

**BUSINESS STUDIES**

<b>MARKING SCHEME COMPTT– 2018-19</b> <b>BUSINESS STUDIES</b> <b>66/1/1</b> <b>EXPECTED ANSWERS / VALUE POINTS</b>		<b>Marks</b>
<b>SECTION A</b>		
<b>1</b>	<p><b>Q. Give the meaning of functional structure.</b></p> <p><b>Ans. Functional structure</b> is an organisational structure formed by grouping of jobs of similar nature under functions and organising these major functions as separate departments like production, finance etc.</p>	<b>1 mark</b>
<b>2</b>	<p><b>Q. Distinguish between ‘Principles of Management’ and ‘Techniques of Management’.</b></p> <p><b>Ans. <u>Management Principles</u></b> are guidelines for managerial decisions or actions whereas <b><u>management techniques</u></b> are procedures or methods, which involve a series of steps to be performed to accomplish desired goals.</p> <p style="text-align: center;"><b>OR</b></p> <p><b>Q. Distinguish between ‘Time study’ and ‘Motion study’.</b></p>	<b>1 mark</b>  <b>OR</b>



	<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>	<b>1 mark</b>
<b>3</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>4</b>	<p><b>Q. What is meant by 'Branding'?</b></p> <p><b>Ans.</b> Branding is the process of giving a name, or a sign or a symbol to a product which helps in identifying and distinguishing it from the competitors' product.</p> <p style="text-align: center;"><b>OR</b></p>	<p><b>1 mark</b></p> <p style="text-align: center;"><b>OR</b></p>





	<p><b>Q. What is meant by ‘Pricing’?</b></p> <p><b>Ans.</b> ‘Pricing’ means to determine the price of a product or a service.</p>	<b>1 mark</b>
5	<p><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></p> <p><b>Ans.</b> Right to seek redressal.</p>	<b>1 mark</b>
6	<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>
7	<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</b></p>	





	<p><b>place between Raj and Riya.</b></p> <p><b>Ans.</b> Informal communication.</p>	<b>1 mark</b>
<b>8</b>	<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.</b> Strategy.</p>	<b>1 mark</b>
<b>SECTION B</b>		
<b>9</b>	<p><b>Q. State any three limitations of Planning.</b></p> <p><b>Ans.</b> <u>Limitations of planning: (any three)</u></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</p>	<b>1 x 3</b>





<p>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>=</p> <p><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. <u>Importance of organising (Any three):</u></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><b>OR</b></p> <p><b>1 x 3</b></p> <p>=</p> <p><b>3 marks</b></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 heading should be awarded)</b></p>	
10	<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><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><u>(c) 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>½ mark</b></p> <p><b>for naming the step</b></p> <p><b>+</b></p> <p><b>½ mark</b></p> <p><b>for the statement</b></p> <p><b>=</b></p> <p><b>1 x 3</b></p> <p><b>=</b></p> <p><b>3 marks</b></p>
<p><b>11</b></p>	<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>	



**In the light of this statement, state any three functions of stock exchange.**

**Ans. Functions of Stock Exchange are: (Any three)**

(a) It provides liquidity and marketability to existing securities by allowing the investors a chance to disinvest and reinvest.

(b) It determines the price of securities on the basis of the forces of demand and supply.

(c) It ensures safety of transactions as the transactions carried out within an existing legal framework.

(d) It contributes to economic growth as it indirectly promotes capital formation.

(e) It spreads equity cult and ensures wider share ownership.

(f) It provides scope for speculation within the provisions of law.

**(If an examinee has given only the heading, ½ mark for each heading should be awarded)**

**OR**

**Q. To promote orderly and healthy growth of securities market and protection of investors, Securities and Exchange**

**1 x 3**

=

**3 marks**

**OR**





**Board of India was set up.**

**In the light of the given statement, state any three regulatory functions of the Securities and Exchange Board of India.**

**Ans.** Regulatory functions of Securities and Exchange Board of India are (Any three):

(i) It registers brokers and sub brokers and other players in the market.

