwide ban on single-use plastic. The ban would most likely target plastic cutlery, straws, cups and glasses. As a result of this ban, the businesses have been forced to change their	

\*These answers are meant to be used by evaluators

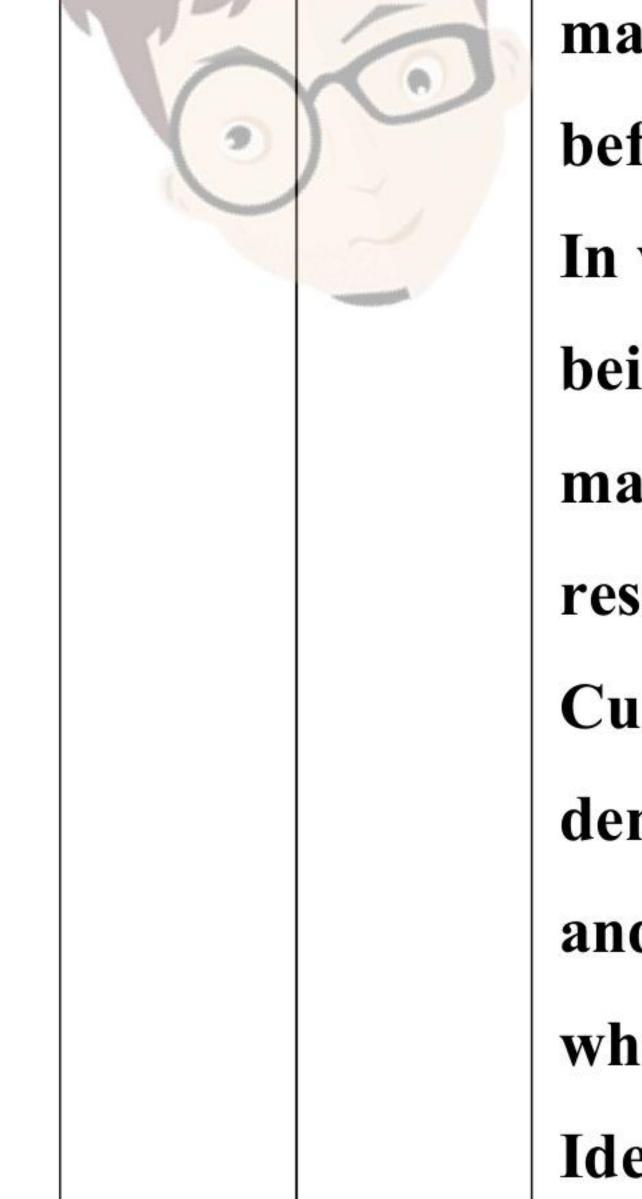


E

practices. 'Viman Airlines' decided to
stop giving small water bottles on its
flights.
Various firms have come up in the
country that are making biodegradable
plastic out of starch, wheat hay or
petrochemicals. Thus competition in this

upcoming industry is immense. **Businesses are also focusing on** developing techniques to produce alternatives for plastic bags. 'Carlos Technologies Ltd.', a leading engineering company, has planned to design and en platform deliver hi-tech machines that can scale up production of bags made from newspaper to replace plastic bags. Many

companies are placing orders for such



machines. This has added challenges

before smaller firms making paper bags.

In various enterprises, employees are

being trained to operate such hi-tech

machines. This will provide human

resource with higher competence.

**Customers have also become more** 

demanding due to increased awareness

and are forcing sellers to adopt bags

which are not made of plastic.

Identify and explain the impact of the

<sup>1</sup>/<sub>2</sub> mark for

A E

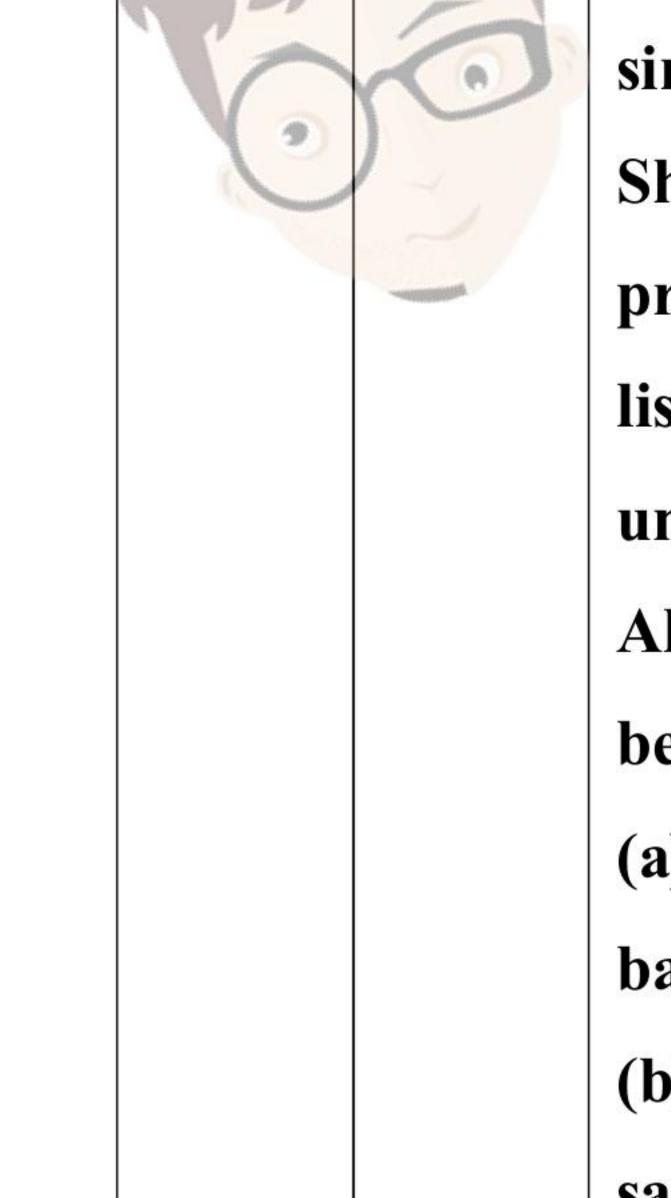
fuchting and explain the impact of the	
above Government policy on Business	Identifying the
and Industry.	impact

### 20



Ans. The impact of the above Government	+
policy on Business and Industry in the	<sup>1</sup> / <sub>2</sub> mark for its
<u>above case are</u> :	explanation
<ul> <li>(i) Necessity for change</li> <li>(ii) Increasing competition</li> <li>(iii) Need for developing human resource</li> </ul>	= 1 x 4 = 4 marks

			(iv) Rapidly changing technological Environment
27	26	28	Alka is working in the Accounts
			Department of 'Modern Locks Ltd'. Her
			mother is not well and to attend to her
			she wanted to take leave for one week.
			For this, she went to the Senior
			Accountant, Manoj and discussed her
			problem. At that time Manoj was



probleme mat thirt manoj was

simultaneously checking the Balance

Sheet of the company. Since his mind was

preoccupied in some work, he did not

listen to Alka attentively and could not

understand her problem.

Alka was quite disappointed with the behaviour of Manoj.

(a) Identify the type of communication

barrier discussed above.

(b) Also explain any three barriers of the

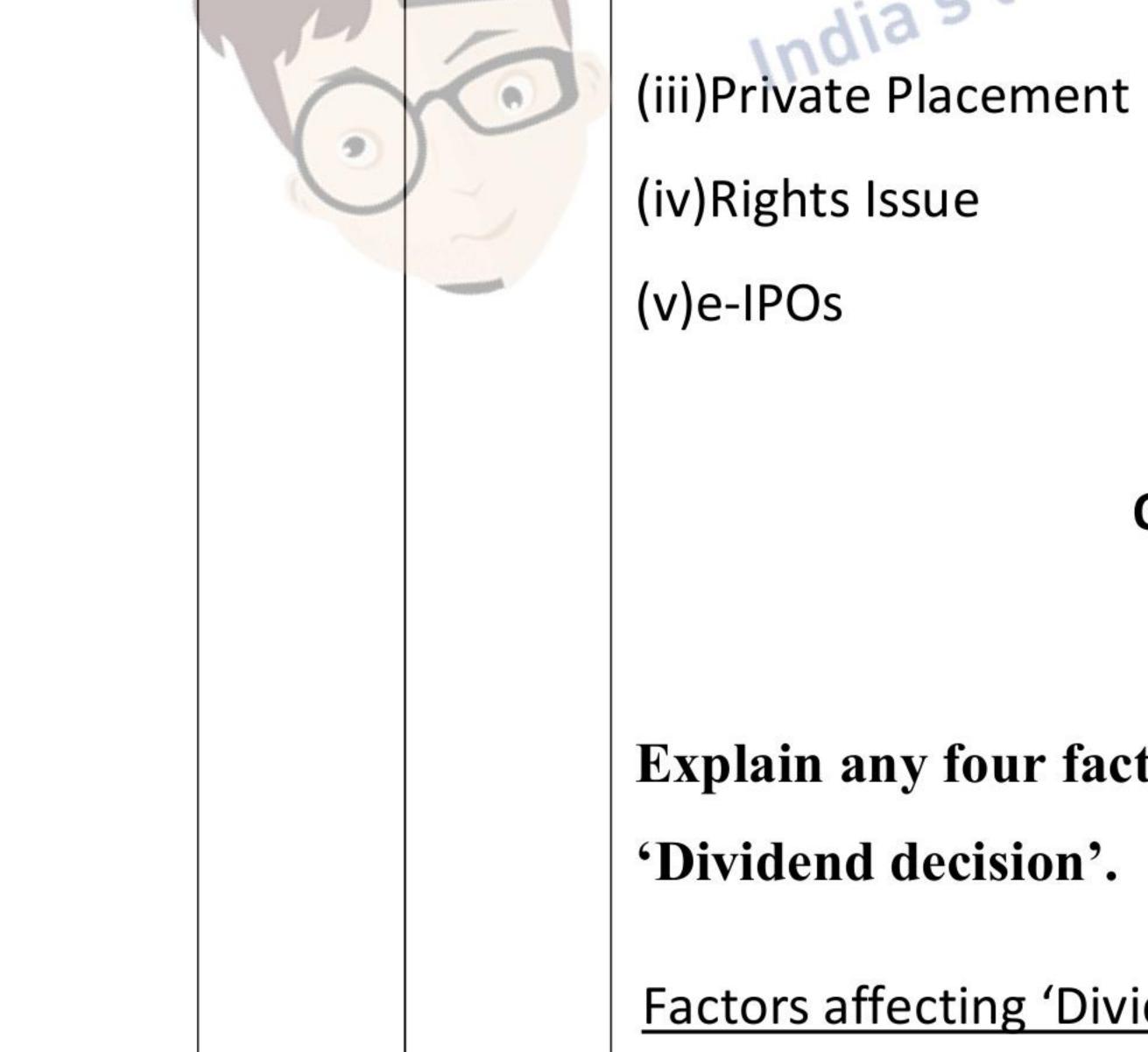
1 mark for identifying the type of barrier + (½ mark for naming the barrier

	same type.	+
	Ans.	<sup>1</sup> / <sub>2</sub> mark for its
		explanation

21



		(a) The type of communication barrier is	= 1 x 3
		Psychological Barrier /Lack of attention.	= 3 marks)
		(b) Other Psychological Barriers	= 1+3
		(i) Premature evaluation	= 4 marks
		(ii) Loss by transmission and poor	
		retention	
		(iii) Distrust	
28		Explain any four methods of floatation of	
20		new issues in the primary market.	E.
		Ans. Methods of floatation (Any Four):	N <sup>1</sup> / <sub>2</sub> mark for
2		(i)Offer through Prospectus	naming the
		(ii)Offer for Sale	method
		in Stu	



