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Senior School Certificate Examination

March -----2023

Marking Scheme---Business Studies 66/1/1, 66/1/2, 66/1/3

General Instructions:

1	You are aware that evaluation is the most important process in the actual and correct assessment of the candidates. A small mistake in evaluation may lead to serious problems which may affect the future of the candidates, education system and teaching profession. To avoid mistakes, it is requested that before starting evaluation, you must read and understand the spot evaluation guidelines carefully.
2	**"Evaluation policy is a confidential policy as it is related to the confidentiality of the examinations conducted, Evaluation done and several other aspects. Its' leakage to public in any manner could lead to derailment of the examination system and affect the life and future of millions of candidates. Sharing this policy/document to anyone, publishing in any magazine and printing in News Paper/Website etc may invite action under various rules of the Board and IPC."**
3	Evaluation is to be done as per instructions provided in the Marking Scheme. It should not be done according to one's own interpretation or any other consideration. Marking Scheme should be strictly adhered to and religiously followed. **However, while evaluating, answers which are based on latest information or knowledge and/or are innovative, they may be assessed for their correctness otherwise and due marks be awarded to them.**
4	The Marking scheme carries only suggested value points for the answers These are in the nature of Guidelines only and do not constitute the complete answer. The students can have their own expression and if the expression is correct, the due marks should be awarded accordingly.
5	The Head-Examiner must go through the first five answer books evaluated by each evaluator on the first day, to ensure that evaluation has been carried out as per the instructions given in the Marking Scheme. If there is any variation, the same should be zero after delibration and discussion. The remaining answer books meant for evaluation shall be given only after ensuring that there is no significant variation in the marking of individual evaluators.
6	Evaluators will mark(√) wherever answer is correct. For wrong answer CROSS 'X" be marked. Evaluators will not put right (✓)while evaluating which gives an impression that answer is correct and no marks are awarded. **This is most common mistake which evaluators are committing**
7	If a question has parts, please award marks on the right-hand side for each part. Marks awarded for different parts of the question should then be totaled up and written in the left-hand margin and encircled. This may be followed strictly.
8	If a question does not have any parts, marks must be awarded in the left-hand margin and encircled. This may also be followed strictly
9	If a student has attempted an extra question, answer of the question deserving more marks should be retained and the other answer scored out with a note **"Extra Question"**.

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10	No marks to be deducted for the cumulative effect of an error. It should be penalized only once.
11	A full scale of marks _____(example 0 to 80/70/60/50/40/30 marks as given in Question Paper) has to be used. Please do not hesitate to award full marks if the answer deserves it.
12	Every examiner has to necessarily do evaluation work for full working hours i.e., 8 hours every day and evaluate 20 answer books per day in main subjects and 25 answer books per day in other subjects (Details are given in Spot Guidelines).
13	Ensure that you do not make the following common types of errors committed by the Examiner in the past:- ● Leaving answer or part thereof unassessed in an answer book. ● Giving more marks for an answer than assigned to it. ● Wrong totaling of marks awarded on an answer. ● Wrong transfer of marks from the inside pages of the answer book to the title page. ● Wrong question wise totaling on the title page. ● Wrong totaling of marks of the two columns on the title page. ● Wrong grand total. ● Marks in words and figures not tallying/not same. ● Wrong transfer of marks from the answer book to online award list. ● Answers marked as correct, but marks not awarded. (Ensure that the right tick mark is correctly and clearly indicated. It should merely be a line. Same is with the X for incorrect answer.) Half or a part of answer marked correct and the rest as wrong, but no marks awarded.
14	While evaluating the answer books if the answer is found to be totally incorrect, it should be marked as cross (X) and awarded zero (0)Marks
15	Any unassessed portion, non-carrying over of marks to the title page, or totaling error detected by the candidate shall damage the prestige of all the personnel engaged in the evaluation work as also of the Board. Hence, in order to uphold the prestige of all concerned, it is again reiterated that the instructions be followed meticulously and judiciously
16	The Examiners should acquaint themselves with the guidelines given in the "**Guidelines for spot Evaluation**" before starting the actual evaluation.
17	Every Examiner shall also ensure that all the answers are evaluated, marks carried over to the title page, correctly totaled and written in figures and words.
18	The candidates are entitled to obtain photocopy of the Answer Book on request on payment of the prescribed processing fee. All Examiners/Additional Head Examiners/Head Examiners are once again reminded that they must ensure that evaluation is carried out strictly as per value points for each answer as given in the Marking Scheme

