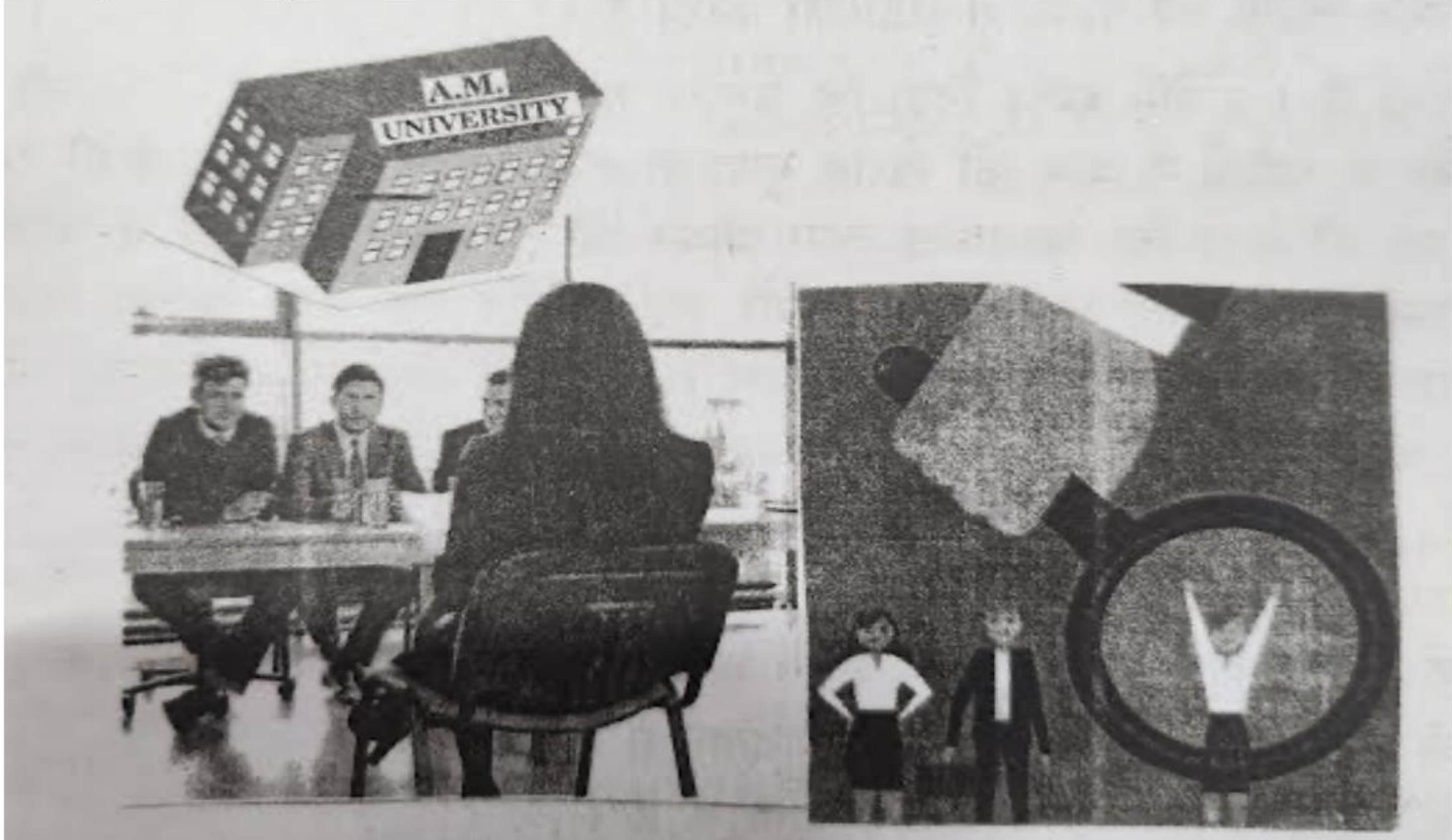


-Strictly Confidential: (For Internal and Restricted Use Only)
Senior School Certificate Examination
March-----2023
Marking Scheme---Business Studies 66/4/1