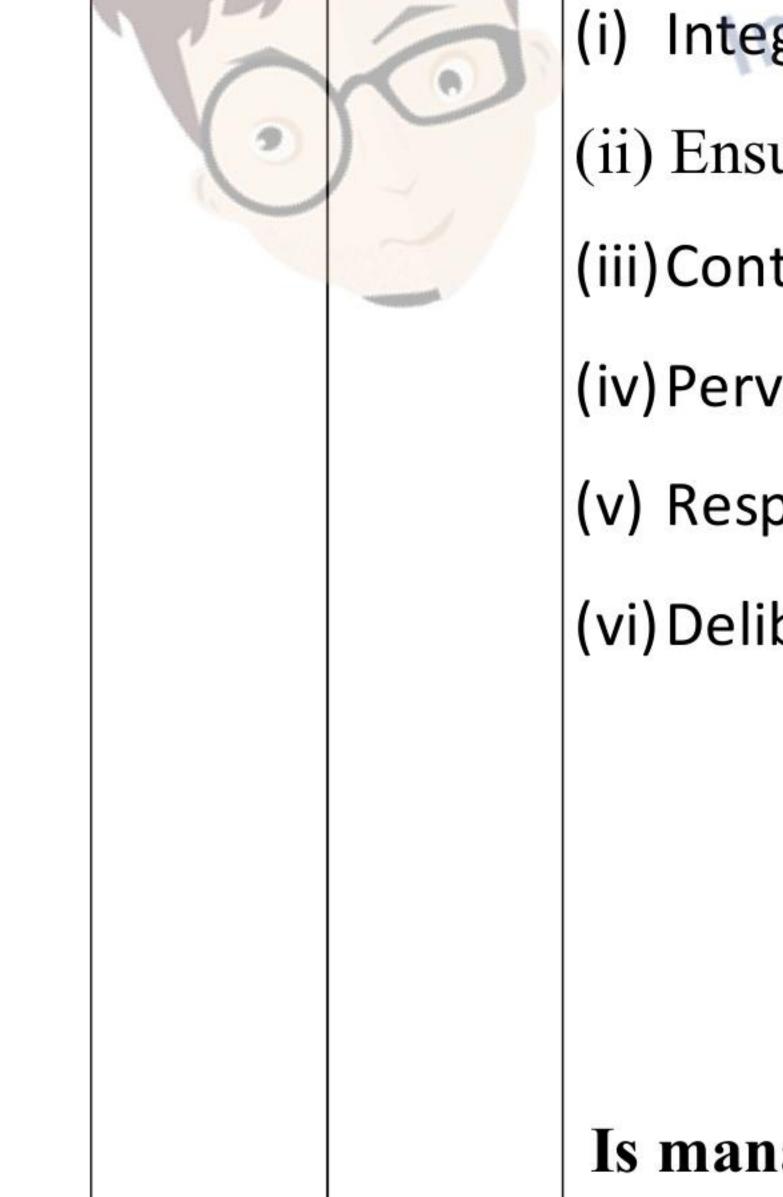
+
(iii)Private Placement
(iv)Rights Issue
(v)e-IPOs
OR
Explain any four factors affecting
'Dividend decision'.
Factors affecting 'Dividend decision' (Any
+
/2 mark for its
explanation
= 1 x 4
=4 marks
OR
OR

	<u>Four)</u>	
	(i) Amount of Earnings	1/2 mark for
	(ii) Stability of earnings	naming the

22



			coordination. Ans. <u>Characteristics of coordination(any</u>	en brar.
29	31	31	Explain any five characteristics of	platform
			SECTION D	Clas.
				E
			(xi) Contractual Constraints	
			(x) Legal Constraints	
			(ix) Access to capital market	4 marks
			(viii) Stock Market Reactions	= 1 x 4
			(vii) Taxation Policy	
			(vi) Shareholders' Preference	explanation
			(v) Cash Flow Position	<sup>1</sup> / <sub>2</sub> mark for its
			(iv) Growth Opportunities	+
			(iii) Stability of dividends	factor



(i) Integrates group efforts
(ii) Ensures unity of action
(iii) Continuous process:
(iv) Pervasive function
(v) Responsibility of all managers
(vi) Deliberate function
OR
OR

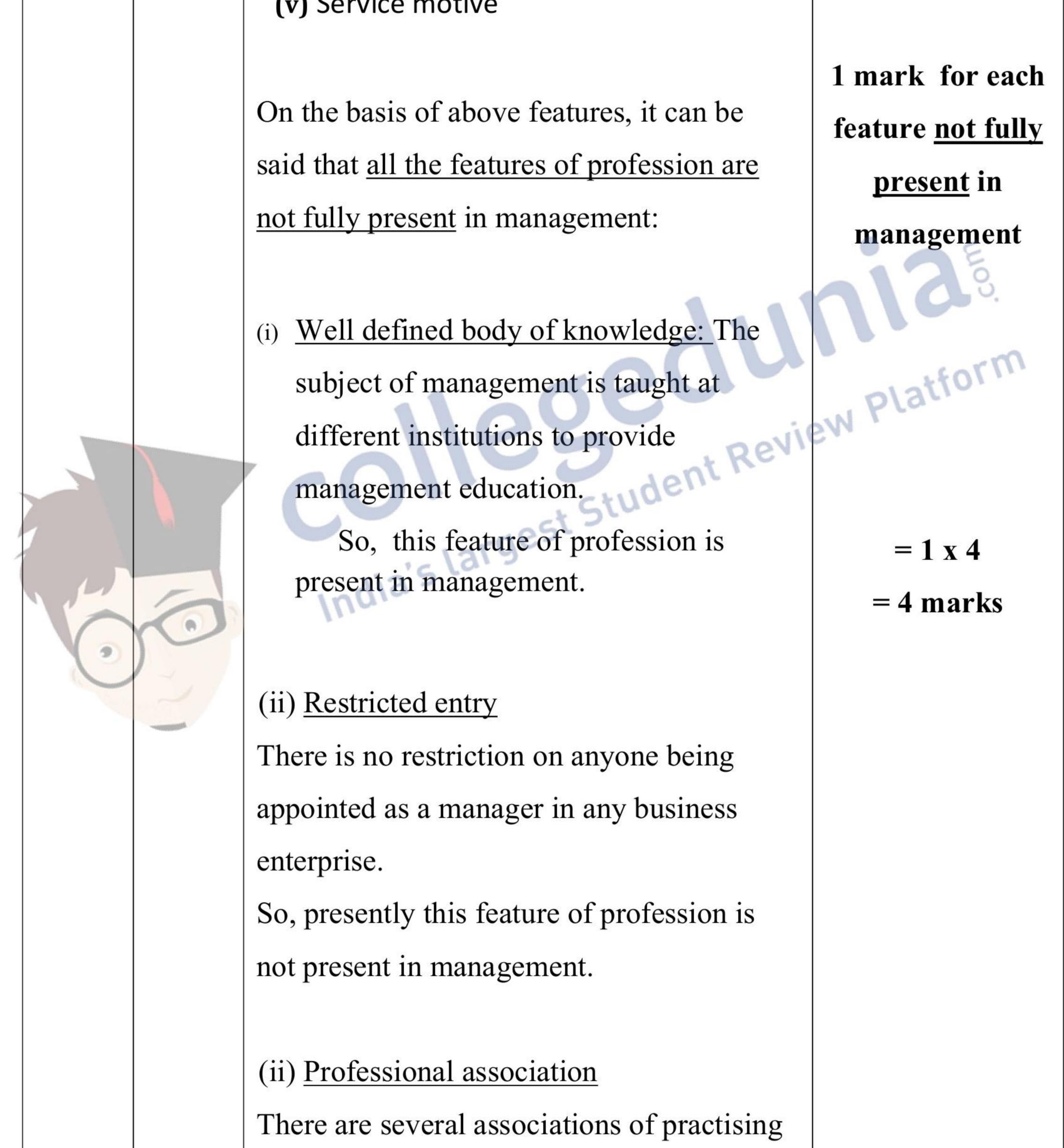
Is management a profession ? Explain.

	<b>Ans.</b> Any body of knowledge that qualifies to become a profession must fulfill the	1 mark	

23



following features:
<ul><li>(i) Well defined body of knowledge</li><li>(ii) Restricted entry</li></ul>
(iii) Professional association
(iv) Ethical code of conduct +
(v) Service motive



# = 4 marks

		managers in India, like the AIMA, that have	
		laid down a code of conduct to regulate the	
		activities of their members, but, there is,	

24



however, no compulsion for managers to be	
members of such associations.	
So, presently this feature of profession is	
not fully present in management	
(iii) Ethical code of conduct	

AIMA has devised a code of conduct for

Indian managers but there is no statutory

backing for this code.

So, presently this feature of profession is

not fully present in management.

(iv) Service motive

The basic purpose of management to help

the organisation achieve its goals by

providing good quality products at

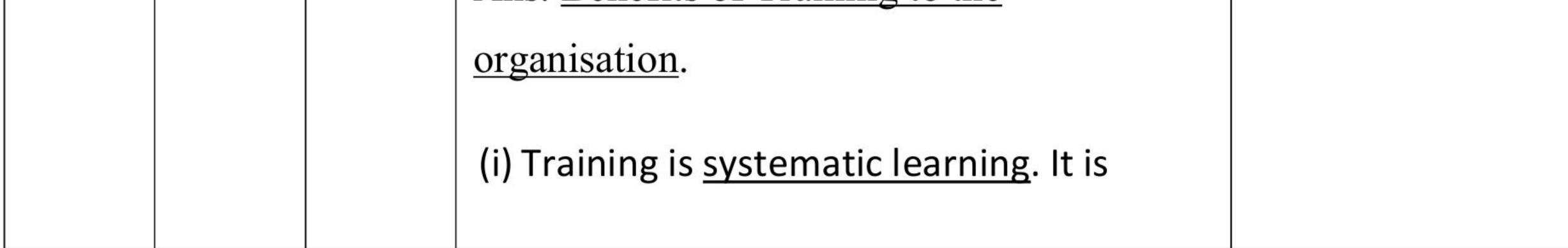
reasonable prices, thereby, serving the

= 5 marks

2ev.