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66/1/3	MARKING SCHEME– 2023 BUSINESS STUDIES 66/1/3 EXPECTED ANSWERS / VALUE POINTS	Marks
1	**Q. Which of the following statements does not highlight the importance of financial planning?** **(a) Detailed plans of action prepared under financial planning increase waste, duplication of efforts and gaps in planning.** **(b) It helps in forecasting what may happen in future under different business situations** **(c) It provides a link between investment and financing decisions on a continuous basis.** **(d) It helps in avoiding business shocks and surprises and helps the company in preparing for the future** Ans (a) Detailed plans of action prepared under financial planning increase waste, duplication of efforts and gaps in planning.	**1 mark**
2	**Q. 'Roma Ltd' identified the needs of the customers for the successful marketing of their products. This was important for making an analysis of the available opportunities, threats, weaknesses and strengths of the organisation and help in deciding what opportunities can best be pursued by it.** **By doing so, which of the following functions of marketing is being performed by 'Roma Ltd'?** **(a) Standardisation and grading** **(b) Product designing and development** **(c) Marketing planning**	

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	(d) Gathering and analysing market information Ans (d) Gathering and analysing market information	**1 mark**
3	**Q._____ refers to the downward transfer of authority from a superior to a subordinate.** **(a) Organising** **(b) Decentralisation** **(c) Accountability** **(d) Delegation** Ans (d) Delegation	**1 mark**
4	**Q. During the Covid-19 pandemic, the restaurant industry faced many challenges. The slowdown led to huge decrease in demand. From April 2022, the effect of Covid started reducing. The economy started picking up and a boom was noticed in the restaurant industry. As a result, larger amount of working capital was required with increased production and sales.** **The factor affecting the working capital requirement discussed above is:** **(a) Seasonal factor** **(b) Production cycle** **(c) Operating efficiency** **(d) Business cycle** Ans (d) Business Cycle	**1 mark**
5	**Q. Adapting to a change in consumer preference towards online shopping. Fast-Service' started a grocery delivery app. It is a platform that ensures 10-minute deliveries of groceries. Because of this service, Fast-Service earned huge profit within a year. It planned to expand its operations and decided to raise funds by directly issuing its securities to investors.** **The market through which Fast-Service' has decided to**	

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	raise funds for its expansion is : **(a) Money market** **(b) Primary market** **(c) Secondary market** **(d) Both Primary and Secondary markets** Ans (b) Primary market	**1 mark**
6	**Q. 'Capital Market instruments are riskier both with respect to returns and principal repayment as compared to Money Market instruments.'** **This highlights the following point of difference between 'Capital Market' and 'Money Market':** **(a) Instruments** **(b) Duration** **(c) Safety** **(d) Liquidity** Ans (c) Safety	**1 mark**
7	**Q.** **The symbol which appears on all the 'Elegant' cars and which is not utterable is known as its:** **(a) Brand** **(b) Brand name** **(c) Brand mark** **(d) Trade mark** Ans (c) Brand mark	**1 mark**
8	**Q. 'A good physical distribution system should provide for an accurate and speedy processing of orders in the**	

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	absence of which goods will reach the customers late or in wrong quantity.' **The component of physical distribution highlighted above is:** **(a) Warehousing** **(b) Order Processing** **(c) Transportation** **(d) Inventory Control** Ans (b) Order Processing	**1 mark**
9	**Q. _____ involves a variety of programmes designed to promote or protect a company's image and its individual products in the eyes of the public.** **(a) Personal selling** **(b) Public relations** **(c) Sales promotion** **(d) Advertising** Ans (b) Public relations	**1 mark**
10	**Q. 'Coordination integrates the efforts of different departments and at different levels'.** **Identify the characteristic of coordination highlighted in the above statement.** **(a) Coordination ensures unity of action.** **(b) Coordination is an all pervasive function.** **(c) Coordination is a deliberate function.** (d) **Coordination is the responsibility of all managers**. Ans (b) Coordination is an all pervasive function.	**1 mark**
11	**Q. The process of defining and grouping the activities of the enterprise and establishing authority relationship among them is :** **(a) Directing** **(b) Staffing**	