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 deliberation 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 ”.
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

	MARKING SCHEME– 2023 BUSINESS STUDIES 66/4/1 EXPECTED ANSWERS / VALUE POINTS	Marks
1	Q. The next step in the process of selection after Job offer is: (a) Medical examination (b) Selection decision (c) Employment interview (d) Contract of employment Ans. (d) Contract of employment	1 mark
2	Q. In planning, generally managers have to follow pre-determined plans and they are not in a position to change it. This statement highlights the following limitation of planning: (a) Planning may not work in a dynamic environment (b) Planning does not guarantee success (c) Planning leads to rigidity (d) Planning is time-consuming Ans. (c) Planning leads to rigidity.	1 mark
3	Q. Identify the external source of recruitment illustrated by the picture given below: 	

	(a) Recommendation of Employees (b) Labour Contractors (c) Campus Recruitment (d) Employment Exchange Ans. (c) Campus recruitment	1 mark
4	Resident Welfare Association (RWA) of Noida, Sector 15 decided to organise Diwali mela on the eve of Diwali. They listed all the activities to be done, grouped them as per their nature and assigned the activities/duties to different people of their association. After completion of the mela they found that it was not a success. While analysing the reasons the President of RWA found that mere allocation of work was not enough in the organisation. He found that an important step in the organising process was missing. Identify the step from the following: (a) Assignment of duties (b) Establishing authority and reporting relationships (c) Identification and division of work (d) Departmentalisation Ans. (b) Establishing authority and reporting relationships.	1 mark
5	Q. Management helps in providing good quality products and services, creating employment opportunities, adopting new technology for the greater good of the people and leads the path towards growth and development. This highlights the following point of importance of management: (a) Management helps in achieving group goals. (b) Management creates a dynamic organisation. (c) Management helps in the development of society. (d) Management helps in achieving personal objectives. Ans. (c) Management helps in the development of society.	1 mark

6	Q. Hitesh and Reena are entrepreneurs. They noticed that every year in the months of November and December, Delhi, the capital city of India, witnesses poor air quality and rise in pollution levels. They also observed that nowadays people are more concerned about quality of life. Sensing the need, they were the first to bring into the market a new ‘Anti-Pollution W-98 Mask’ which was not only helpful in combating the pollution but also in increasing the life expectancy of people. Their venture saw a massive success as there was no competitor. From the following, identify the importance of Business Environment highlighted above: (a) Business Environment helps the firm to identify threats and early warning signals. (b) Business Environment helps in tapping useful resources. (c) Business Environment helps in improving performance. (d) Business Environment enables the firm to identify the opportunities and in getting the first mover advantage. Ans. (d) Business Environment enables the firm to identify the opportunities and in getting the first mover advantage.	1 mark
7	Q. Neeraj is the Director of ‘Tulip Public School’ having 2000 students. There are two Headmasters - one for Senior classes and another for Junior classes. 50 teachers are under the supervision of the Senior Headmaster and 60 teachers under the supervision of the Junior Headmaster. No teacher working under the supervision of the Senior Headmaster is happy and satisfied, which is affecting the result of the Senior classes. On the other hand the teachers working under the supervision of the Junior Headmaster are performing their duties willingly and achieving their objectives. All the teachers are happy and satisfied. The Director, Neeraj can feel how nicely the Junior Headmaster was managing his classes. The characteristic of management discussed above is: (a) Management is a goal-oriented process (b) Management is a dynamic function	