E

	0	<ul><li>society, is being increasingly recognised.</li><li>So, presently this feature of profession is</li><li>not fully present in management.</li></ul>	
		It can be concluded that <u>management is not</u> <u>a full fledged profession.</u>	
30		State any five benefits of training to the organisation.	
		Ans. Benefits of Training to the	



### 25



always better than hit and trial methods that lead to wastage of efforts and money.	1 x 5
(ii) Training <u>equips the future manager</u> who can take over in case of	

emergency.

(iii) Training increases employee morale

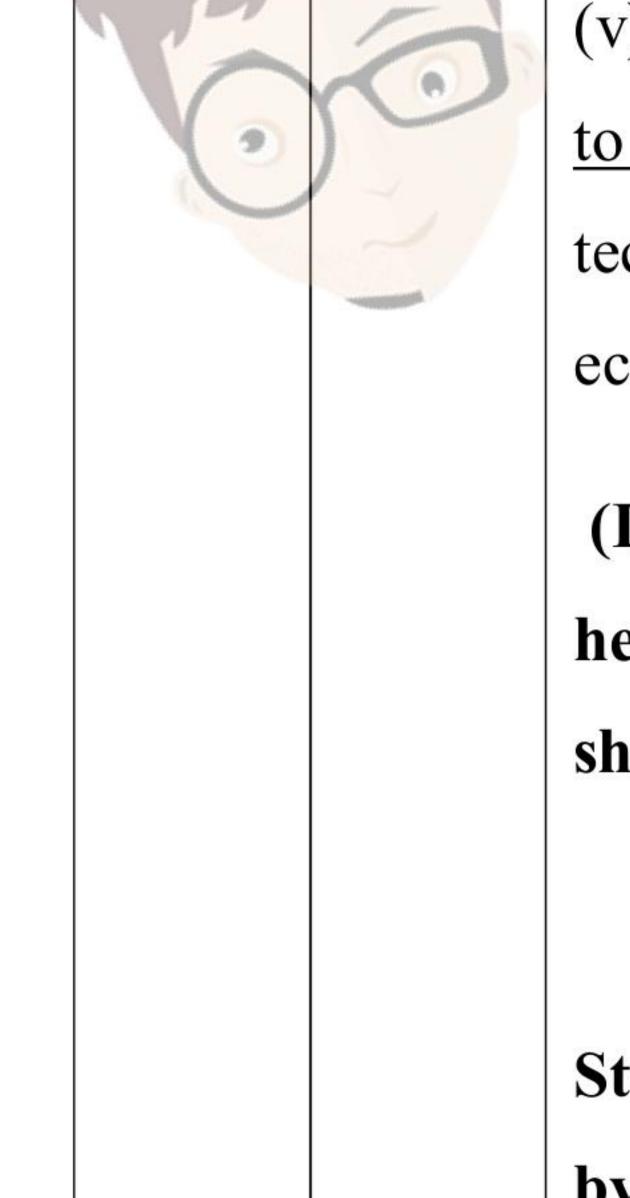
and reduces absenteeism and

employee turnover.

(iv) It enhances employee productivity

both in terms of quantity and quality,

leading to higher profits.



(v) It helps in obtaining effective response

to fast changing environment –

technological and

economic.

(If an examinee has given only the

headings, 1/2 mark for each heading

should be awarded.)

OR

State any five duties that are performed

b-- the b----

OR

=5 marks

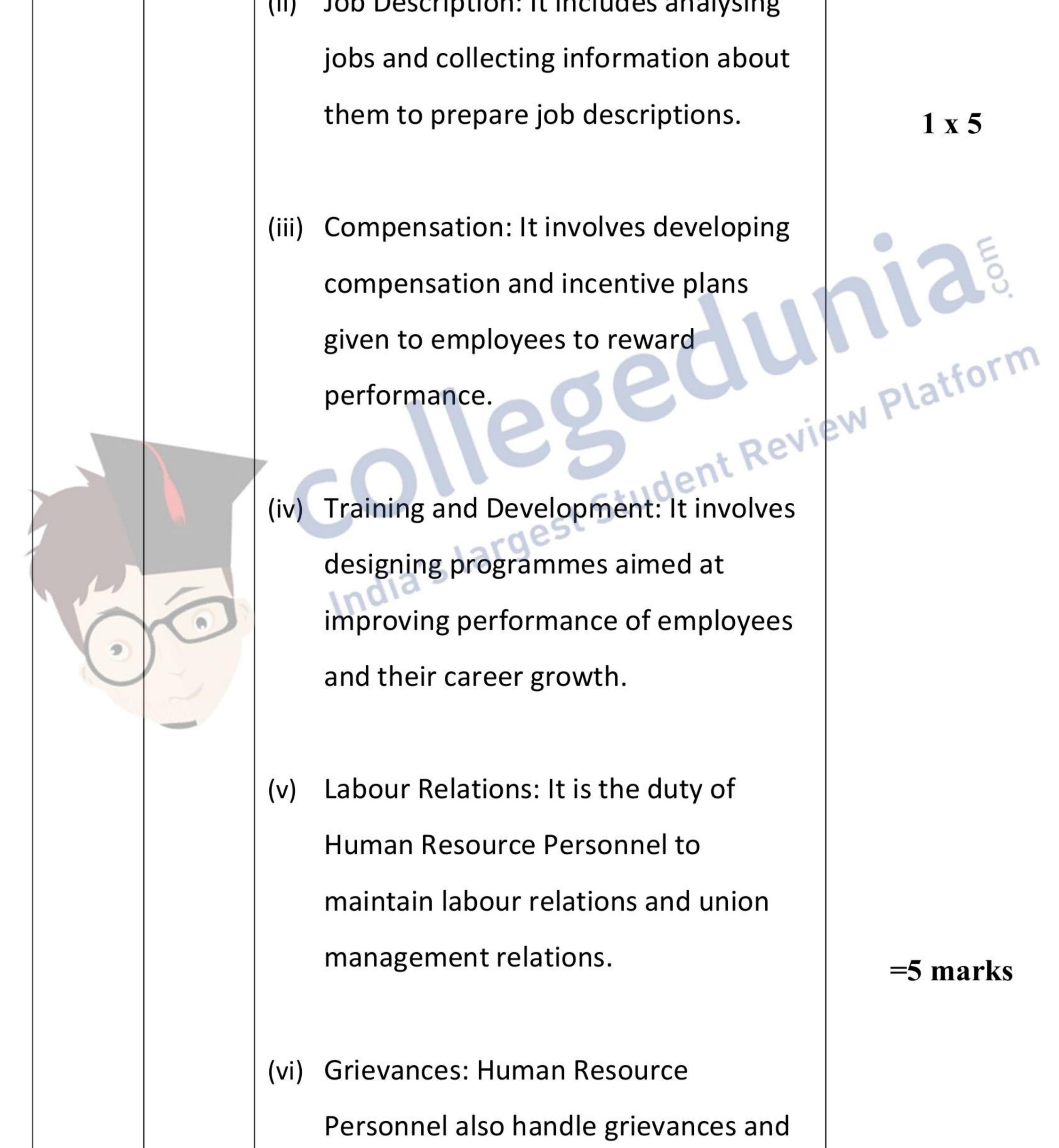
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by the human resource personnel.	
Duties performed by the Human Resource	

### 26



	Personnel (Any five):
	(i) Recruitment: It means searching for
	qualified people and stimulating them
	to apply for jobs in the organisation.
	(ii) Job Description: It includes analysing



=5 marks

LO

complaints of employees related to	
the organisation.	

27

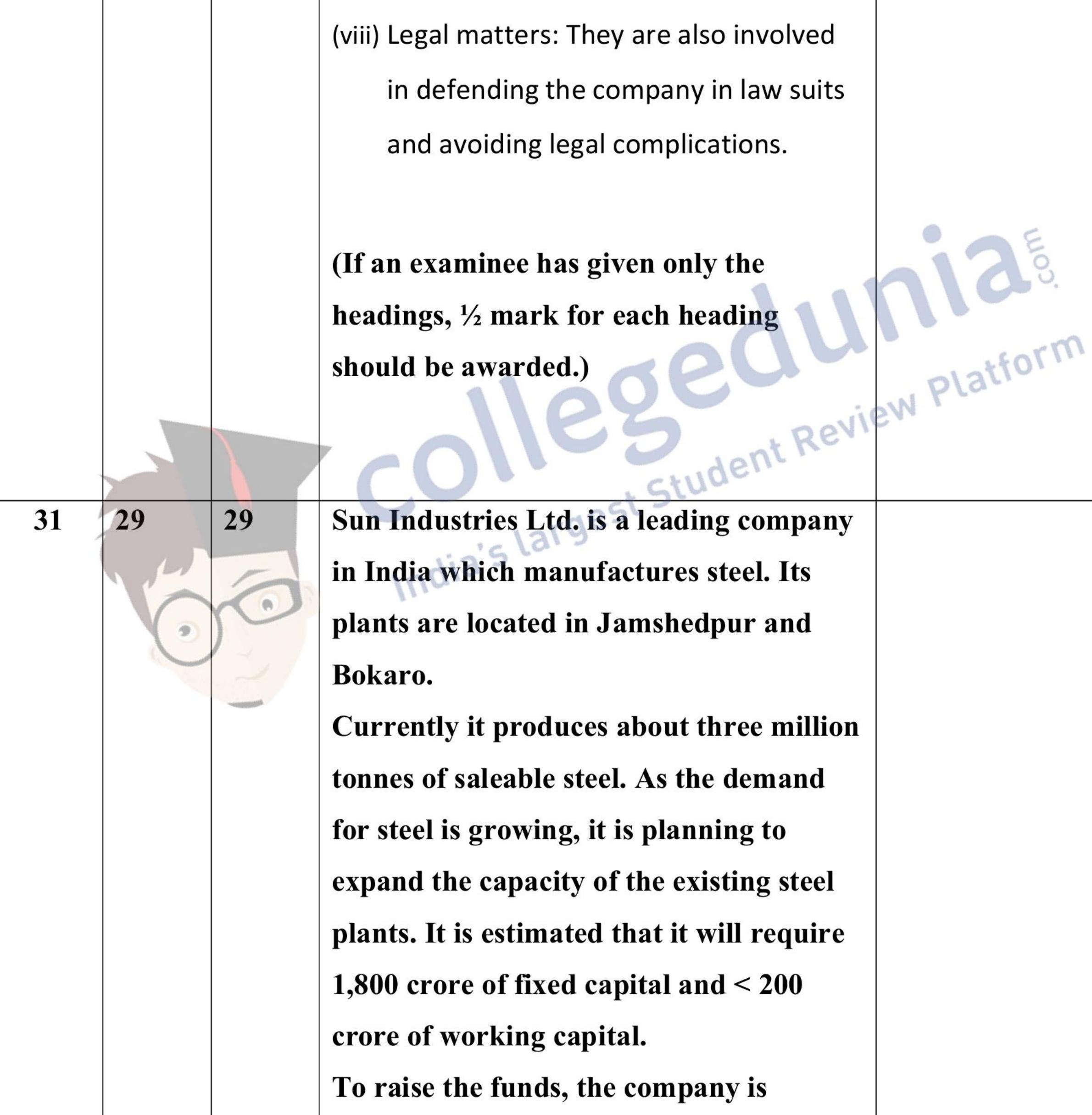


(vii) Welfare of employees: Human

Resource Personnel also look into

welfare of employees and providing

for social security.



considering whether it should issue equity shares or 7% debentures of < 2,000 crore. Presently the capital

28



structure is comprising of equity only. The Finance Manager of the company suggested that since the stock markets are undergoing a bearish phase, it should issue debentures. (a) Is it justified to raise funds by issuing debentures ? Give reason in support of your answer. (b) Explain the impact of issue of debentures on the risk faced by the company. EO. (c) Explain the impact of 'cost of debt' and 'cost of equity' on the capital Review Platform structure of the company Ans. (a) Yes, it is justified to raise funds by <sup>1</sup>/<sub>2</sub> mark



issuing debentures.