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	(c) Management (d) **Organising** Ans (d) Organising	**1 mark**
12	**Q. Which of the following are the examples of Legal Environment ?** **(i) Advertisement of alcoholic beverages is prohibited** **(ii) Decrease in interest rate on loans** **(iii) Increase in demand for organic foods** **(iv) Digilockers for storing documents** **(v) In 1993, the Supreme Court passed an order to close the iron foundries around 'Taj Mahal' at Agra** **(a) (i) and (iv)** **(b) (i) and (ii)** **(c) (ii) and (iii)** **(d) (i) and (v)** Ans (d) (i) and (v)	**1 mark**
13	**Q. Which of the following is not a step in the process of 'Controlling' function of management ?** **(a) Setting performance standards** **(b) Assignment of duties** **(c) Taking corrective action** **(d) Comparing actual performance with standards** Ans (b) Assignment of duties	**1 mark**
14	**Q. Statement I: Management is multi-dimensional.** **Statement II : The activities involved in managing an enterprise are common to all organisations whether economic, social or political.** **Choose the correct option from the options given below:** **(a) Statement I is true and II is false** **(b) Statement II is true and I is false.** **(c) Both the statements are false.**	

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	(d) Both the statements are true. Ans (d) Both the statements are true	**1 mark**
15	**Q. Umang was working as a 'Production Manager' at 'LG Papers Ltd.' The company had launched new eco-friendly paper straws in the market. He was given a target of producing 5,000 straws a day, by the General Manager. In spite of making the employees work overtime, Umang could not meet the target.** **On investigation, it was found that the employees had not received the right training to manufacture these eco-friendly paper straws. So the employees were sent for special training.** **The function of management which helped Umang in identifying that he could not meet the target is:** **(a) Planning** **(b) Organising** **(c) Directing** **(d) Controlling** Ans (d) Controlling	**1 mark**
16	**Q. Match the various characteristics of Business environment given in Column I with their respective explanations in Column II:** **Column I** — **Column II** **A. Dynamic nature** — **(i) Environment is a phenomenon that is relatively easier to understand in parts but difficult to grasp in its totality.** **B. Complexity** — **(ii) Business environment differs from country to country and even region to region.** **C. Relativity** — **(iii) Business environment keeps on**	

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	changing, whether in terms of technological improvement or shifts in consumer preferences. **(a) A- (iii), B-(ii), C-(i)** **(b) A-(ii,) B- (iii), C-(i)** **(c) A-(iii,) B-(i), C-(ii)** **(d) A-(i), B-(ii), C-(iii)** Ans (c) A-(iii), B-(i), C-(ii)	**1 mark**
17	**Q. Management has its own vocabulary of terms and concepts. Managers need to communicate with one another with the help of a common vocabulary for the better understanding of their work situation.** **Which characteristic of 'Management as a Science' is highlighted in the above statement ?** **(a) Principles based on experimentation** **(b) Systematised body of knowledge** **(c) Universal validity** **(d) Personalised application** Ans (b) Systematised body of knowledge	**1 mark**
18	**Q. _____as an element of marketing mix includes the activities that make the firm's products available to the target customers.** **(a) Promotion** **(b) Place** **(c) Product** **(d) Price** Ans (b) Place	**1 mark**
19	**Q. Sangeeta visited 'Smile Dental Clinic' for treatment of toothache. She observed that the receptionist was seated at the reception desk, the place fixed for her. Dental instruments were laid neatly in dental instrument trays and the used instruments were placed**	

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	in the sterilisation area. There was a fixed place for everything and it was present there. There was no hindrance in the work of the dentist and he was working with her maximum efficiency. **The principle of management followed at the Smile Dental Clinic was :** **(a) Equity** **(b) Discipline** **(c) Order** **(d) Initiative** Ans (c) Order	**1 mark**
20	**Q. 'Alfanzo Ltd' is achieving all its objectives in an effective and efficient manner. It is earning enough revenue to cover costs and the risks of the business. Now the company wants to increase the sales volume, the capital investment, the number of employees and the number of products also.** **By doing this, the management wants to achieve its following objective :** **(a) Survival** **(b) Profit** **(c) Personal** **(d) Growth** Ans (d) Growth	**1 mark**
21	**Q. (a)** **(i) Name the process of holding securities in an electronic form.** **(ii) Name any two participants of Money Market.** **(iii) Name the depositories that hold securities in electronic form.** Ans (a) (i) Dematerialisation	**1 mark+**

