

66/1/3

MARKING SCHEME COMPTT– 2018-19 BUSINESS STUDIES 66/1/3 EXPECTED ANSWERS / VALUE POINTS		Marks
SECTION A		
1	Q. Give the meaning of ‘Process’ in the definition of management. Ans. ‘Process’ means series of primary functions or activities that management performs to get things done.	1 mark
2	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. Ans. Fixed Capital.	1 mark
3	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	

	<p>content. Name the consumer right under which Archana can claim for compensation as per the provisions of Consumer Protection Act, 1986.</p> <p>Ans. Right to seek redressal.</p>	<p>1 mark</p>
4	<p>Q. Distinguish between ‘Principles of Management’ and ‘Techniques of Management’.</p> <p>Ans. <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> <p>OR</p> <p>Q. Distinguish between ‘Time study’ and ‘Motion study’.</p> <p>Ans. 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>1 mark</p> <p>OR</p> <p>1 mark</p>
5	<p>Q. Name the method of training in which the trainee works under the guidance of a master worker.</p>	<p>1 mark</p>

	<p>Ans. Apprenticeship training.</p> <p style="text-align: center;">OR</p> <p>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.</p> <p>Ans. Semantic barriers.</p>	<p style="text-align: center;">OR</p> <p style="text-align: center;">1 mark</p>
6	<p>Q. What is meant by ‘Packaging’?</p> <p>Ans. Packaging refers to the act of designing and producing the container or wrapper of a product.</p> <p style="text-align: center;">OR</p> <p>Q. Give the meaning of ‘Product’ as an element of ‘Marketing Mix’.</p> <p>Ans. Product as an element of ‘Marketing Mix’ means goods or services or anything of value which is offered to the market for sale.</p> <p style="text-align: center;">(or any other correct meaning)</p>	<p style="text-align: center;">OR</p> <p style="text-align: center;">1 mark</p>
7	<p>Q. Raj and Riya are working in different departments of Leo Infocom. One day at lunch time Riya told Raj that due to</p>	

	<p>recession many people are going to be retrenched soon from the organisation. Name the type of communication that took place between Raj and Riya.</p> <p>Ans. Informal communication.</p>	1 mark
8	<p>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.</p> <p>Identify the type of plan being followed by Raj Auto Ltd.</p> <p>Ans. Strategy.</p>	1 mark
SECTION B		
9	<p>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</p>	



<p>departments.</p> <p>Ans. <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>½ mark</p> <p>for naming</p> <p>the step</p> <p>+</p> <p>½ mark</p> <p>for the</p> <p>statement</p> <p>=</p> <p>1 x 3</p> <p>=</p> <p>3 marks</p>
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<p>10</p> <p>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.</p> <p>In the light of this statement, state any three functions of stock exchange.</p> <p>Ans. <u>Functions of Stock Exchange are: (Any three)</u></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>(If an examinee has given only the heading, ½ mark for each heading should be awarded)</p>	<p>1 x 3</p> <p>=</p> <p>3 marks</p>
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	<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>(If an examinee has given only the heading, ½ mark for the heading should be awarded)</p>	
<p>11</p>	<p>Q. State any three limitations of Planning.</p> <p>Ans. <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 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>1 x 3</p> <p>=</p> <p>3 marks</p>

<p>(If an examinee has given only the heading, ½ mark for each heading should be awarded)</p> <p style="text-align: center;">OR</p> <p>Q. State any three points of importance of Organising.</p> <p>Ans. Importance of organising (Any three):</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</p>	<p style="text-align: center;">OR</p> <p style="text-align: center;">1 x 3</p> <p style="text-align: center;">=</p> <p style="text-align: center;">3 marks</p>
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	<p>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>(If an examinee has given only the headings, ½ mark for each heading should be awarded)</p>	
12	<p>Q. Explain ‘Authority’ ‘Responsibility’ and ‘Accountability’ as elements of delegation.</p> <p>Ans. Elements of delegation are:</p> <p>(a) <u>Authority.</u> Authority refers to the right of an individual to command his subordinates and to take action within the scope of his position. It flows from top to bottom.</p> <p>(b) <u>Responsibility.</u> Responsibility refers to the obligation of a subordinate to properly perform the assigned duty. It flows upwards.</p> <p>(c) <u>Accountability.</u> Accountability refers to answerability for the final outcome of the assigned task. It flows upwards.</p>	<p>1</p> <p>+</p> <p>1</p> <p>+</p> <p>1</p> <p>=</p>