Reason: (Any one)

(i) During a bearish phase in the capital

market, a company may find raising of

equity capital more difficult and it may

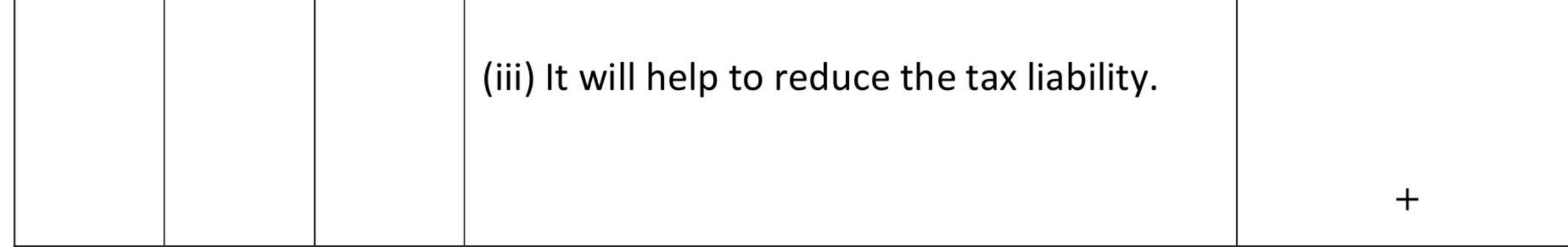
opt for debt.

(ii) It will help to lower the overall cost of

capital.

1⁄2 mark

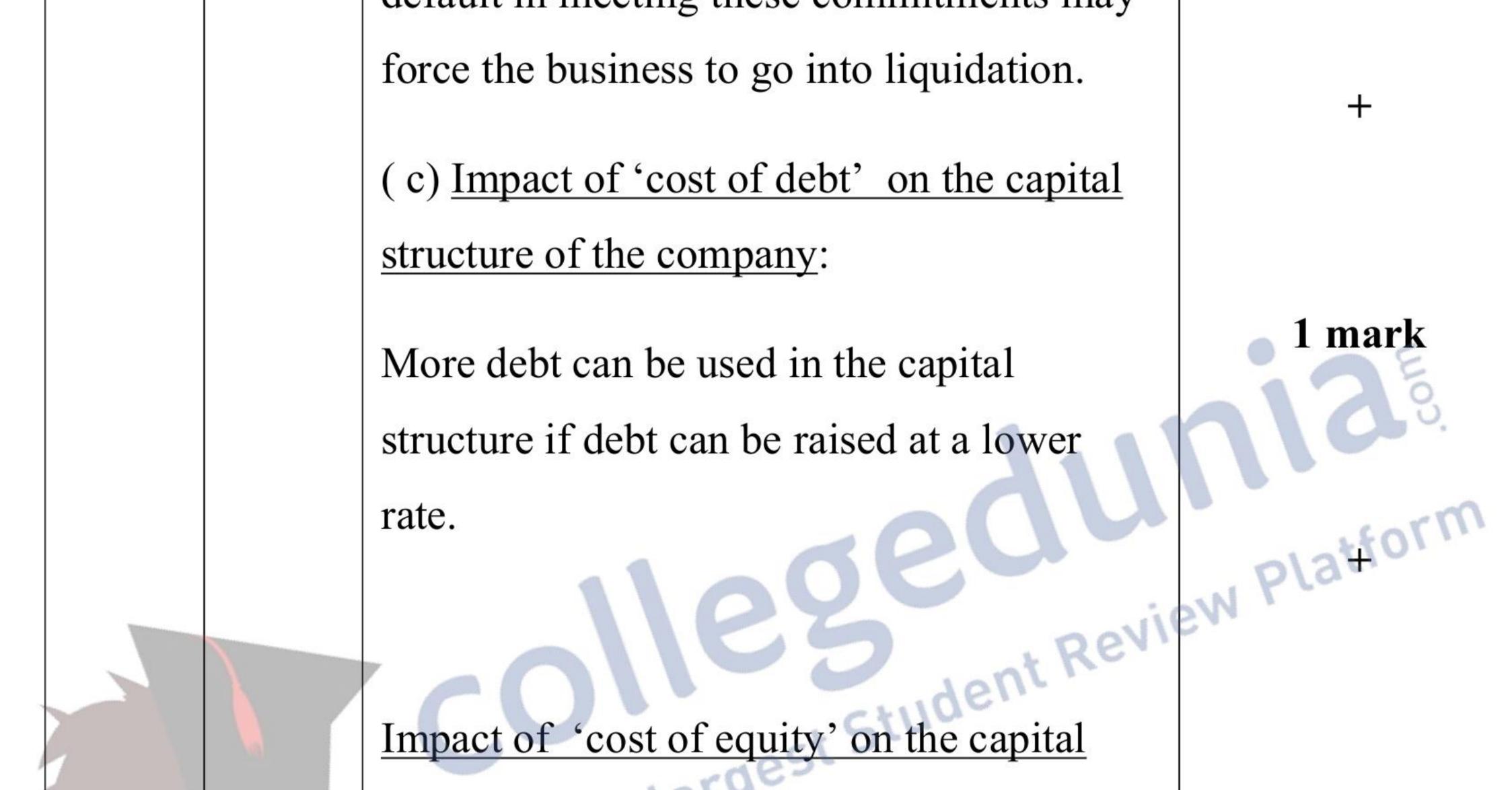
+



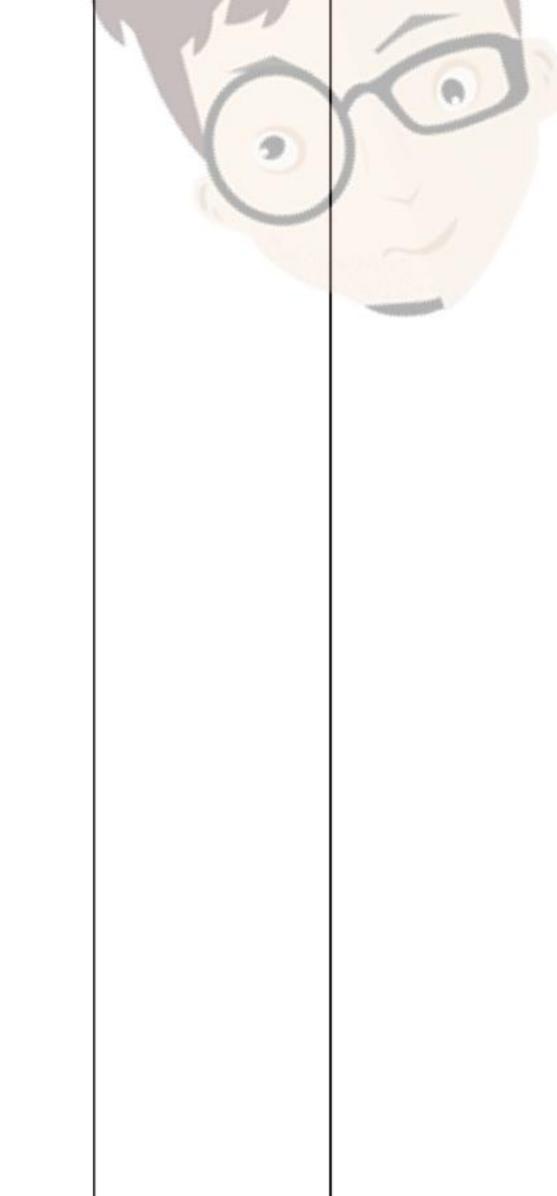
29



(b)The issue of debentures will <u>increase</u> <u>the financial risk</u> faced by the company as the payment of interest and the return of principle is obligatory for the business. Any default in meeting these commitments may



structure of the company:



When a company increases debt, the

financial risk faced by the equity

shareholders increases. Consequently, their

desired rate of return may increase due to

which cost of capital will increase.