(ii) It registers collective investment schemes and mutual funds.

(iii) It regulates stock brokers, portfolio exchanges, underwriters and merchant bankers.

(iv) It regulates takeover bids by companies.

(v) It calls for information by undertaking inspection, conducting enquiries and audit of stock exchanges and intermediaries.

(vi) It levies fee or other charges for carrying out the purposes of the SEBI Act, 1992.

(vii) It performs and exercises such powers under Securities Contract (Regulation) Act 1956 as may be delegated by the Government of India.

**1 x 3**  
=

**3 marks**





	<b>(If an examinee has given only the heading, ½ mark for the heading should be awarded)</b>	
<b>12</b>	<p><b>Q. Explain any three points of importance of decentralisation.</b></p> <p><b>Ans.</b> <u>Importance of decentralisation: (Any three)</u></p> <p>(a) Develops initiative amongst subordinates.</p> <p>(b) Develops managerial talent for the future.</p> <p>(c) Helps in quick decision making.</p> <p>(d) Gives relief to the top management.</p> <p>(e) Facilitates growth.</p> <p>(f) Leads to better control.</p> <p><b>(If an examinee has given only the headings, ½ mark for each heading should be awarded)</b></p>	<p>½ mark for the heading + ½ mark for its explanation = <b>1 x 3</b> = <b>3 marks</b></p>
<b>13</b>	<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</b></p>	



<p>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.</p> <p>To collect the above mentioned funds, the sources to be used and the quantity to be collected from different sources had to be considered.</p> <p>(a) Identify the above discussed concept and give its meaning.  (b) Explain any two factors that affect the concept identified in (a) above.</p> <p><b>Ans.</b> (a) Capital Structure.</p> <p>It means the proportion of debt and equity used for financing the operations of a business.</p> <p><b>or</b></p> <p>It refers to the mix between owner's funds and borrowed funds.</p> <p>(b) <u>Following are the factors affecting the choice of capital structure are: (Any two)</u></p> <p>(i) Cash flow position  (ii) Interest coverage ratio  (iii) Debt service coverage Ratio  (iv) Return on Investment  (v) Cost of debt</p>	<p>(½ mark for identifying the concept  +  ½ mark for its meaning  =  <b>1 mark</b>)</p> <p>+    ( ½ mark for naming each factor  +)</p>
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	<p>(vi) Tax rate</p> <p>(vii) Cost of equity</p> <p>(viii) Floatation costs</p> <p>(ix) Fixed operating costs</p> <p>(x) Risk consideration</p> <p>(xi) Flexibility</p> <p>(xii) Control</p> <p>(xiii) Regulatory framework</p> <p>(xiv) Stock market conditions</p> <p>(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 its explanation</b></p> <p>=</p> <p><b>1 x 2</b></p> <p>=</p> <p><b>2 marks)</b></p> <p>=</p> <p><b>1+2</b></p> <p>=</p> <p><b>3 marks</b></p>
	<b>SECTION C</b>	
14	<p><b>Q. ‘Express Tours Ltd.’ is a travel agency which books air tickets on commission basis. It takes two days for Express Tours to get the tickets from airport reservation counter and deliver the same to customers. During the last one year, there has been drastic decrease in its business as most of the customers have shifted to another travel agency, ‘Shiva Tours and Travels’, which provides tickets within half-an-hour through internet.</b></p> <p><b>(a) Name and explain the dimension of business environment that is being overlooked by ‘Express Tours Ltd.’.</b></p> <p><b>(b) Explain another dimension of business environment other than that identified in (a) above.</b></p>	<p><b>(1 mark for naming the dimension</b></p>





	<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>
15	<p><b>Q. Describe ‘Offer through Prospectus’ and ‘Private Placement’ as methods of floatation of new issues in Primary market.</b></p> <p><b>Ans.</b></p>	