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	(ii) RBI, Commercial Banks, NBFCs, State Governments, Large Corporate Houses, Mutual Funds. **(Any two)** (iii) National Securities Depositories Limited (NSDL) and Central Depository Services Limited (CDSL) **OR** **Q. (b) State any three factors affecting the dividend decision.** Ans (b) Factors affecting dividend decision are (**Any three**): (i) Amount of earnings are a major determinant of dividend decision as dividends are paid out of current and past earnings. (ii) Stability of earnings is another factor affecting dividend decision as a company having stable earnings is in a position to declare higher dividends. (iii) Companies generally prefer to maintain stability of dividends while taking dividend decision. (iv) If a company has good growth opportunities, it pays out less dividend. (v) A good cash flow position is necessary for declaration of dividend. (vi) Shareholders' preference is kept in mind by the management before declaring dividends. (vii) Taxation policy affects the dividend decision as a higher dividend distribution tax will lead to lesser dividend payout. (viii) The possible stock market reaction of dividend policy on the share price is one of the important factors affecting dividend decision. (ix) While taking dividend decision, companies take into consideration their access to capital market. (x) Certain provisions of the Companies Act i.e. legal constraints place restrictions on payout of dividend. (xi) While taking dividend decision, companies keep in mind the restrictions imposed by the lenders i.e. contractual constraints. (If the examinee has listed the points only, ½ mark each to	**1/2x2=1+** **1/2x2=1 =3marks** **1x3** **=** **3 marks**

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	be awarded)	
22	**Q. Hitesh is the Chief Executive Officer of 'Kids Garments Ltd.' Due to festive season, Hitesh got an additional order of 10,000 garments which he had to supply within two days, Due to his goodwill in the market, he did not want to lose the order, So, he decided to achieve the target by operating on double shifts. He achieved the target and supplied the order within two days. But due to double shifts, his cost of production was higher than the regular production cost. Identify and give the meaning of the two concepts of management discussed in the above para.** Ans. Efficiency and Effectiveness Efficiency means doing the task correctly and with minimum cost. Effectiveness is concerned with doing the right task, completing activities and achieving goals. (Or any other suitable meaning)	**1/2x2=1** **+1 mark +** **1 mark = 3 marks**
23	**Q. 'The attitudes, skills and abilities of employees to perform specific jobs are increased by adopting a specific process.' This process benefits the organisation in many ways.** **State any three benefits of this process to the organisation.** Ans Benefits of training to the organisation : **(Any 3)** (i) Training is a <u>systematic learning</u>, always better than hit and trial methods which lead to wastage of efforts and money. (ii) It <u>enhances employee productivity</u> both in terms of quantity and quality, leading to higher profits.	**1x3 =**

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	(iii) Training equips the future manager who can take over in case of emergency. (iv) Training increases employee morale and reduces absenteeism and employee turnover. (v) It helps in obtaining effective response to fast changing environment. (If the examinee has listed the points only, ½ mark each to be awarded)	**3 marks**
24	**Q. (a) Explain the following methods of training:** **(i) Vestibule training** **(ii) Internship training** Ans (a) **Vestibule training** • Employees learn their jobs on the equipment they will be using, away from the actual work floor. • This is usually done when employees are required to handle sophisticated machinery and equipment **(b) Internship training** • It is a joint programme of training in which educational institutions and business firms cooperate. • Selected candidates carry on regular studies as well as work in some factory or office to acquire practical knowledge and skills. **OR** **(b) Explain any three advantages of external sources of recruitment.** Ans (b) Advantages of external sources of recruitment: **(Any three)** (i) Qualified Personnel: The management can attract qualified and trained people to apply for vacant jobs in the organisation. (ii) Wider Choice: When vacancies are advertised widely, a large number of applicants apply. The management has a wider choice while selection.	**1 ½ + 1 ½** **=** **3 marks** **1x3** **=**