OR

1 mark

= 5 marks

OR

From last many years, in the month of November, due to sudden rise in the pollution levels in Delhi and other parts

30

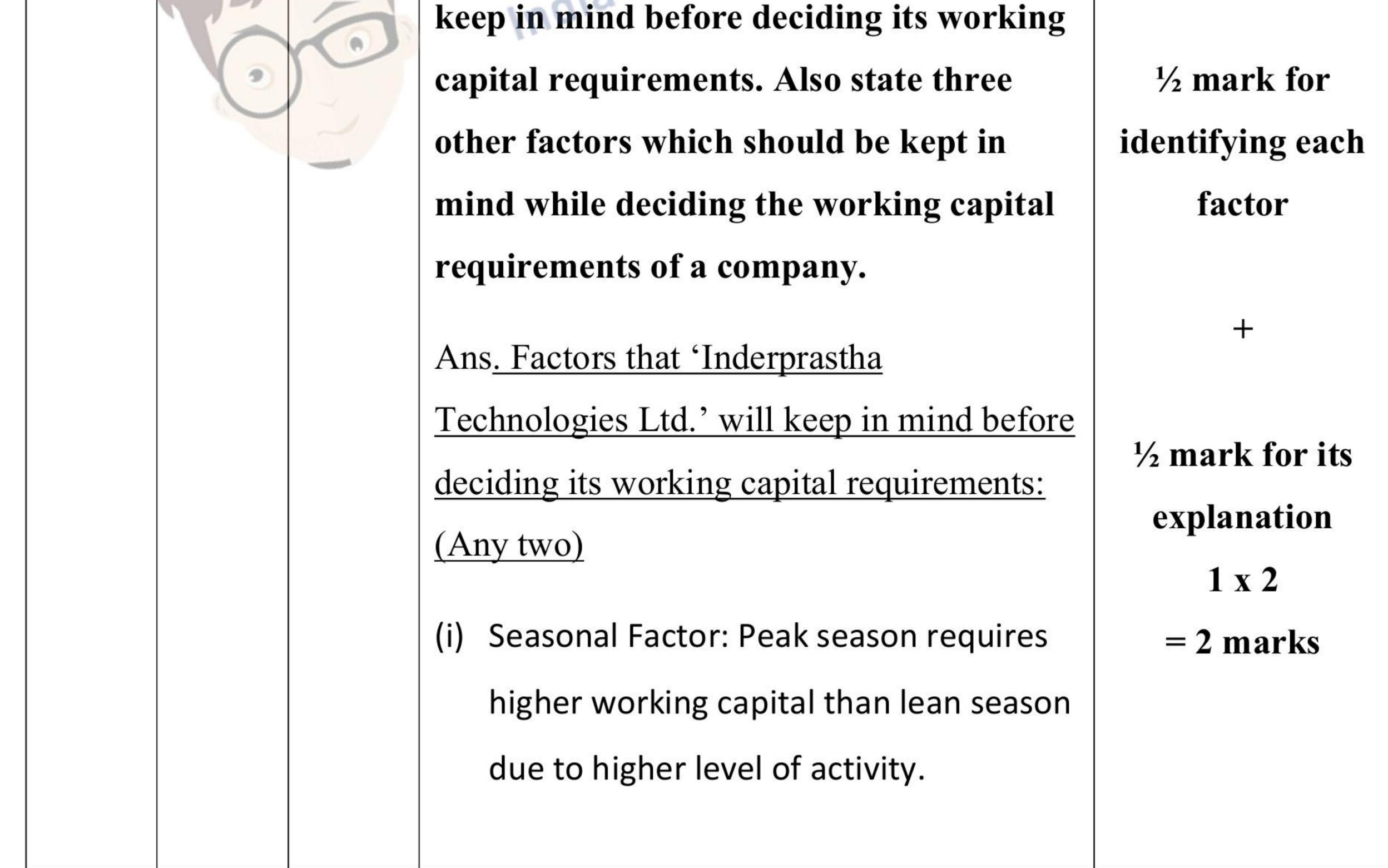




of northern India, there has been an increase in the demand for air purifiers. Inderprastha Technologies Ltd., a manufacturer of air purifiers wants to encash this opportunity and wants to raise its investment in stock. It is

expected that this decision would

increase the rate of profitability of the business. Due to this many competitors have recently entered in this industry. In order to increase the sales, the company has started selling air purifiers on liberal iew Platform credit terms. It is not affecting the profits of the company since the production cycle of the product is short. **Identify and state any two factors that** 'Inderprastha Technologies Ltd.' will



E

### 31



(ii) Level of competition: Higher

competition requires larger stocks to

meet urgent orders , thus, higher

working capital is required.

(iii) Credit Allowed : A liberal credit policy

results in higher level amount of

debtors, increasing the requirements

of working capital.

(iv) Production cycle: Shorter the

production cycle, lower is the amount

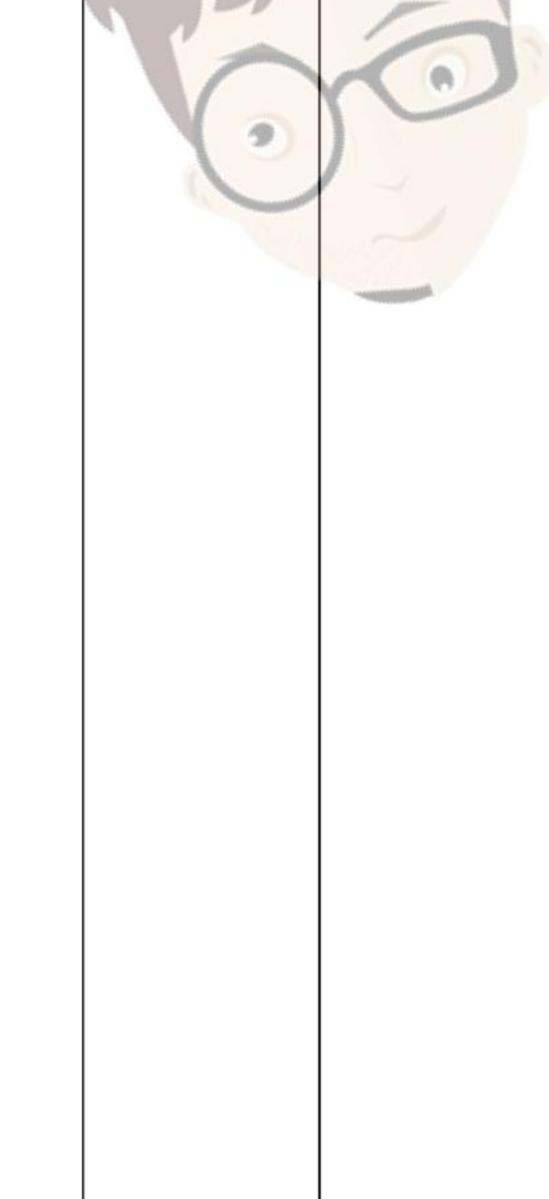
of working capital.

Other factors affecting working capital

requirements of a company: (Any three)

1/2 mark for identifying each factor

+

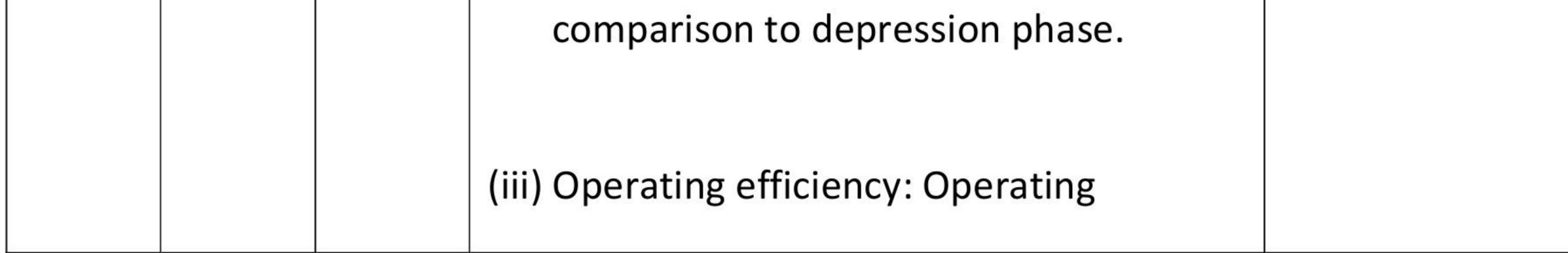


India 9+(i) Nature of Business: A manufacturing<br/>business requires more working capital<br/>than a trading business since raw<br/>material is converted into finished<br/>goods.1/2 mark for its<br/>explanation<br/>=1 x 3<br/>= 3 marks

(ii) Business Cycle: In case of boom, larger

working capital is required as

production and sales are more in

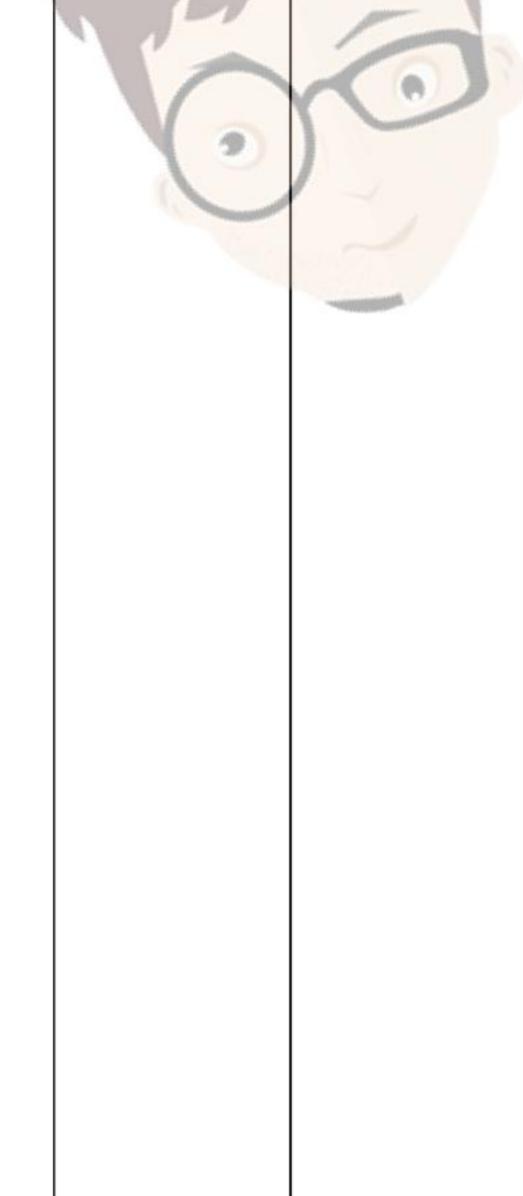


32



efficiency reduces the levels of inventories and debtors, thereby, reducing working capital requirements. (iv) Availability of raw materials: Easy and continuous availability of raw materials

	enables the firms to keep lesser stock	
	and work with smaller working capital.	= 2+ 3
	(v) Growth prospects: Higher growth	= 5 marks
	prospects will require larger amounts of	E.
	working capital to meet higher	
	production and sales target.	N Platfor
	(vi) Inflation: With rising prices, larger	
	amounts are required to maintain a	



constant volume of production and

sales, thus, increasing the need for

working capital.

(vii) Credit availed: To the extent the firm

avails credit on purchases, the

working capital requirement is

reduced.