	(c) Management is an intangible force (d) Management is a continuous process Ans. (c) Management is an intangible force.	1 mark
8	Q. Plastic utensils are often used as a low cost, convenient option for business or personal use. These utensils are lightweight, easy to transport and can be disposed off easily instead of cleaned and reused. But plastic utensils are harmful from health point of view and create various environmental issues. Nowadays health and fitness trend is becoming popular. People are looking for different alternatives and have started opting for paper-made, steel or glass utensils which has tremendously increased the demand of these products. The above para discusses an important dimension of Business Environment which is: (a) Economic Environment (b) Social Environment (c) Technological Environment (d) Political Environment Ans. (b) Social environment	1 mark
9	Q. Which of the following function of management measures the progress of objectives and guides the organisation to keep it on the right track so that organizational goals might be achieved? (a) Planning (b) Staffing (c) Directing (d) Controlling Ans. (d) Controlling	1 mark
10	Q. ‘AN Stationery Ltd.’ is manufacturing various items of stationery like pencils, erasers, gel-pens, ball-pens, etc. The Production Manager, Ghanshyam is very particular about the efficiency of production, which he measures by	

	counting the number of pieces produced and number of defective pieces in a batch. By doing this he is performing an important function of management which is: (a) Directing (b) Controlling (c) Organising (d) Planning Ans. (b) Controlling.	1 mark
11	Q. The method of training in which actual work environment is created in a classroom and employees use the same materials, files and equipment that are required to be used by them in their day-to-day working is: (a) Vestibule Training (b) Internship Training (c) Induction Training (d) Apprenticeship Training Ans. (a) Vestibule Training.	1 mark
12	Q. Statement I: For any exchange to take place it is important that there must be at least two parties - a buyer and a seller. Statement II: Exchange can take place even if the buyers and sellers are not able to communicate with each other. Choose the correct option from the following: (a) Both Statement I and Statement II are correct. (b) Both Statement I and Statement II are incorrect. (c) Statement I is correct and Statement II is incorrect. (d) Statement I is incorrect and Statement II is correct. Ans. (c) Statement I is correct and Statement II is incorrect.	1 mark
13	Q. Match the following marketing philosophies given in Column I with their respective meaning given in Column	

II.			
	Column I		Column II
P	The Product concept	(i)	It emphasises on increasing the profit through increased sales volumes by adopting aggressive selling techniques
Q	The Production concept	(ii)	It emphasises on quality performance and features of product and thus profit maximisation through product improvement
R	The Selling concept	(iii)	It emphasises on profit maximisation through volume of production, thereby reducing the cost of production
S	The Marketing concept	(iv)	It emphasises on profit maximisation through customer satisfaction, i.e. identifying the needs of its present and prospective buyers and satisfying them in an effective manner
(a) P-(ii), Q-(iii), R- (i), S-(iv) (b) P-(i), Q-(ii), R-(iv), S-(iii) (c) P-(iii), Q-(i), R-(ii), S-(iv) (d) P-(iv), Q-(iii), R-(i), S-(ii) Ans. (a) P-(ii), Q-(iii), R- (i), S-(iv)			
	1 mark		
14	Q. The function of Stock Exchange which helps in creating a continuous market where securities are bought and sold is: (a) Safety of transactions (b) Pricing of securities (c) Providing liquidity and marketability to existing securities		

	(d) Contribution to economic growth Ans. (c) Providing liquidity and marketability to existing securities.	1 mark
15	Q. The marketing function which includes plan for increasing the level of production, promotion of the products, etc. and specifies the action programmes to achieve these objectives is: (a) Gathering and analysing market information (b) Marketing planning (c) Product designing and development (d) Pricing of the product Ans. (b) Marketing planning	1 mark
16	Q. Which of the following statements is incorrect? (a) The protective functions of the Securities and Exchange Board of India include levying fee or other charges for carrying out the purposes of the Act. (b) The development functions of the Securities and Exchange Board of India include training of intermediaries of the securities market. (c) The regulatory functions of the Securities and Exchange Board of India include registration of collective investment schemes and mutual funds. (d) The objectives of the Securities and Exchange Board of India include protecting the rights and interests of investors, particularly individual investors and to guide and educate them. Ans. (a) The protective functions of the Securities and Exchange Board of India include levying fee or other charges for carrying out the purposes of the Act.	1 mark
17	Q. The use of debt increases the financial risk of a business. The factor determining the choice of an appropriate capital	