<p>(i) <u>Offer through Prospectus</u></p> <ul style="list-style-type: none"> <li>- It is a method of floating new issues by inviting subscriptions from the public through issue of prospectus.</li> <li>- It is one of the most popular methods of raising funds by public companies.</li> </ul>	<p><b>2 marks</b></p>
<p>(ii) <u>Private Placement</u></p> <ul style="list-style-type: none"> <li>- It refers to the allotment of securities by a company to institutional investors and some selected individuals.</li> <li>- It helps the company to raise capital more quickly than a public issue.</li> </ul>	<p>+</p> <p><b>2 marks</b></p> <p>=</p> <p><b>2+2</b></p> <p>=</p> <p><b>4 marks</b></p>
<p><b>OR</b></p>	
<p><b>Q. Describe 'Treasury Bill' and 'Call money' as money market instruments.</b></p> <p><b>Ans.</b></p> <p><b><u>Treasury bill</u></b></p> <ul style="list-style-type: none"> <li>▪ It is an instrument issued by Reserve Bank of India on behalf of</li> </ul>	



	<p>the Central government to meet its short term requirements of funds.</p> <ul style="list-style-type: none"> <li>▪ It is highly liquid, has an assured yield and negligible risk of default.</li> </ul> <p><b>Call Money</b></p> <ul style="list-style-type: none"> <li>▪ It is the method by which banks borrow from each other to be able to maintain the cash reserve ratio.</li> <li>▪ It is repayable on demand, with a maturity period of one day to fifteen days.</li> </ul>	<p><b>2 marks</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>
<p><b>16</b></p>	<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 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>1 mark for identifying the right</b></p>



	<p><b>Ans. (a)</b> Right to be heard</p> <p>(b) District Forum.</p> <p>(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.</p>	<p>+</p> <p><b>1 mark for identifying the forum</b></p> <p>+</p> <p><b>(1 mark for the answer</b></p> <p>+</p> <p><b>1 mark for its reason</b></p> <p>=</p> <p><b>2 marks)</b></p> <p>=</p> <p><b>1+1+2</b></p> <p>=</p> <p><b>4 marks</b></p>						
17	<p><b>Q. Differentiate between ‘marketing’ and ‘selling’ on any four basis.</b></p> <p><b>Ans. Difference between Marketing and Selling: (Any four)</b></p> <table border="1" data-bbox="312 2160 1441 2657"> <thead> <tr> <th>Basis</th> <th>Marketing</th> <th>Selling</th> </tr> </thead> <tbody> <tr> <td>1. Meaning</td> <td>Marketing means identifying customer needs and satisfying them.</td> <td>Selling means exchanging goods for money.</td> </tr> </tbody> </table>	Basis	Marketing	Selling	1. Meaning	Marketing means identifying customer needs and satisfying them.	Selling means exchanging goods for money.	
Basis	Marketing	Selling						
1. Meaning	Marketing means identifying customer needs and satisfying them.	Selling means exchanging goods for money.						





	2. Part of the process vs wider term	Marketing is a wider term and includes selling.	Selling is a part of the process of marketing.	
	3. 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>1 x 4</b> <b>=</b> <b>4 marks</b>
	4. Profit through maximizing sales vs customer satisfaction	Marketing aims at maximizing customer satisfaction and thereby the profits of the firm.	Selling aims at maximizing sales and thereby the profits of the firm.	
	5. 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.	
	6. Difference in emphasis	In marketing, the emphasis is on	In selling, the emphasis is on	<b>OR</b>





	developing the product as per customer's needs.	bending the customer according to the product.
7. Difference in Strategies	Marketing uses integrated marketing efforts.	Selling involves efforts like promotion and persuasion i.e. selling & promoting the product.