(viii) Scale of operations: A larger scale

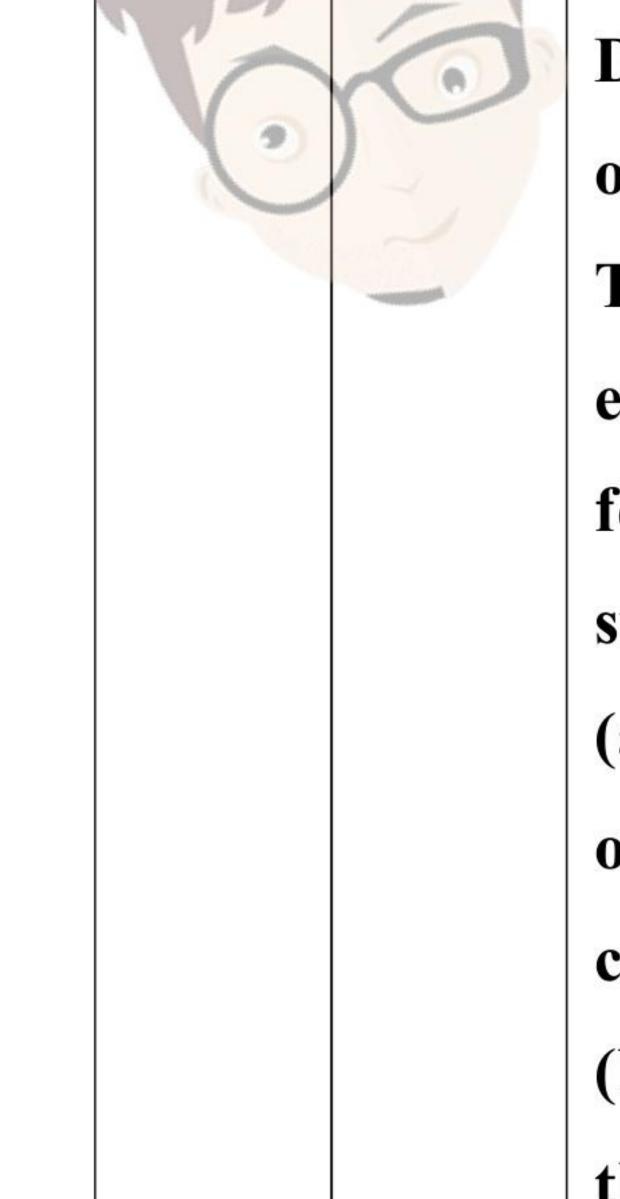
organization requires larger amount of working capital as compared to a small scale organisation .

33



			SECTION E	
32	32	32	InfoMed Ltd. is a growing IT firm with	

rapidly increasing market share. It has
recently been awarded 'The Best
Organisation to Work in India – 2019'
and is the most sought after by jobseekers.
In this company, rules and procedures to
be followed by employees have been
clearly laid down by the top
management. There is no ambiguity in
the role that each member has to play, as
the duties are specified.



During lunch time, all employees of the

organisation get together in the canteen.

This time is much awaited by every

employee as it allows them to share their

feelings with others. This leads to the

success of the organisation.

(a) Identify and explain the types of

organisation being discussed in the above

case.

(b) State two advantages of each type of

E0

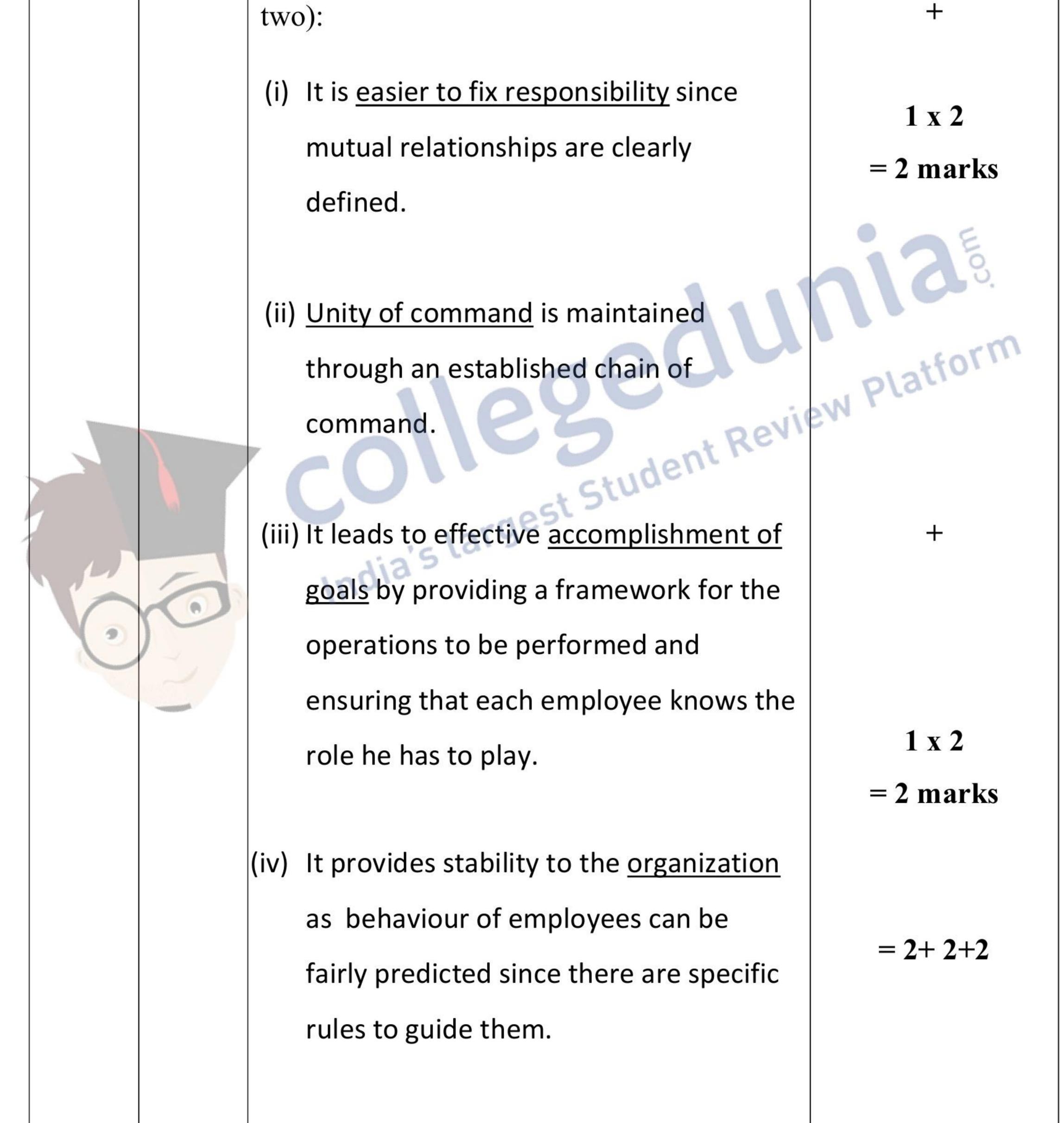
by platform

the organisation identified in (a) above	1 mark for
which have not been discussed in the	identifying each
above para.	type of

34



Ans.(a) Types of organisations:	organization
<ul><li>(i) Formal Organistion</li><li>(ii) Informal Organisation</li></ul>	= 1 x 2 =2 marks
(b) Advantages of Formal Organistion (any	