		3 marks
13	<p>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.</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.</p> <p>(b) Explain any two factors that affect the concept identified in (a) above.</p> <p>Ans. (a) Capital Structure.</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;">or</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>(½ mark for identifying the concept + ½ mark for its meaning = 1 mark)</p> <p>+</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>(If an examinee has not given the headings as above but has given the correct explanations, full credit should be given)</p>	<p>(½ mark for naming each factor + ½ mark for its explanation = 1 x 2 = 2 marks)</p> <p>= 1+2 = 3 marks</p>						
SECTION C								
14	<p>Q. Differentiate between ‘Primary Market’ and ‘Secondary Market’ on the basis of any four points.</p> <p>Ans. <u>Difference between Primary Market and Secondary Market:</u> (Any four)</p> <table border="1" data-bbox="352 2402 1530 2651"> <thead> <tr> <th>Basis</th> <th>Primary Market</th> <th>Secondary Market</th> </tr> </thead> <tbody> <tr> <td>(i) Securities</td> <td>It involves issue of</td> <td>It involves</td> </tr> </tbody> </table>	Basis	Primary Market	Secondary Market	(i) Securities	It involves issue of	It involves	
Basis	Primary Market	Secondary Market						
(i) Securities	It involves issue of	It involves						

traded	securities by new companies or new issues of securities by existing companies to investors	trading of existing shares only.	1 x 4 = 4 marks
(ii) Company involvement	Securities are sold by the companies to the investors directly	Securities are exchanged between investors, company is not involved at all.	
(iii) Capital formation	It directly promotes capital formation.	It indirectly promotes capital formation.	
(iv) Buying/selling	Only buying of securities takes place	Both buying and selling of securities take place.	
(v) Price determination	Prices are determined by management of the company.	Prices are determined by the forces of demand and supply of securities.	
(vi) Location	It has no fixed geographical location.	It has fixed geographical location.	



OR

Q. Differentiate between 'Capital Market' and 'Money Market' on the basis of any four points.

Ans. Difference between Money Market and Capital Market:

(Any four)

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, certificates of deposit, call money and commercial bill.	Instruments traded are shares, debentures and bonds.
(iii) Investment outlay	Investment outlay is large.	Investment outlay may be small.
(iv) Duration	It deals in short	It deals in medium term

OR

1 x 4

=

4 marks



		term securities.	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.	
15	<p>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.</p> <p>(a) Name and explain the dimension of business environment that is being overlooked by ‘Express Tours Ltd.’.</p> <p>(b) Explain another dimension of business environment other than that identified in (a) above.</p>			(1 mark for naming the

	<p>Ans. (a) <u>Technological environment</u></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) <u>Another dimension of business environment: (Any one)</u></p> <p>(i) Social environment.</p> <p>(ii) Political environment.</p> <p>(iii) Economic environment.</p> <p>(iv) Legal environment.</p> <p>(If an examinee has not given the headings as above but has given the correct explanation, full credit should be given)</p>	<p>dimension</p> <p>+</p> <p>1 mark for</p> <p>its</p> <p>explanation</p> <p>=</p> <p>2 marks)</p> <p>+</p> <p>(1 mark for</p> <p>naming the</p> <p>dimension</p> <p>+</p> <p>1 mark for</p> <p>its</p> <p>explanation</p> <p>=</p> <p>2 marks)</p> <p>=</p> <p>2+2</p> <p>=</p> <p>4 marks</p>
16	<p>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.</p> <p>(a) Identify the consumer right that has been violated by</p>	

	<p>Kajal Machinery Pvt. Ltd.</p> <p>(b) Suggest the appropriate forum where Anchal can file her complaint.</p> <p>(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.</p> <p>Ans. (a) 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>1 mark for identifying the right</p> <p>+</p> <p>1 mark for identifying the forum</p> <p>+</p> <p>(1 mark for the answer</p> <p>+</p> <p>1 mark for its reason</p> <p>=</p> <p>2 marks)</p> <p>=</p> <p>1+1+2</p> <p>=</p> <p>4 marks</p>
17	<p>Q. Differentiate between ‘Marketing’ and ‘Selling’ on the following basis:</p>	

- (a) Part of the process vs. wider term**
- (b) Profit through maximising sales vs customer satisfaction**
- (c) Difference in the emphasis**
- (d) Difference in the strategies**

Ans. Difference between marketing and selling:

Basis	Marketing	Selling
(a) Part of the process vs wider term	Marketing is a wider term and includes selling.	Selling is a part of the process of marketing.
(b) 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.
(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 product.
(d) Difference in Strategies	Marketing uses integrated marketing efforts.	Selling involves efforts like promotion and persuasion i.e. selling & promoting the product.

1 x 4

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4 marks



OR

OR

Q. Differentiate between ‘Production concept’ and ‘Product concept’ of marketing on the basis of :

(a) Meaning

(b) Main focus

(c) Means

(d) Ends

Ans. Difference between ‘Production concept’ and ‘Product concept’:

	Production Concept	Product concept
(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> .	Product concept emphasises on quality of product. Under this, product improvement becomes the key for profit maximization.
(b) Main focus	Its focus is on quantity produced.	Its focus is on quality, performance, features of product.