OR

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

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

**1 x 4**  
=

**4 marks**

**Ans. Difference between Production Concept and Marketing Concept**

Basis	Production concept	Marketing concept
(a) Starting	The marketing efforts start after the product	The marketing efforts start from the identification of



	point	is produced in the factory.	needs of the target market before the product is produced in the factory.
	(b) Main focus	Its focus is on Quantity produced.	Its focus is on satisfaction of Customer needs
	(c) Means	It uses Availability and affordability of product as a means to achieve the objective	It uses Integrated marketing 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 customer satisfaction
18	<p><b>Q. The Managing Director of ‘Verma Chemicals Pvt. Ltd.’ 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 only to act according to the command given by the manager.</li> </ul> <p><b>(ii) <u>Laissez Faire style of leadership</u></b></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</li> </ul>	<p><b>(½ mark for identifying the leadership style</b></p> <p><b>+ ½ mark for its meaning</b></p> <p><b>= 1 mark)</b></p> <p><b>+ ½ mark for naming each leadership style</b></p> <p><b>+ 1 mark for its explanation</b></p> <p><b>= 1 ½ x 2 = 3 marks)</b></p> <p><b>= 1 + 3</b></p>
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	absolutely essential.	= 4 marks						
19	<p><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 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.</b></p> <p><b>(a) Name the money market instrument the company can use for meeting the floatation cost.</b></p> <p><b>(b) Differentiate between ‘money market’ and ‘capital market’ on any three basis.</b></p> <p><b>Ans. (a) Commercial Paper.</b></p> <p><b>(b) <u>Difference between Money Market and Capital Market: (Any three)</u></b></p> <table border="1"> <thead> <tr> <th>Basis</th> <th>Money Market</th> <th>Capital Market</th> </tr> </thead> <tbody> <tr> <td>(i) Participants</td> <td>The participants are RBI, financial institutions, banks, corporates.</td> <td>The participants are financial institutions, banks, corporates, foreign investors and retail investors.</td> </tr> </tbody> </table>	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.	<p><b>1 mark for naming the instrument</b></p> <p>+</p>
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.						





			<b>(1 x 3</b>
(ii) Instruments	Instruments traded are treasury bill, commercial paper, certificates of deposit, call money and commercial bill.	Instruments traded are shares, debentures and bonds.	<b>=</b>
			<b>3 marks)</b>
			<b>=</b>
			<b>1+3</b>
(iii) Investment outlay	Investment outlay is large.	Investment outlay is small.	<b>=</b>
(iv) Duration	It deals in short term securities.	It deals in medium term and long term securities.	<b>4 marks</b>
(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	Generally yield a higher return than money market	



	comparatively less return.	instruments.	
<b>SECTION D</b>			
<b>20</b>	<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>(b) <u>Full financing</u></b></p> <p>It is a technique of sales promotion in which easy financing schemes are offered.</p> <p><b>(c) <u>Quantity gift</u></b></p>		<p><b>½ mark for identifying the technique +</b></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 for its statement</b></p> <p>=</p> <p><b>1 x 5</b></p> <p>=</p> <p><b>5 marks</b></p>
<p><b>21</b></p>	<p><b>Q. State any five impacts of government policy changes on Business and Industry.</b></p> <p><b>Ans.</b> <u>Impact of government policy changes on business and industry: (Any five)</u></p> <p>(i) <u>Competition has increased</u> for Indian firms due to the entry of foreign firms.</p> <p>(ii) <u>Customers have become more demanding</u> as they have a wider choice.</p> <p>(iii) <u>Technological environment is rapidly changing</u> creating tough challenges for smaller firms.</p>	<p><b>1 x 5</b></p>