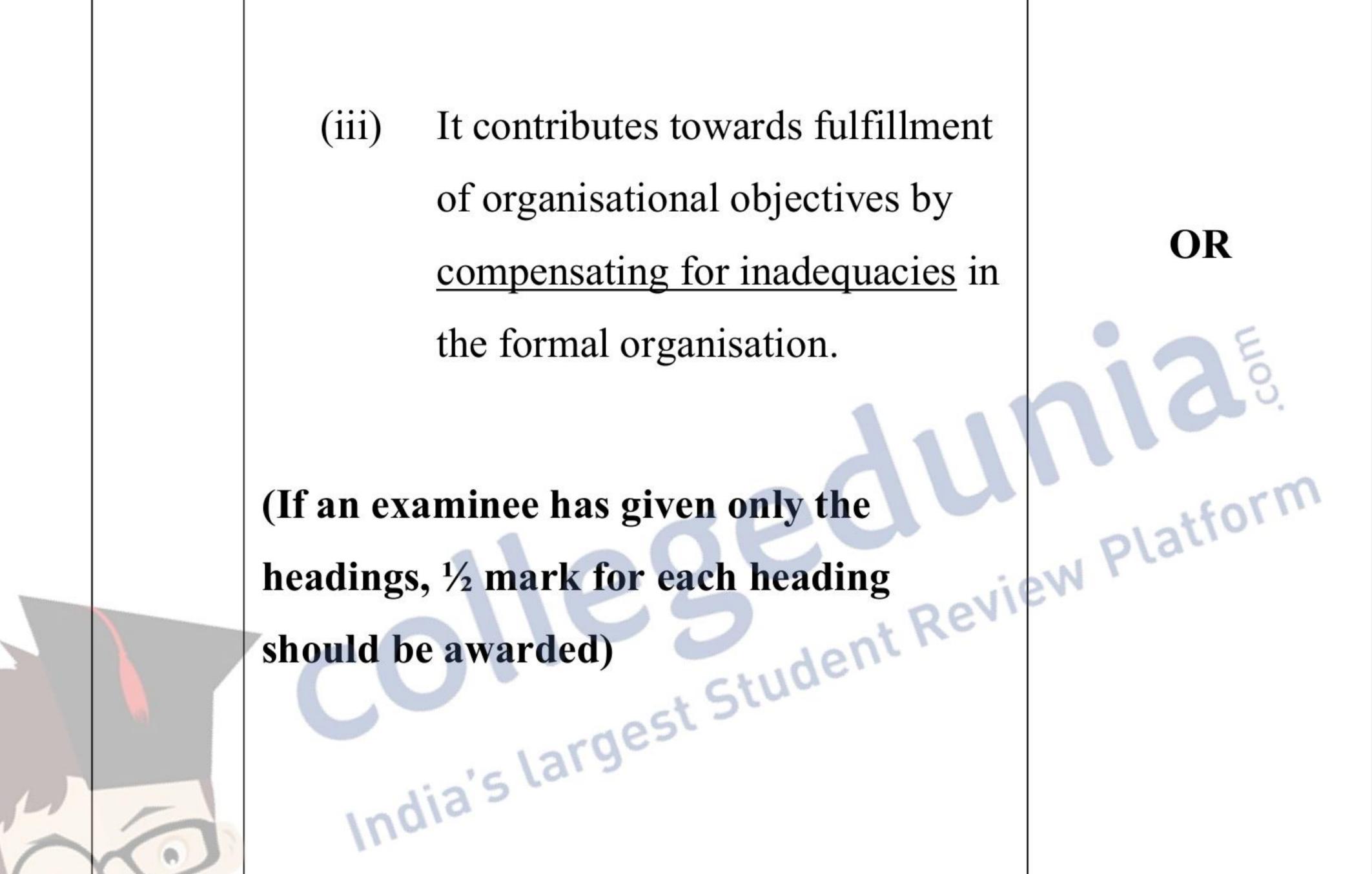


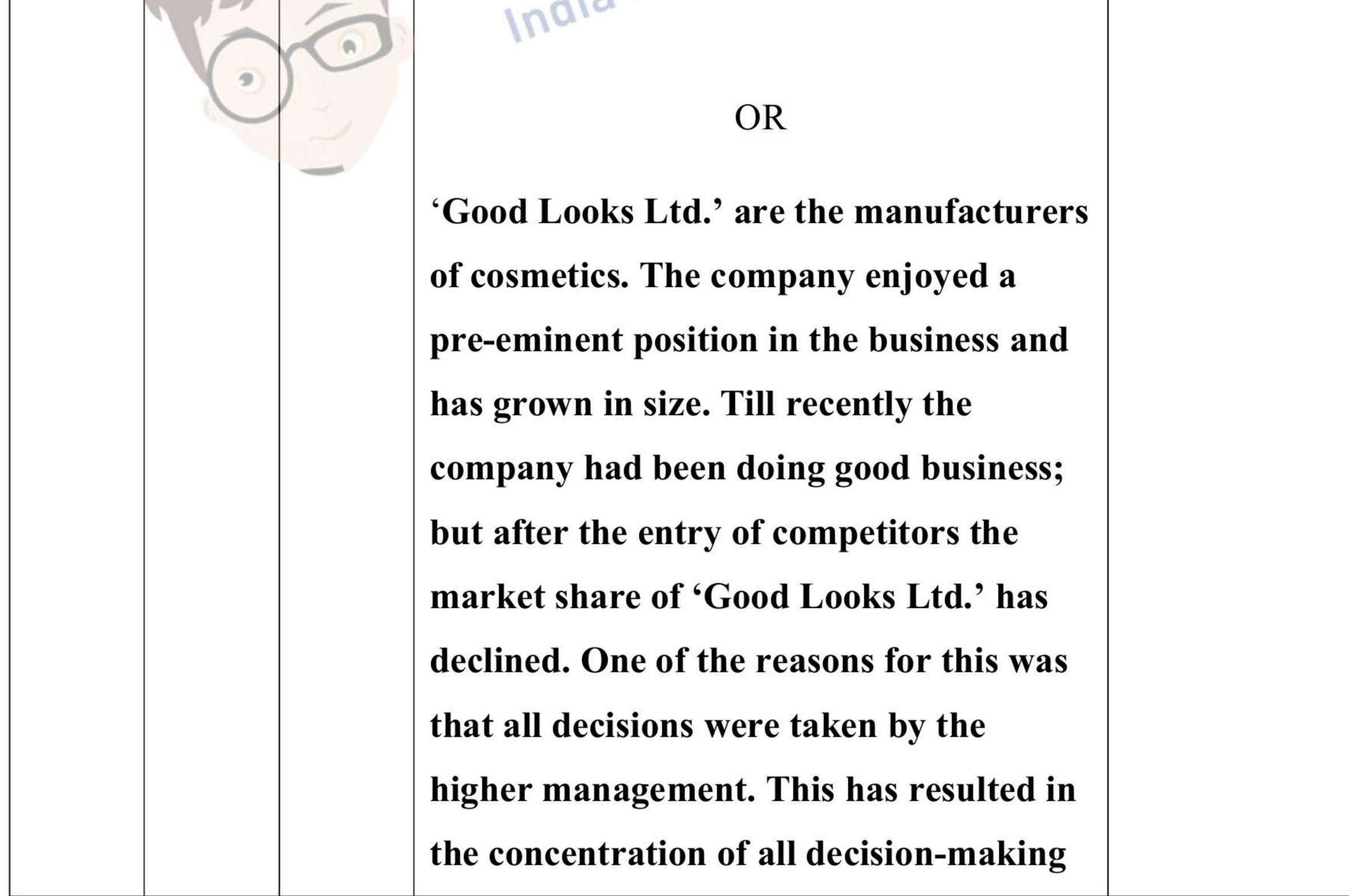
goals by providing a framework for the	
operations to be performed and	
ensuring that each employee knows the	
role he has to play.	1 x 2
	= 2 marks
It provides stability to the <u>organization</u>	
as behaviour of employees can be	
fairly predicted since there are specific	= 2+ 2+2
rules to guide them.	

Advantages of Informal Organisation	6marks
(any two):	
(i) Prescribed lines of communication are	



not followed leading to <u>faster spread of</u>	
information as well as quick feedback.	
(ii) It helps to fulfill the <u>social needs</u> of the	
members and enhances their job	
satisfaction.	







process at the apex of the management

hierarchy. Worried about the decline in

market share and profit, the company

appointed 'Structures Consultants India

Ltd.' as a consultant to suggest

improvements in the organisation's

decision-making process. The consultant

suggested that the decision-making

responsibilities may be divided among

hierarchical levels. They said that if

decision-making authority will be shared

with the lowest levels and is consequently

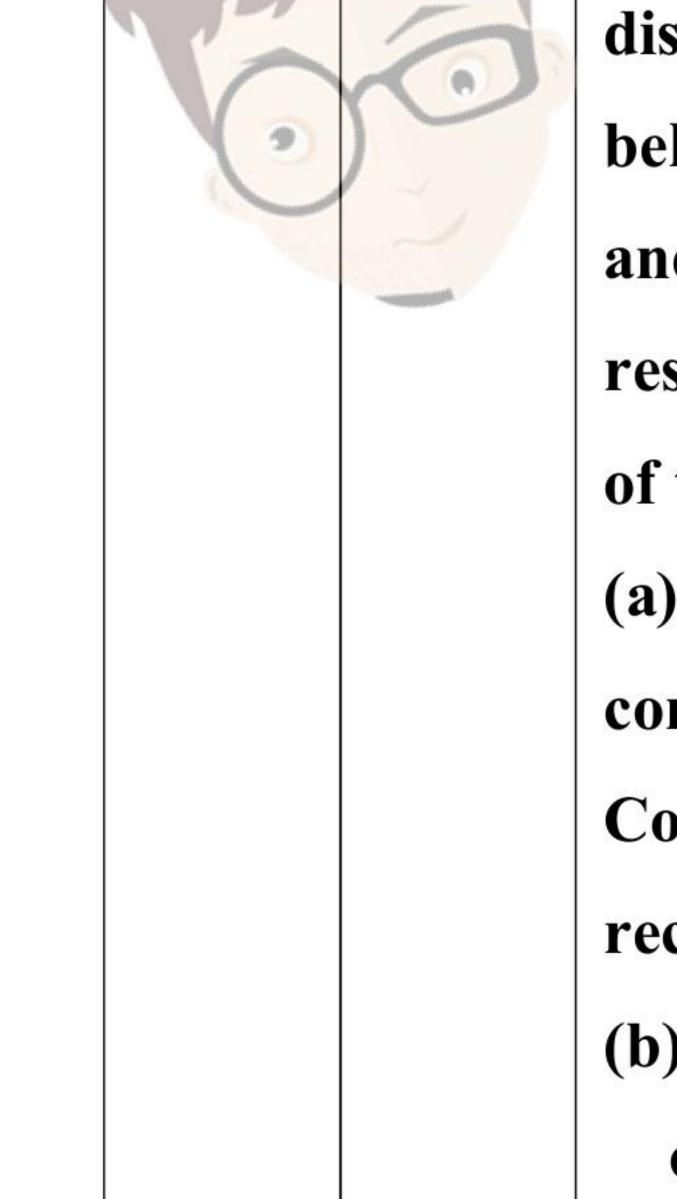
placed near the point of action, it will

help in quick decision-making and this

will help the company in adapting itself to the dynamic operating conditions.

They stated that the philosophy of

1 mark for identifying the concept



dispersal of authority propagates the belief that people are competent, capable and resourceful and can assume the responsibility of effective implementation of their decisions. (a) Identify and give the meaning of the concept based on which 'Structures **Consultants India Ltd.'** gave their recommendations to 'Good Looks Ltd.'. (b) Explain any four points of importance of the concept identified in (a) above.

1 mark for the meaning +(<sup>1</sup>/<sub>2</sub> mark for

naming each point of importance

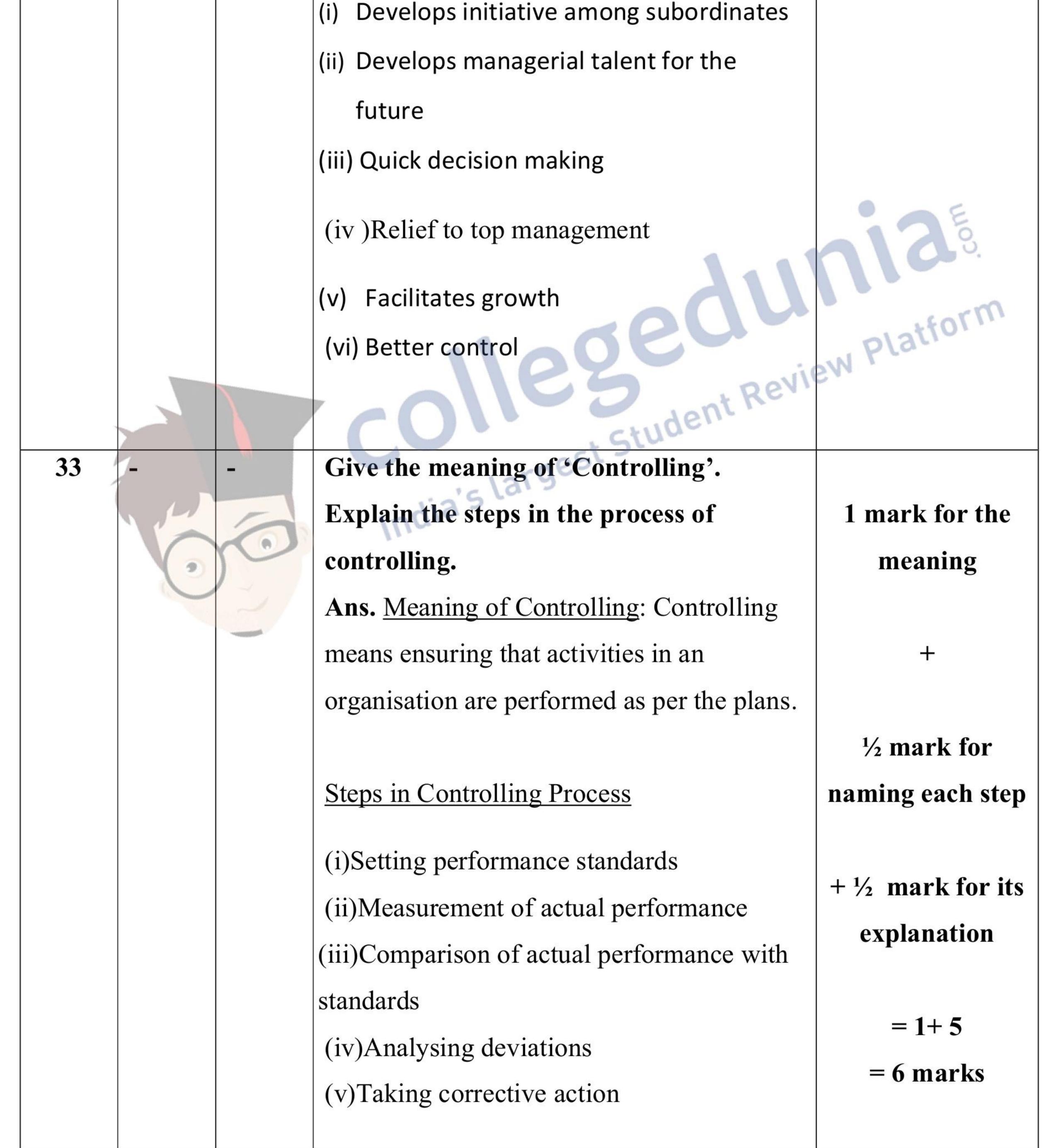
	of the concept fuentified in (a) above.	importance
	Ans. (a) <u>Decentralisation:</u> It means delegation of authority throughout all the	+ ½ mark for its explanation)