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	(iii) Fresh Talent: The present employees may be insufficient or they may not fulfill the specifications of the jobs to be filled. External recruitment provide wider choice and brings new blood in the organisation. (iv) Competitive Spirit: If a company taps external sources, the existing staff will have to compete with the outsiders. They will work harder to show better performance.	**3 marks**
25	**Q. X Ltd.' issued 14% Debentures of ₹4,00,000 and 10,000 Equity shares of ₹60 each. This investment resulted in a net profit of ₹2,00,000 before interest and tax. The tax rate was 50%.** **(a) Calculate the 'Return on Investment and Earning per Share of 'X Ltd.'** **(b) State with reason whether the above example is that of favourable or unfavourable financial leverage.** Ans (a) Return on Investment $= \frac{\text{Profit before interest and tax or EBIT}}{\text{Capital employed or Total Investment}} \times 100$ $= \frac{2,00,000}{10,00,000} \times 100$ =20% Earning per share = $\frac{\text{Profit after interest and tax}}{\text{Number of equity shares}}$ $= \frac{2,00,000 - 56,000 - 72,000}{10,000}$ = ₹ 7.20 per share Ans (b) It is a case of favourable financial leverage as the ROI > Rate of interest.	**1 ½ marks** **+** **1 ½ marks** **+** **½ mark + ½ mark for reason=1**

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		1 ½ + 1 ½ +1 **4 marks**
26	**Q. Nitya is a student of class XIl of a well-known school. She has a preconceived notion that her teacher always finds fault in her work. One day while checking the project work of class XII, her teacher wanted to appreciate Nitya for her hard work and good performance, but before she could complete her sentence, Nitya left the room without listening to her teacher.** **(a) Identify the 'barrier to communication' and also the type/category of barrier to which it is related.** **(b) Explain two other communication barriers of the type/category identified in (a) above.** Ans (a) Premature Evaluation and Psychological Barriers Ans (b) **Any two** of the following: (i) Lack of Attention : The pre-occupied mind of receiver and the resultant non listening of message acts as a major psychological barrier. (ii) Loss by transmission and poor retention : When communication passes through various levels, successive transmissions of the message results in loss of, or transmission of inaccurate information. (iii) Distrust : Distrust between communicator and communicatee acts as a barrier. If the parties do not believe each other, they cannot understand each others message in its original sense.	**½ x 2= 1mark** **½ mark for heading and 1 mark for explanation** **1 ½ x2 =3** **1+3 = 4 marks**
27	**Q. Identify and give the meaning of the concepts highlighted in the following statements :** **(a) The process of finding possible candidates for a job.**	

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	(b) An assessment of the number and types of human resources necessary for the performance of various jobs. **(c) Introducing the selected employees to other employees and familiarising them with the rules and policies of the onganisation.** **(d) It ensures that the organisation gets the best employees amongst the employees available.** Ans (a) Recruitment Recruitment may be defined as the process of searching for prospective employees and stimulating them to apply for jobs in the organisation. (b)Workload analysis is a part of first step of staffing process i.e., estimating the manpower requirements. It involves assessment of the number and types of human resources necessary for the performance of various jobs and <u>accomplishment of organisational objectives.</u> (c) Orientation Orientation involves giving a brief presentation about the company to the employee and introducing him/her to his/her superiors, subordinates and the colleagues. (d) Selection Selection is the process of identifying and choosing the best person out of a number of prospective candidates for a job.	**½ mark for identification and ½ mark for meaning** **4 marks**
28	**Q. 'Zeto Ltd.' offers its employees shares at a price which is less than the market price.** **(a) Identify the incentive offered by the company and state the type of incentive discussed above.** **(b) State two other incentives of the type of incentive identified in (a) above.** Ans (a) Co-partnership/ Stock option	

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	Financial incentives are the incentives measurable in direct monetary form/term which serve to motivate people for better performance. (If the examinee has listed the type of incentive only, ½ mark to be awarded)	**1** **+1** **=2 marks**
	Ans (b) Two other financial incentives are : **(Any 2)** (i) Pay and allowances include basic pay, dearness allowance and other allowances. (ii) Productivity linked wage incentive aims at linking payment of wages to increase in productivity at individual or group level. (iii)Bonus is an incentive offered over and above the wages/ salary to the employees. (iv)Sharing profit with employees serves to motivate the employees to improve their performance and contribute to increase in profits (v) Retirement benefits such as provident fund, pension, and gratuity provide financial security to employees after their retirement. (vi)Perquisites and fringe benefits are offered such as car allowance, housing, medical aid, and education to the children etc., over and above the salary. (If the examinee has listed the points only, ½ mark each to be awarded)	**1x2 =2marks** **2+2=** **4 marks**