	structure of a company highlighted in the above statement is: (a) Debt Service Coverage Ratio (b) Risk consideration (c) Cost of debt (d) Flexibility Ans. (b) Risk consideration	1 mark
18	Q. 'A social process by which individual groups obtain what they need and want through creating offerings and freely exchanging products and services of value with others' is known as : (a) Marketing (b) Marketing mix (c) Branding (d) Packaging Ans. (a) Marketing	1 mark
19	Q. Which of the following statements is incorrect about Sales Promotion? (a) It includes short-term incentives which are designed to encourage the buyers to make immediate purchase of a product or services. (b) It includes all promotional efforts other than advertising, personal selling and public relations. (c) It includes only those activities that are used to provide long-term incentives to boost the sales of a firm. (d) It includes the activities which are undertaken to supplement other promotional efforts such as advertising and personal selling. Ans. (c) It includes only those activities that are used to provide long-term incentives to boost the sales of a firm.	1 mark

20	Q. Which of the following is not a factor affecting ‘Financing Decision’ of a Company: (a) Cost (b) Risk (c) Cash flow position of a company (d) Growth opportunities Ans. (d) Growth opportunities	1 mark
21	Q. After completing his MBA degree, Aman joined a multinational company ‘Zeyovya Ltd.’. His job demands long hours and commitment to the organisation. He is responsible for integrating diverse elements and coordinating all the activities of the business and for its impact on society. His job is complex and stressful. (a) Identify the level of management at which Aman joined the organisation. (b) State any two functions to be performed by Aman at this level other than those discussed in the para. Ans. Top Level Management <u>Functions to be performed by Aman at this level: (Any two)</u> (i) Responsible for the welfare and survival of the organisation. (ii) Analysing the business environment and its implications for the survival of the firm. (iii) Formulating overall organisational goals and strategies for their achievement.	1 mark 1 x 2 = 2 marks = 1+2 = 3 marks
22	Q. ‘Yellow Pumpkin’ is an Italian restaurant in Delhi, well known for its fresh and authentic dishes including pasta, pizza, etc. It has been serving its customers for the last 20 years. It had been winning various awards and recognition for its services. During Covid-19, it suffered huge losses. As the effect of Covid reduced and the business started picking up, the management of ‘Yellow Pumpkin’ also decided to go in for home delivery service to increase its revenue and profit. For this they needed support of their workers to	

	work overtime. 'Yellow Pumpkin' entered into an agreement with its workers to put in extra hours without additional payment to revive it out of losses. In return, they promised to increase the wages of the workers when the mission is accomplished. The workers put in extra hours as committed and in just three months, the restaurant's business turned around and it became profitable again. 'Yellow Pumpkin' honoured its commitment and not only increased the wages of the workers but also gave them bonus as an additional incentive. Identify and explain the principle of management followed by Yellow Pumpkin. Ans. <u>Discipline</u> - It is the <u>obedience to organizational rules and employment agreement</u> which are necessary for the working of the organization. - It requires <u>good superiors at all levels, clear and fair agreements</u> and judicious application of penalties. (Or any other correct explanation)	1 mark 2 marks = 1+2 = 3 marks
23	Q. (a) Explain any two features of Directing function of management. Ans. <u>Features of Directing: (Any two)</u> (i) Directing initiates action. (ii) Directing takes place at every level of management. (iii) Directing is a continuous process. (iv) Directing flows from top to bottom.	½ mark for the headin g + 1 mark for correc t explan ation = 1½ x 2 = 3 marks