1 x 4

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4 marks



	(c) Means	It uses availability and affordability of product as a means to achieve the objective.	It uses product improvement 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 product quality.
18	<p>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.</p> <p>(a) Identify and give the meaning of the style of leadership referred in the above para.</p> <p>(b) Explain the other two styles of leadership.</p> <p>Ans. (a) <u>Democratic style of leadership</u></p> <p>It is a leadership style in which a leader develops action plans</p>		<p>(½ mark for identifying the leadership style)</p>



	<p>and takes decisions in consultation with his subordinates.</p> <p>(b) <u>The other two leadership styles are:</u></p> <p>(i) <u>Autocratic style of leadership</u></p> <ul style="list-style-type: none"> • It is a leadership style in which a leader gives orders and expects his subordinates to obey those orders. • There is only one way communication with the subordinates only to act according to the command given by the manager. <p>(ii) <u>Laissez Faire style of leadership</u></p> <ul style="list-style-type: none"> • 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. • The leader does not believe in the use of power unless it is absolutely essential. 	<p>+</p> <p>½ mark for its meaning</p> <p>=</p> <p>1 mark)</p> <p>+</p> <p>½ mark for naming each leadership style</p> <p>+</p> <p>1 mark for its explanation</p> <p>=</p> <p>1 ½ x 2 = 3 marks)</p> <p>=</p> <p>1 + 3</p> <p>=</p> <p>4 marks</p>
<p>19</p>	<p>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</p>	



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.		=
	(iii) Investment outlay	Investment outlay is large.	Investment outlay is small.	1+3
	(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.	4 marks
	(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.	
	SECTION D			

<p>20</p>	<p>Q. Identify and state the techniques of sales promotion used by the marketer in the following cases :</p> <p>(a) A free holiday package of ₹5,000 on purchase of goods worth ₹20,000.</p> <p>(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.</p> <p>(c) 30 grams extra soap in a cake of bathing soap.</p> <p>(d) Get 4 GB memory card free with a ‘Popo’ mobile phone.</p> <p>(e) Lucky draw coupon for a car on purchase of petrol ₹2,500 from Indian Oil Corporation petrol pumps.</p> <p>Ans. (a) <u>Usable benefit</u></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>½ mark for identifying the technique + ½ mark for its statement =</p>
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	<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>1 x 5 = 5 marks</p>
<p>21</p>	<p>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.</p> <p>(a) Identify the managerial function discussed above.</p> <p>(b) Explain the steps in the process of the function identified in (a) above.</p> <p>Ans. (a) Controlling</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>1 mark for identifying the function</p> <p>+</p> <p>(½ mark for naming the step</p> <p>+</p>

	<p>(iii) Analysing deviations</p> <ul style="list-style-type: none"> • Critical Point Control • Management by Exception <p>(iv) Taking corrective action</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>($\frac{1}{2}$ mark should be deducted if the sequence is not followed)</p>	<p>$\frac{1}{2}$ mark for its explanation</p> <p>= 1 x 4 = 4 marks)</p> <p>= 1 + 4 = 5 marks</p>
22	<p>Q. State any five characteristics of business environment.</p> <p>Ans. Features of Business Environment: (Any five)</p> <p>(a) It is the <u>totality</u> of all external forces affecting a business.</p> <p>(b) It includes both <u>general and specific forces</u>.</p> <p>(c) Its elements are closely <u>inter-related</u>.</p> <p>(d) It is <u>dynamic</u> as it keeps on changing.</p> <p>(e) It is <u>uncertain</u> as it is difficult to predict future happenings.</p> <p>(f) It is <u>complex</u> and difficult to comprehend as it consists of numerous inter-related and dynamic forces.</p>	<p>1 x 5</p> <p>=</p> <p>5 marks</p>

<p>(g) It is a <u>relative</u> concept as it differs from region to region.</p> <p>(If an examinee has given only the headings, ½ mark for each heading should be awarded)</p> <p style="text-align: center;">OR</p> <p>Q. State any five characteristics of Co-ordination.</p> <p>Ans. <u>Features of co-ordination:</u> (Any five)</p> <p>(i) It <u>integrates group efforts</u> by unifying diverse interests into purposeful work activity</p> <p>(ii) It <u>ensures unity of action</u> by acting as a binding force between departments and ensuring that all action is aimed at achieving the goals of the organisation.</p> <p>(iii) It is a <u>continuous process</u> as it starts at the planning stage and continues till controlling.</p> <p>(iv) It is a <u>pervasive function</u> as it is required in all types of organisations, in all the departments and at all levels.</p> <p>(v) It is the <u>responsibility of all managers</u> at the top, middle and operational level.</p> <p>(vi) It is a <u>deliberate function</u> as every manager has to co-</p>	<p style="text-align: center;">OR</p> <p style="text-align: center;">1 x 5</p> <p style="text-align: center;">=</p> <p style="text-align: center;">5 marks</p>
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	<p>ordinate the efforts of different people in a conscious and deliberate manner.</p> <p>(If an examinee has given only the headings, ½ mark for each heading should be awarded)</p>	
	SECTION E	
23	<p>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.</p> <p>In the light of the above discussion, differentiate between the contribution of Taylor and Fayol on the following basis:</p> <p>(a) Perspective</p> <p>(b) Unity of command</p> <p>(c) Focus</p> <p>(d) Expression</p> <p>(e) Applicability</p> <p>(f) Basis of formation</p> <p>Ans. Difference between the contribution of Taylor and</p>	