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29	**Q. (a) Keeping in mind the emerging nature of the securities market in India, Securities Exchange Board of India was entrusted with the twin task of both regulation and development of the securities market. State any two regulatory and two development functions of it.** Ans (a) Functions of Securities Exchange Board of India: Regulatory Functions: **(Any two)** 1.Registration of brokers and sub- brokers and other players in the market. 2.Registration of collective investment schemes and mutual funds. 3.Regulation of stock brokers, portfolio exchanges, underwriters and merchant bankers and the business in stock exchanges and any other securities market. 4.Regulation of takeover bids by companies. 5.Calling for information by under- taking inspection, conducting enquiries and audits of stock exchanges and intermediaries. 6.Levying fee or other charges for carrying out the purposes of the Act. 7.Performing and exercising such power under Securities Contracts (Regulation) Act 1956, as may be delegated by the Government of India. Development Functions: **(Any two)** 1.Training of intermediaries of the securities market. 2.Conducting research and publishing information useful to all market participants. 3.Undertaking measures to develop the capital markets by adapting a flexible approach. **OR** **Q. (b) Explain the following factors affecting the working capital requirements of an enterprise:** **(i) Nature of business** **(ii)Availability of raw material**	**2+2 = 4 marks**

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	Ans (b) Factors affecting the working capital requirements of an enterprise: (i) Nature of business • A trading organisation usually needs a smaller amount of working capital compared to a manufacturing organisation. • This is because there is no processing. • Similarly, service industry which usually do not have to maintain inventory require less working capital. (ii) Availability of raw material • If the required materials are available freely and continuously, lower stock levels may suffice. • However, if raw materials do not have record of un-interrupted availability, higher stock levels may be required. • Larger the lead time, larger the quantity of material to be stored.	**2+2 = 4 marks**
30.	**Q. (a) What is meant by Consumer Protection? Explain any two points of importance of consumer protection from the consumers' point of view.** Ans (a) Consumer protection refers to educating consumers about their rights and responsibilities, and also helping in getting their grievances redressed. Importance of consumer protection from the consumers' point of view: **(Any two)** (i) Consumer ignorance (ii) Unorganised consumers (iii) Widespread exploitation of consumers	**1 mark** **½ mark for heading and 1 mark for explanation 1 ½ x2=3**

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	OR **(b) Explain the following rights of a consumer:** **(i) Right to choose** **(ii) Right to safety** Ans (b) (i) Right to choose / be assured • The consumer has the freedom to choose from a variety of products at competitive prices. • This implies that the marketers should offer a wide variety of products and allow the consumers to make a choice. (ii) Right to Safety: • The consumer has a right to be protected against goods and services which are hazardous to life and health. • Consumers are educated that they should use products which are standardised as this would be an assurance of such products meeting quality specifications.	**1+3=4marks** **2+2** **= 4 marks**
31	**Q. (a) Explain the following principles of Scientific Management:** **(i) Harmony, not Discord** **(ii) Science, not Rule of Thumb** **Ans.** (a) (i) Harmony, not Discord • There should be complete harmony between the management and workers. • Both should realise that each one is important.	

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	• Management should share the gains of the company with the workers and workers should be willing to embrace change for the good of the company. (ii) Science, not Rule of Thumb • There is only one best method to maximise efficiency, that can be developed through study and analysis. • This method should substitute 'Rule of Thumb' throughout the organisation. • This saves human energy as well as wastage of time and materials. **OR** **Q. (b) Explain the following principles of management:** **(i) Equity** **(ii) Authority and responsibility** **(iii) Stability of Personnel** Ans (b) i) Equity • This principle emphasizes kindliness and justice in the behaviour of managers towards workers. • There should be no discrimination against anyone on account of sex, religion, language, caste, belief or nationality etc. ii) Authority and responsibility • There should be a balance between authority and responsibility. • Authority without responsibility would lead	**3x2** **= 6 marks** **2x3** **= 6 marks**