37



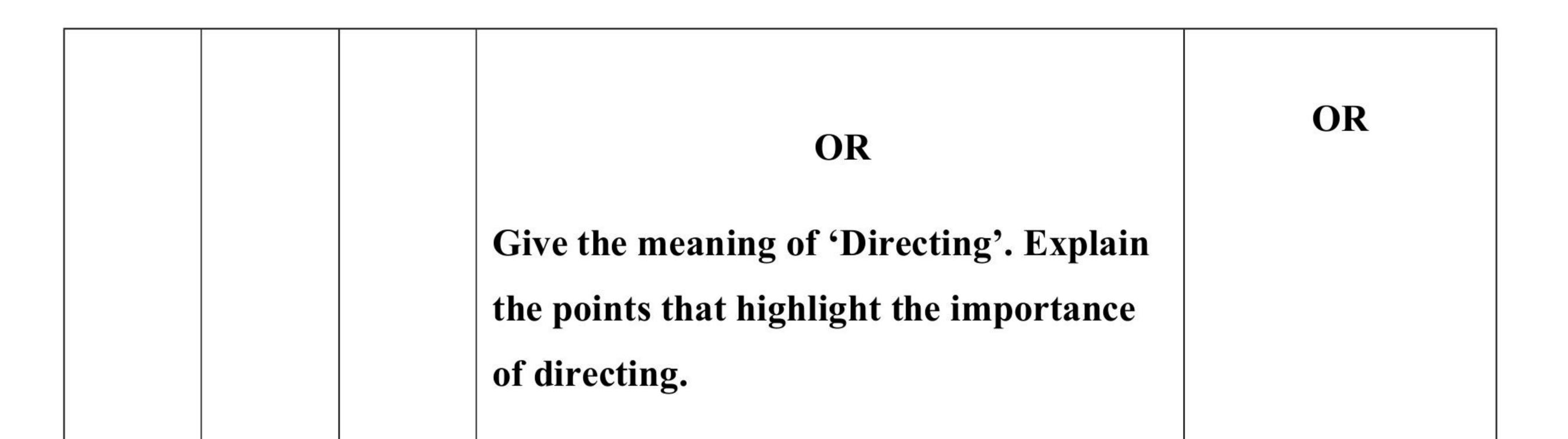


	vels of the organization and is	$= 1 + 1 + (1 \times 4)$
co	onsequently placed nearest to the points of	= 6 marks
ac	ction.	
(b	) Importance of Decentralisation ( any	
fo	our):	









Ans. Meaning of Directing: Directing refers

to the process of instructing, guiding,

counselling, motivating and leading people

in the organisation to achieve its objectives.

(i) Initiates action

(ii) Integrates employees efforts

(iii) Guides employees to fully realise their

potential 5

Importance of directing

meaning + ½ mark for naming each step

1 mark for the

+ <sup>1</sup>/<sub>2</sub> mark for its explanation

		<ul> <li>(iv) Facilitates introduction of needed</li> <li>changes</li> <li>(v) Brings stability and balance in the</li> <li>organization.</li> </ul>	= 1+ 5 = 6 marks
34		After completing his studies, Mahesh started working in a Non-Governmental Organisation (NGO) as an Administrative Officer. The organisation is engaged in activities related to consumer welfare. One day when his mother returned home after shopping,	

39



she gave him the mixed fruit juice which she had bought. After consuming the juice, Mahesh started feeling uneasy. On checking, he found that the juice packet purchased was without FPO mark. He realised that there is a strong need to

educate consumers about the role of

NGOs before buying any good or service.

State any six functions which the NGOs

can perform to impart knowledge and

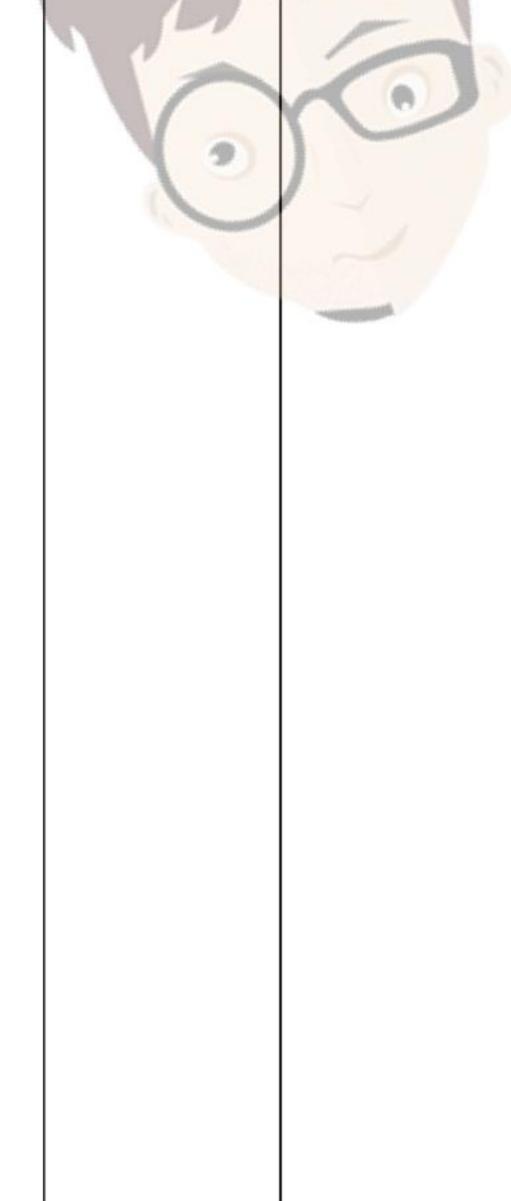
educate consumers.

Ans. Functions performed by NGOs to

iew platform impart knowledge and educate consumers:

(Any six)

Educating the general public about (i)



consumer rights by organising training

programmes,

seminars and workshops.

(ii) <u>Publishing periodicals</u> and other

publications to impart knowledge about

consumer problems, legal reporting,

reliefs available and

other matters of interest.

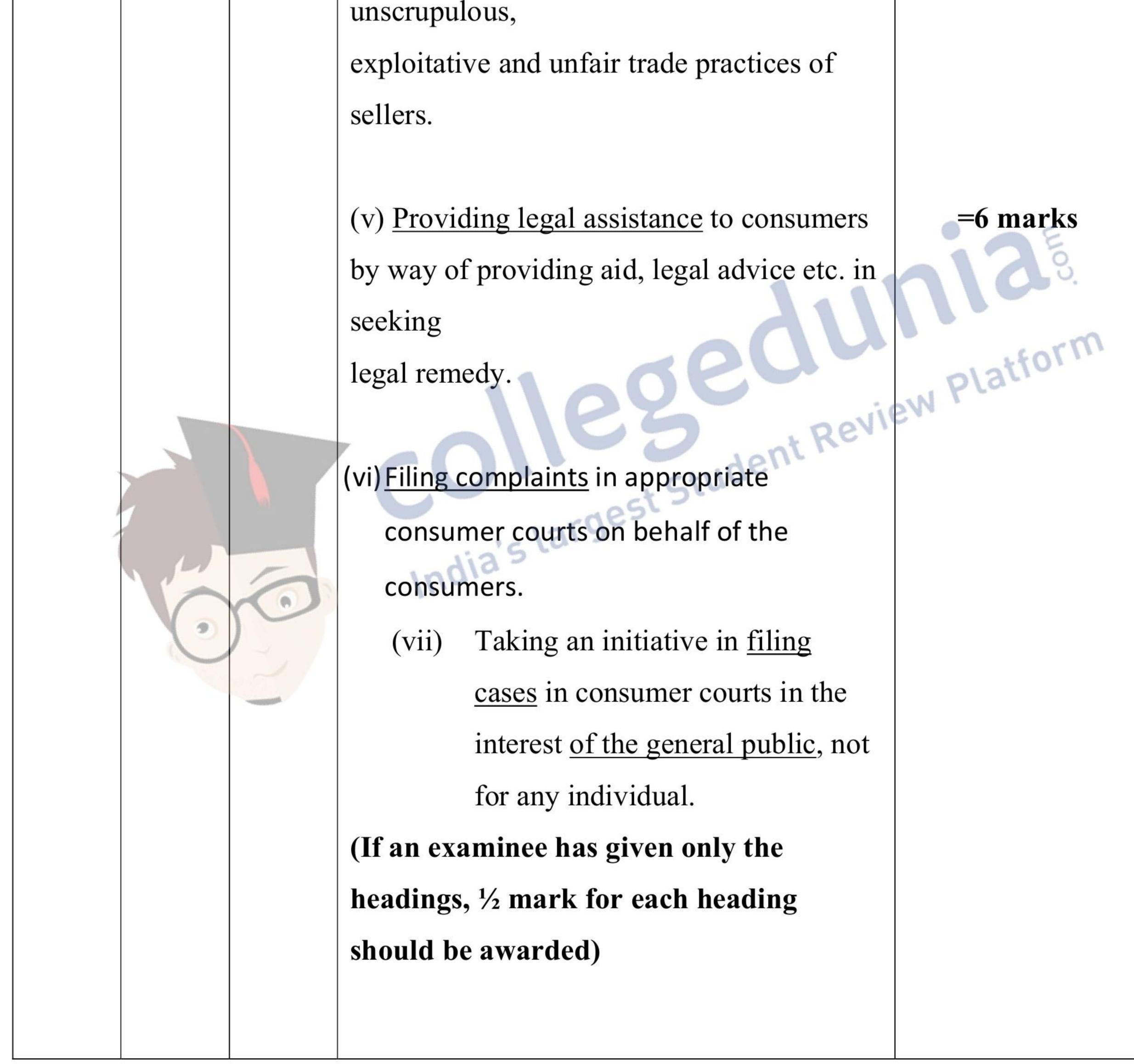
1 x 6

(iii) <u>Carrying out comparative testing</u> of consumer products in accredited laboratories to test relative qualities of

40



	 <u>.</u>		
		competing brands and	
		publishing the test results for the benefit of	
		consumers.	
		(iv) Encouraging consumers to strongly	
		protest and take an action against	



## \*These answers are meant to be used by evaluators



41