

MARKING SCHEME

Senior Secondary School Compartment Exam, 2022

BUSINESS STUDIES (Subject Code — 054)

[Paper Code — 66/6/1]

Q. No.	EXPECTED ANSWER / VALUE POINTS	Marks
1.	<p>Q. Identify and state the type of test in the selection process that measures the potential of an employee for learning new skills.</p> <p>Ans. Aptitude Test It indicates the <u>person's capacity to develop</u> and is a good index of a person's future success score.</p>	<p>1 mark for identifying + 1 mark for stating the test =2 marks</p>
2.	<p>Q. 'Training of intermediaries of the securities market' is a development function performed by Securities and Exchange Board of India. State two other development functions.</p> <p>Ans. <u>Development Functions of Securities and Exchange Board of India:</u></p> <p>(i) <u>Conducting research and publishing information</u> useful to all market participants. (ii) <u>Undertaking measures to develop the capital markets</u> by adapting a flexible approach.</p>	<p>1 mark for stating each function = 1 x 2 = 2 marks</p>
3.	<p>Q. Frequent transfer of employees often reduces the productivity of the organisation, still it is being used as a good source of filling the vacancies internally. Why? State any two reasons.</p> <p>Ans. Transfer is used as a good source of filling the vacancies internally because: (Any two)</p> <p>(i) Transfer has the benefit of <u>shifting workforce</u> from the surplus departments to those where there is shortage of staff. (ii) It is helpful in <u>avoiding termination</u> and in removing individual problems and grievances.</p>	<p>1 mark for stating each reason = 1 x 2</p>



	<p>(iii) It can also be used as a tool of <u>training of employees</u> for learning different jobs.</p> <p>(iv) Filling of jobs through transfers is <u>cheaper</u> as compared to getting candidates from external sources.</p> <p>(v) People recruited through transfers do not need <u>induction training</u>.</p>	= 2 marks
4.	<p>Q. Identify and give the meaning of the function of management that helps in verifying whether the standards set are accurate and objective or not.</p> <p>Ans. Controlling</p> <p>Controlling is the function of management which <u>ensures</u> that the <u>activities in an organisation are performed as per plans</u> by comparing actual performance with the standards, finding out deviations and taking corrective action, if required.</p> <p>(or any other correct meaning)</p>	<p>1 mark for identifying + 1 mark for meaning = 2 marks</p>
5.	<p>Q. Hemant is working as a Human Resource Manager in AO chain of hospitals in Mumbai. He had to appoint nurses for the hospitals. For this, he has conducted various tests and interviews and verified the information of the applicants. The final decision has been made in consultation with the heads of the nursing department. Hemant still has to take some more steps to complete the process of appointment of nurses. Name and explain these steps.</p> <p>Ans. <u>The steps Hemant has to take to complete the process of appointment of nurses:</u></p> <p>(i) Medical Examination: After the selection decision, the candidate is required to undergo a medical fitness test.</p>	<p>½ mark for naming the step +</p>



	<p>(ii) Job Offer: The job offer is given to those applicants who have passed all the previous hurdles. Job offer is made through a letter of appointment containing a date by which the appointee must report on duty.</p> <p>(iii) Contract of Employment: After the candidate accepts the offer a contract of employment is prepared containing rates of pay, allowances, hours of work, leave rules, etc.</p>	<p>$\frac{1}{2}$ mark for its explanation</p> <p>= 1 x 3 = 3 marks</p>
<p>6.</p>	<p>Q. (a) Give the meaning of formal and informal communication.</p> <p>Ans. Formal communication means the communication that <u>flows through official channels</u> designed in the organisation chart and may be oral or written but generally recorded and filed in the office.</p> <p>Informal communication is the communication that takes place <u>without following the formal lines of communication</u> and spreads throughout the organisation in all directions without regard to the levels of management.</p> <p style="text-align: center;">OR</p> <p>(b) Explain the first two steps in the process of controlling.</p> <p>Ans. First two Steps in the process of controlling</p> <p>(i) Setting Performance Standards</p> <ul style="list-style-type: none"> • Standards are the <u>criteria</u> against which actual performance would be measured. • Standards can be set in both <u>quantitative as well as qualitative terms</u>. <p>(ii) Measurement of Actual Performance</p> <ul style="list-style-type: none"> • Performance should be measured in an <u>objective and reliable manner</u>. 	<p>1 $\frac{1}{2}$ marks +</p> <p>1 $\frac{1}{2}$ marks =3 marks</p> <p style="text-align: center;">OR</p> <p>$\frac{1}{2}$ mark for naming the step +</p> <p>1 mark for its explanation = 1 $\frac{1}{2}$ x 2</p>