	OR (b) Explain any two features of 'Motivation' as an element of Directing. Ans. <u>Features of Motivation</u>: (Any two) (i) Motivation is an internal feeling. (ii) Motivation produces goal-directed behaviour. (iii) Motivation can be either positive or negative. (iv) Motivation is a complex process. <i>(If an examinee has given only the heading, ½ mark for each heading should be awarded)</i>	OR ½ mark for the headin g + 1 mark for correc t explan ation = 1 x 3 = 3 marks
24	Q. (a) State any three points that highlight the importance of financial planning. Ans. <u>Importance of financial planning</u>: (Any three) (i) It helps in forecasting what may happen in future under different business situations. By doing so it helps the firms to face the eventual situation in a better way. (ii) It helps in avoiding business shocks and surprises and helps the company in preparing for the future. (iii) It helps in co-ordinating various business functions by providing clear policies and procedures. (iv) Detailed plans prepared under financial planning reduce waste, duplication of efforts and gaps in planning. (v) It tries to link the present with the future. (vi) It provides a link between investment and financing decisions on a continuous basis. (vii) By spelling out detailed objectives for various business	1 x 3 = 3 marks

	segments, it makes the evaluation of actual performance easier. OR (b) State how the following factors affect the working capital requirements of a company: (i) Seasonal Factors (ii) Production Cycle (iii) Operating Efficiency Ans. (i) <u>Seasonal Factors</u> In <u>peak season</u>, because of higher level of activity larger amount of working capital is required whereas the level of activity as well as the requirement for working capital will be lower during the <u>lean season</u>. (ii) <u>Production Cycle</u> It is the time span between the receipt of raw material and their conversion into finished goods. Duration and the length of production cycle, affects the amount of funds required for raw materials and expenses. <u>Working capital requirement is higher in firms with longer processing cycle</u> and lower in firms with shorter processing cycle. (iii) <u>Operating Efficiency</u> Firms manage their operations with varied degrees of efficiency. Better sales efforts may reduce the average time for which finished goods inventory is held. <u>Such efficiencies may reduce the level of raw materials, finished goods and debtors resulting in lower requirement of working capital.</u>	OR 1 mark 1 mark 1 mark = 3 marks
25	Q. (a) (i) Identify the process of choosing the best person from among the pool of the prospective candidates. State the first step in the process identified. (ii) In all cases, including highly specialised jobs, where the	

	choice is very narrow, the process identified in (i) above serves two important purposes. State these purposes. Ans. (i) <u>Selection</u> The first step in the process of ‘selection’ is ‘Preliminary Screening’ which helps the manager eliminate unqualified or unfit job seekers based on the information supplied in the application forms. Preliminary interviews help reject misfits for reasons, which did not appear in the application forms. (ii) <u>The process of selection serves the following two important purposes:</u> - It ensures that the organisation gets the best among the available; and - It enhances the self-esteem and prestige of those selected and conveys to them the seriousness with which the things are done in the organisation. OR (b) Identify and explain the following: (i) The job-oriented process that increases knowledge and skills and enables the employee to do the job better. (ii) The career-oriented process of learning and growth that enables the overall growth of the employee. Ans. (a) <u>Training</u> It is a process by which the aptitudes, skills and abilities of employees to perform specific jobs are increased. It attempts to improve their performance on the current job or prepare them for any intended job.	1 mark for Identif ication + 1 mark for stating + 1 x 2 = 2 marks = 1+1+2 = 4 marks OR 1 mark for identi ficatio n + 1
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	(b) <u>Development</u> It refers to the learning opportunities designed to help employees grow. It covers not only those activities which improve only job performance but also those which bring about growth of the personality. <i>(or any other correct explanation)</i>	mark for explan ation 1 mark For identi ficatio n + 1 mark for explan ation = 1+1+1 +1 = 4 marks
26	Q. (a) State any four features of 'Leadership' Ans. <u>Features of Leadership: (Any four)</u> (i) Leadership indicates ability of an individual to influence others. (ii) Leadership tries to bring change in the behaviour of others. (iii) Leadership indicates interpersonal relations between leaders and followers. (iv) Leadership is exercised to achieve common goals of the organisation. (v) Leadership is a continuous process. OR (b) Give the meaning of 'Autocratic' and 'Democratic' style of Leadership.	1 x 4 = 4 marks OR