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	to its misuse. At the same time, manager should have necessary authority to carry out his responsibility. iii) Stability of personnel • Selected employees should be kept at their post/ position for a minimum fixed tenure. • They should be given reasonable time to show results.	
32	**Q. 'It involves setting objectives and developing appropriate course of action from amongst the different alternative courses of action to achieve these objectives.'** **(a) Identify the function of management referred above.** **(b) State any five features of the function of management identified in (a) above.** Ans (a) Planning (b) Features of the function of management: **(Any five)** (i) <u>Planning focuses on achieving objectives</u>. Planning has no meaning unless it contributes to the achievement of predetermined organisational goals. (ii) <u>Planning is a primary function of management</u>. It lays down the base for other functions of management. (iii) <u>Planning is pervasive function</u> of management. It is required at all levels of management as well as in all departments of the organisation. (iv) <u>Planning is continuous function of management</u>. It means that a plan is framed, it is implemented, and is followed by another plan, and so on. (v) <u>Planning is futuristic.</u> Planning is regarded as a forward looking function based on forecasting. (vi) <u>Planning involves decision making</u>. It essentially involves choice from among various alternatives	**1 mark**

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	and activities. (vii) Planning is a mental exercise. It requires application of the mind involving foresight, intelligent imagination and sound judgement. (If the examinee has listed the points only, ½ mark each to be awarded)	**1x5 =5** **1+5 =6marks**
33	**Q. 'Sweets and More' is one of India's most popular brand for snacks and sweets, It offers a wide range of sweets, namkeens, cookies and frozen foods.** **Its organisational structure comprises of separate business units in each of the above categories. Each of these units have a manager responsible for performance, having authority over the unit. Moreover, each of these units is multi-functional as within each unit, different functions like production, marketing. finance, etc. are performed. Though this kind of organizational structure leads to increased cost because of duplication of activities across products, but it provides a proper basis for performance measurement as revenues and costs related to each of these business units can be easily identified.** **(a) Identify the organisational structure of 'Sweets and More.'** **(b) State three advantages and two disadvantages of the organisational structure identifed in (a) above which are not discussed in the above case.** Ans (a) Divisional structure (b) Three advantages of divisional structure: i) Product specialisation helps in the development of varied skills in a divisional head and this prepares him for higher positions. This is because he gains experience in all functions related to a particular product. ii) It promotes flexibility and initiative because each	**1 mark**

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	division functions as an autonomous unit which leads to faster decision making. iii) It facilitates expansion and growth as new divisions can be added without interrupting the existing operations by merely adding another divisional head and staff for the new product line. Two disadvantages of divisional structure: i) Conflict may arise among different divisions with reference to allocation of funds and further a particular division may seek to maximise its profits at the cost of other divisions. ii) It provides managers with the authority to supervise all activities related to a particular division. In course of time, such a manager may gain power and in a bid to assert his independence may ignore organisational interests. (If the examinee has listed the points only, ½ mark each to be awarded)	**3 marks** **2 marks** **1+3+2= 6 marks**
34	**Q. 'X Ltd.' is engaged in the manufacturing of cars. The company surveyed the market and found that customers need a car which runs on eco-friendly fuel instead of petrol or diesel. Keeping the needs of customers as well as social, ethical and ecological aspects of marketing in mind, the company launched a new model of car that runs on bio-diesel. The launch event was covered by the top news channels and newspapers. This was done to disseminate information about the car and build goodwill of the business. 'X Ltd.' understands that it is imperative to manage public opinion and company's relations with the public on a regular basis.** (a) **Identify and explain the marketing philosophy involved in the above caşe.** **(b) Identify and explain the communication tool that was used by the company.** **(c) Explain any two other promotional tools that can be used by 'X Ltd' to achieve its objectives** Ans	

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	(a) Societal Marketing Concept The societal marketing concept holds that the task of any organisation is to identify the needs and wants of the target market and deliver the desired satisfaction in an effective manner so that the long-term well-being of the consumers and the society is taken care of.	**1 mark for identification + 1 mark for explanation i.e,1+1=2**
	(b) Public Relations Public relations involves a variety of programmes designed to promote or protect a company's image and its individual products in the eyes of the public. Concrete steps are to be taken to monitor the attitude of the general public and generate positive publicity.	**1 mark for identification + 1 mark for explanation i.e,1+1=2**
	(c) Other promotional tools that can be used by X Ltd: **(Any two)** (i)Advertising – It refers to impersonal form of communication which is paid for by an identified sponsor/marketer to promote some goods, services, or ideas. (ii) Sales promotion : It refers to short term incentives, which are designed to encourage the buyers to make immediate purchase of a product or service. (iii) Personal Selling: Personal selling involves oral presentation of message in the form of conversation with one or more prospective customers for the purpose of making sales.	**1+1=2** **2+2+2= 6 marks**

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