	<ul style="list-style-type: none"> There are several <u>techniques for measurement</u> of performance like personal observation, sample checking, etc. 	= 3 marks
7.	<p>Q. Explain ‘Offer for Sale’ and ‘Rights Issue’ as methods of floatation of new issues in the primary market.</p> <p>Ans. <u>Methods of floatation of new issues in the primary market</u></p> <p>(i) Offer for Sale:</p> <ul style="list-style-type: none"> Under this method securities are <u>not issued directly to the public</u> but are offered for sale through intermediaries like issuing houses or stockbrokers. In this case, a company sells securities en bloc at an agreed price to brokers who, in turn, <u>resell them to the investing public.</u> <p>(ii) Rights issue:</p> <ul style="list-style-type: none"> In this method, the <u>existing shareholders</u> are offered the ‘right’ to subscribe to a new issue of shares according to the terms and conditions of the company. The shareholders are offered new shares <u>in proportion to the number of shares they already possess.</u> 	<p>1 ½ marks</p> <p>+</p> <p>1 ½ marks</p> <p>= 3 marks</p>
8.	<p>Q. Name and state the process which is job-oriented and is used to increase the skills and abilities of employees to perform a specific job.</p> <p>Ans. Training</p> <p>Training is a process by which the aptitudes, skills and abilities of employees to perform specific jobs are increased to <u>improve their performance on the current job</u> or prepare them for any intended job. It is a process of learning new skills and application of knowledge.</p>	<p>1 mark for naming</p> <p>+</p> <p>2 marks for stating the process</p> <p>= 3 marks</p>



9. Q.(a) Explain how the 'District Commission' helps the consumers in redressing their grievances.

Ans. District Commission' helps the consumers in redressing their grievances in the following manner:

- District commission has a jurisdiction to entertain complaints where value of goods or services paid as consideration does not exceed one crore rupees.
- It may direct the parties to give their consent for settlement of dispute through mediation within five days. In case the parties agree for settlement by mediation and give written consent, the District Commission refers the matter for mediation and the provisions relating to mediation shall apply. In the event of failure of settlement by mediation, it proceeds with the complaint. If the complaint alleges defect in goods which cannot be determined without proper analysis or test of goods, the commission obtains the sample of goods, seal it and refer to the appropriate authority for analysis. In case of services, the dispute is settled on the basis of evidence brought to its notice by the complainant and can ask for any required information document or records from the service provider for settlement.

Alternate answer

- District commission redresses complaints where value of goods or services in question, along with the compensation claimed, does not exceed rupees 20 lakhs.
- On receiving the complaint, the District Forum shall refer the complaint to the party against whom the complaint is filed. If required, the goods or a sample thereof, shall be sent for testing in a laboratory. The District Forum shall pass an order after considering the test report from the laboratory and hearing to the party against whom the

2 marks

+
3 marks

= 5 marks

OR



complaint is filed.

OR

(b) State any five responsibilities of a consumer as per the Consumer Protection Act, 2019.