<p>(iv) It has become <u>necessary for enterprises to change and modify</u> their operations to cope with the turbulent market forces.</p> <p>(v) There is a <u>need for developing human resource</u> as the new market conditions require people with higher competence and greater commitment.</p> <p>(vi) Enterprises are forced to adopt a <u>market orientation</u> so that they could study the market and produce goods accordingly.</p> <p>(vii) There is <u>loss of budgetary support to the public sector</u> as the government felt that the public sector needs to be more efficient in order to survive and grow.</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 points that highlight the importance of 'Management'.</b></p> <p><b>Ans. <u>Importance of management:</u></b></p> <p>(i) It helps in <u>achieving group goals</u> by giving a common direction to individual effort.</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>(ii) It increases efficiency by <u>reducing costs</u> and <u>increasing productivity</u>.</p> <p>(iii) It <u>creates a dynamic organisation</u> by making the organisation adapt itself to the changing environment.</p> <p>(iv) It helps in <u>achieving personal objectives</u> by motivating and leading in such a way that both personal goals and organisational objectives are accomplished.</p> <p>(v) Management helps in the development of society by providing <u>good quality products and services</u>, creating <u>employment opportunities</u> and adopting <u>new technology</u> etc.</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;">=</p> <p style="text-align: center;"><b>5 marks</b></p>
<p><b>22</b></p>	<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 style="text-align: center;"><b>1 mark for</b></p>



	<p>(b) <u>Steps in the process of the function identified above are:</u></p> <p>(i) Setting standards</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>identifying the function</b></p> <p>+</p> <p><b>(½ mark for naming the step</b></p> <p>+</p> <p><b>½ mark for its explanation</b></p> <p><b>= 1 x 4</b></p> <p><b>= 4 marks)</b></p> <p><b>=</b></p> <p><b>1 + 4</b></p> <p><b>=</b></p> <p><b>5 marks</b></p>
<b>SECTION E</b>		
23	<p><b>Q. Explain any four characteristics of planning.</b></p> <p><b>Ans. <u>Characteristics of planning (any four):</u></b></p> <p>(i) Focuses on achieving objectives.</p> <p>(ii) Primary function of management.</p>	<p><b>½ mark for the heading</b></p> <p>+</p>



<p>(iii) Pervasive.</p> <p>(iv) Continuous.</p> <p>(v) Futuristic.</p> <p>(vi) Involves decision-making.</p> <p>(vii) Mental exercise.</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>1 mark for the explanation</b></p> <p><b>= 1 ½ x 4 = 6marks</b></p>
<p style="text-align: center;"><b>OR</b></p> <p><b>Q. Explain the steps in the process of organising function of management.</b></p> <p><b>Ans. <u>Steps in the process of organising function of management:</u></b></p> <p>(i) Identifying and dividing the work.</p> <p>(ii) Departmentalisation.</p> <p>(iii) Assignment of duties to job positions.</p> <p>(iv) Establishing reporting relationships.</p>	<p style="text-align: center;"><b>OR</b></p> <p><b>½ mark for the heading + 1 mark for the explanation</b></p> <p><b>= 1 ½ x 4 =</b></p>



	<p>(If an examinee has not given the headings as above but has given the correct explanation, no marks should be deducted)</p> <p>(<math>\frac{1}{2}</math> mark should be deducted if the sequence is not followed)</p>	<p><b>6marks</b></p>
<p><b>24</b></p>	<p><b>Q. Mohan is working as a vice-president in Ashoka Ltd. He performs a separate and specialised function having many 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.</b></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>(<math>\frac{1}{2}</math> mark for identifying the function + <math>\frac{1}{2}</math> mark for the meaning = <b>1 mark</b>)</p> <p>+</p>



	<p>(b) <u>Benefits of Staffing:</u></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>(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>(1 x 5</p> <p>=</p> <p>5 marks)</p> <p>=</p> <p>1+5</p> <p>=</p> <p>6 marks</p>
25	<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</b></p>	



doing this work.

In the light of the above discussion, differentiate between the contribution of Taylor and Fayol on the following basis:

(a) Perspective

(b) Unity of command

(c) Focus

(d) Expression

(e) Applicability

(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.

1 x 6

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6 marks





	(c)	Focus	Taylor focused on increasing productivity of workers .	Fayol focused on improving overall administration.	
	(d)	Expression	Taylor used the expression ‘Scientific Management’.	Fayol used the expression ‘General Theory of 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.	