Fayol:			
	Basis	Taylor	Fayol
(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 Management'.	Fayol used the expression 'General Theory of Administration'.
(e)	Applicability	Taylor's principles	Fayol's principles

1 x 6

6 marks



		are applicable to specialised situations.	are applicable universally	
	(f)	Basis of formation	Principles were based on observations and experimentation.	Principles were based on his personal experience.
24	<p>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.</p> <p>(a) Identify and explain the meaning of the function being performed by Mohan as the vice-president of Ashoka Ltd.</p> <p>(b) The function performed by Mohan benefits the organisation in many ways. State any five such benefits.</p>			
	<p>Ans. (a) Staffing</p> <p>It is the process of filling and keeping filled, the positions in the</p>			<p>(½ mark for identifying the function + ½ mark for the meaning = 1 mark)</p>



	<p>organisation structure.</p> <p style="text-align: center;">(or any other correct meaning)</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 style="text-align: center;">+</p> <p style="text-align: center;">(1 x 5</p> <p style="text-align: center;">=</p> <p style="text-align: center;">5 marks)</p> <p style="text-align: center;">=</p> <p style="text-align: center;">1+5</p> <p style="text-align: center;">=</p> <p style="text-align: center;">6 marks</p>
<p>25</p>	<p>Q. Explain any four points of importance of planning.</p> <p>Ans. <u>Importance of planning:</u> (Any four)</p> <p>(i) Provides directions.</p>	<p style="text-align: center;">½ mark</p>

<p>(ii) Reduces the risks of uncertainty.</p> <p>(iii) Facilitates decision making.</p> <p>(iv) Reduces overlapping and wasteful activities.</p> <p>(v) Promotes innovative ideas.</p> <p>(vi) Establishes standards for controlling.</p> <p>(If an examinee has not given the headings as above but have given the correct explanations, full credit should be given)</p> <p style="text-align: center;">OR</p> <p>Q. Differentiate between ‘formal’ and ‘informal’ organisation on any six basis.</p> <p>Ans. <u>DIFFERENCE BETWEEN FORMAL AND INFORMAL ORGANIZATION (Any six)</u></p> <table border="1" data-bbox="334 1986 1580 2648"> <thead> <tr> <th data-bbox="334 1986 679 2153">Basis</th> <th data-bbox="679 1986 1130 2153">Formal Organisation</th> <th data-bbox="1130 1986 1580 2153">Informal Organisation</th> </tr> </thead> <tbody> <tr> <td data-bbox="334 2153 679 2648">(i) Meaning</td> <td data-bbox="679 2153 1130 2648">Formal organisation refers to the organisation structure which is designed by the management to accomplish a</td> <td data-bbox="1130 2153 1580 2648">Informal organisation is a network of personal and social relations arising spontaneously as people associate with</td> </tr> </tbody> </table>	Basis	Formal Organisation	Informal Organisation	(i) Meaning	Formal organisation refers to the organisation structure which is designed by the management to accomplish a	Informal organisation is a network of personal and social relations arising spontaneously as people associate with	<p>for the heading</p> <p>+</p> <p>1 mark</p> <p>for the explanation</p> <p>= 1 ½ x 4</p> <p>=</p> <p>6marks</p> <p style="text-align: right;">OR</p>
Basis	Formal Organisation	Informal Organisation					
(i) Meaning	Formal organisation refers to the organisation structure which is designed by the management to accomplish a	Informal organisation is a network of personal and social relations arising spontaneously as people associate with					

	particular task.	one another.	1 x 6
(ii) Origin	It arises as a result of company's rules and policies.	It arises as a result of social interaction.	=
(iii) Authority	It arises by virtue of position in management.	It arises out of personal qualities.	
(iv) Behaviour	It is directed by rules.	There is no set behaviour pattern.	6 marks
(v) Flow of communication	Communication takes place through the scalar chain.	Communication can take place in any direction. There is no planned route.	
(vi) Nature	Its structure is rigid in nature.	Its structure is flexible in nature.	
(vii) Leadership	Managers are leaders.	Leaders may or may not be managers. They are chosen by the group.	