Ans. Responsibilities of a consumer as per the Consumer Protection Act, 2019 (any five):

- (i) Be aware about the various goods and services available in the market, so that intelligent and wise choice can be made.
- (ii) Buy only standardized goods as they provide quality assurance.
- (iii) Learn about the risk associated with products and services, follow manufacturers' instructions and use the products safely.
- (iv) Read labels carefully to have information about prices, net weight, manufacturing and expiry dates etc.
- (v) Assert yourself to ensure that you get a fair deal.
- (vi) Be honest in your dealings and choose only from legal goods and services and discourage unscrupulous practices.
- (vii) Ask for a cash memo on purchase of goods and services as this would serve as a proof of the purchase made.
- (viii) File a complaint in an appropriate consumer forum in case of a shortcoming in the quality of goods purchased or services availed.
- (ix) Form consumer societies which would play an active part in educating consumers and safeguarding their interests.
- (x) Respect the environment. Avoid waste, littering and

1 mark for each responsibility

=1×5

= **5 marks**



	<p>contributing to pollution.</p> <p>(If an examinee has only listed the points, ½ mark for each point should be awarded.)</p>	
10.	<p>Q. Explain ‘Treasury Bill’ and ‘Call Money’ as instruments of ‘Money Market’.</p> <p>Ans.</p> <p><u>Treasury bills (any two) :</u></p> <ul style="list-style-type: none"> • A treasury bill is an instrument of <u>short-term borrowing by the Government of India</u>, maturing in less than one year. • They are <u>issued by the Reserve Bank of India</u> on behalf of the Central Government to meet its short-term requirement of funds. • They are issued in the form of <u>promissory notes</u> and are highly liquid and have negligible risk of default. • They are issued at a <u>price which is lower than their face value</u> and repaid at par and are also known as Zero Coupon Bonds. • They are available for a <u>minimum amount of ₹25,000/-</u> and in multiples thereof. <p><u>Call Money (any two)</u></p> <ul style="list-style-type: none"> • Call money is a method by which <u>banks borrow from each other</u> to be able to maintain the cash reserve ratio. • Call money is <u>short term finance</u> repayable on demand, with a maturity period of one day to fifteen days, used for inter-bank transactions. • The interest rate paid on call money loans known as the call rate is a <u>highly volatile rate</u> that varies from one day to another day and sometimes even from one hour to another hour. • There is an <u>inverse relationship between call rates and other short-term money market instruments</u> 	<p>2½ marks</p> <p>+</p> <p>2½ marks</p>



	<p>such as certificates of deposit and commercial paper. A rise in call money rates makes other sources of finance such as commercial paper and certificates of deposit cheaper in comparison for banks raise funds from these sources.</p>	<p>= 5 marks</p>
<p>11.</p>	<p>Q. Riya was working as a manager in a hotel. During COVID-19 she lost her job. Now she has started her own restaurant which was providing immunity-boosting food. Her restaurant was a success and she was earning a good profit. To benefit the people of other areas with her immunity-boosting food, she thought of starting three restaurants in three different cities. For this, she appointed three managers. She told all the managers that to be successful it is necessary that they should guide the people working in their respective teams about the work to be done by them, when they should do it and how they should do it. She also added that mere transfer of views or information is not sufficient, it is necessary that their instructions are implemented in the proper perspective, so that the organisation may achieve its objectives. To improve the performance level of employees, she suggested that they develop insights into causes of behaviour of people. They have to make subordinates act in a desired manner to achieve organisational goals.</p> <p>(a) Identify and state the function of management discussed in the above para.</p> <p>(b) State any three points of importance of the function identified in (a) above.</p> <p>Ans.(a) Directing</p> <p>Directing is the process of <u>instructing, guiding, communicating, counselling, motivating and leading</u> people in the organisation to achieve its objectives.</p> <p>(b) <u>Importance of Directing function (any three)</u></p> <p>(i) Directing helps to <u>initiate action</u> by people in the organisation towards attainment of desired</p>	<p>1 mark for identification + 1 mark for the statement = 2 marks</p>



	<p>objectives.</p> <p>(ii) Directing <u>integrates employees' efforts</u> in the organisation in such a way that every individual effort contributes to the organisational performance.</p> <p>(iii) Directing <u>guides employees</u> to fully realise their potential and capabilities by motivating and providing effective leadership.</p> <p>(iv) Directing facilitates introduction of <u>needed changes</u> in the organisation.</p> <p>(v) Effective directing helps to <u>bring stability</u> and balance in the organisation by fostering cooperation and commitment among the people.</p> <p>(If an examinee has only listed the points, ½ mark for each point should be awarded)</p>	<p>+</p> <p>1 mark for stating each point of importance = 1 x 3 = 3 marks</p> <p>= 2 + 3 = 5 marks</p>
<p>12.</p>	<p>(a) 'A.M. Motors Ltd.' is a leading company in car manufacturing. Due to the changing environment and initiatives taken by the Government of India, the company wants to enter into manufacturing of e-cars also. For this project the company requires ₹2,000 crore. But before purchasing the machines and other assets, the finance manager has to assess the degree of risk involved in the project as this type of decision affects the earning capacity of the business over the long run. Besides this, there are various other factors which may affect this decision of the finance manager.</p> <p>(i) Identify and state the financial decision discussed in the above para.</p> <p>(ii) State any two factors that may affect the decision of the finance manager identified in (i) above.</p> <p>Ans. (i) Investment decision</p> <p>The investment decision relates to how the firm's funds</p>	<p>1 mark for identifying</p> <p>+</p> <p>1 mark for</p>



<p>are invested in different assets.</p> <p>(ii) <u>Factors affecting Long term Investment decision/ Capital Budgeting Decision (any two):</u></p> <p>(a) The amount of cash flows of the project should be carefully analysed before considering a capital budgeting decision, which may be in the form of a series of cash receipts and payments over the life of an investment.</p> <p>(ii) The expected rate of return from each proposal and the assessment of risk involved are important factors while taking capital budgeting decisions.</p> <p>(i) Several investment criteria may be used to evaluate investment proposals regarding the amount of investment, interest rate, cash flows and rate of return, etc., before taking the decision to invest in a particular project.</p> <p>(If an examinee has only listed the points, ½ mark for each point should be awarded)</p> <p style="text-align: center;">OR</p> <p>Q. 'R.K. Fertilizers Ltd.' has planned to set up a plant for manufacturing urea fertiliser which has very high market potential as there is excess demand as compared to supply. The company is planning to operate at a higher scale which will require a bigger plant, more space, etc. The company has also planned to replace its plant and machinery as the same are prone to obsolescence with the change in technology. To meet the growing demand of fertilisers that may result in increase in profits, the company is also planning to diversify its operations. It wants to enter in the area of cement manufacturing. Thus, it is a capital-intensive project involving an investment of</p>	<p>stating = 2 marks +</p> <p>1 mark for each factor = 1 x 3 = 3 marks</p> <p>= 2+3 = 5 marks</p>
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<p>₹3,000 crore.</p> <p>Identify and state any five factors affecting the fixed capital requirements of ‘R.K. Fertilisers Ltd.’ discussed in the above para.</p> <p>Ans. <u>Factors affecting the Requirement of Fixed Capital (any five):</u></p> <p>1. Nature of Business: The type of business has a bearing upon the fixed capital requirements as a trading concern needs lower investment in fixed assets compared with a manufacturing organisation since it does not require to purchase plant and machinery, etc.</p> <p>2. Scale of Operations: A larger organisation operating at a higher scale needs bigger plant, more space etc. and therefore, requires higher investment in fixed assets when compared with the small organisation.</p> <p>3. Technology Upgradation: In certain industries, assets become obsolete sooner and need to be replaced faster, resulting in higher investment in fixed assets.</p> <p>4. Growth Prospects: Higher growth of an organisation generally requires higher investment in fixed assets to meet the anticipated higher demand quicker.</p> <p>5. Diversification: A firm may choose to diversify its operations leading to higher investment in fixed capital.</p> <p>6. Choice of Technique: A capital-intensive organisation requires higher investment in plant and machinery as it relies less on manual labour resulting in higher requirement of fixed capital as compared to a labour-intensive organisation.</p>	<p>½ mark for identifying + ½ mark for stating each factor = 1 x 5 = 5 marks</p>
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