	Ans. <u>Autocratic Leadership</u> In autocratic leadership, a leader gives orders and expects his subordinates to obey those orders. In this style of leadership, communication is only one way. The subordinate only acts according to the command given by the manager. <i>(Or any other correct explanation)</i> <u>Democratic Leadership</u> In democratic leadership, a leader will develop action plans and makes decisions in consultation with his subordinates. He encourages them to participate in decision-making. In this style of leadership, both senior and subordinate respect each other's opinion to accomplish organisational objectives. <i>(Or any other correct explanation)</i>	2 marks 2 marks = 4 marks
27	Q. Considering the inadequate job opportunities and too many aspirants for jobs, 'Alen Pvt. Ltd.' decided to give its employees certain stability about future income and work so that they do not feel worried on these aspects. As a result, the employees of 'Alen Pvt. Ltd.' are now working with greater zeal. Identify the incentive discussed in the above lines and state three more incentives of the same type. Ans. Type of incentives discussed in the above lines is <u>Non-financial/Job security</u>. (Any one) <u>Any three incentives of this type are:</u> (i) <u>Status</u> It means ranking of positions in the organisation. The authority, responsibility, rewards, recognition, perquisites	1 mark

and prestige of job indicates the status given to a person holding a managerial position. (ii) <u>Organisational Climate</u> It indicates the characteristics which describe an organisation and distinguish one organisation from the other. Individual autonomy, reward orientation, consideration to employees, risk-taking, etc. are the characteristics which help in developing better organisational climate. (iii) <u>Career Advancement Opportunity</u> Managers should provide opportunity to employees to improve their skills and be promoted to the higher level jobs. Promotions work as a tonic and encourage employees to exhibit improved performance. (iv) <u>Job Enrichment</u> It is concerned with designing jobs that include greater variety of work content, require higher level of knowledge and skills, give workers more autonomy and responsibility and provide the opportunity for personal growth and a meaningful work experience. (v) <u>Employee Recognition Programmes</u> People need evaluation of their work and due recognition. They feel that what they do should be recognised by others concerned. Recognition means acknowledgement with a show of appreciation. (vi) <u>Employee Participation</u> It refers to involving employees in decision-making of the issues related to them. It may be in the form of joint management committees, work committees, etc. (vii) <u>Employee Empowerment</u> It means giving more autonomy and powers to subordinates. Empowerment makes people feel that their jobs are important	$\frac{1}{2}$ mark for namin g each incenti ve + $\frac{1}{2}$ mark for its correc t explan ation = 1 x 3 = 3 marks = 1+3 = 4 marks
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	and with this feeling they contribute positively. <i>(If an examinee has given the correct statement without giving the headings, full marks for each statement is to be awarded)</i>																	
28	Q. Give the meaning of ‘Capital Market’. Differentiate between ‘Capital Market’ and ‘Money Market’ on the basis of the following: (a) Participants (b) Investment Outlay (c) Duration Ans. <u>Capital Market</u> refers to facilities and institutional arrangements through which long term funds, both debt and equity are raised and invested. Difference between Capital Market and Money Market <table><tr><th></th><th>Basis</th><th>Capital Market</th><th>Money Market</th></tr><tr><td>A</td><td>Participants</td><td>Financial Institutions, Banks, Corporate entities, Foreign Investors and Ordinary Retail Investors from members of the public.</td><td>RBI, Banks, Financial institutions, and Finance Companies.</td></tr><tr><td>B</td><td>Investment outlay</td><td>Investment in capital market i.e. securities does not necessarily require a huge financial outlay. The value of units of securities is generally low.</td><td>Transactions entail huge sums of money as the instruments are quite expensive.</td></tr><tr><td>C</td><td>Duration</td><td>The Capital Market deals in medium and long term securities such as equity shares</td><td>Money market instruments have a maximum tenure</td></tr></table>		Basis	Capital Market	Money Market	A	Participants	Financial Institutions, Banks, Corporate entities, Foreign Investors and Ordinary Retail Investors from members of the public.	RBI, Banks, Financial institutions, and Finance Companies.	B	Investment outlay	Investment in capital market i.e. securities does not necessarily require a huge financial outlay. The value of units of securities is generally low.	Transactions entail huge sums of money as the instruments are quite expensive.	C	Duration	The Capital Market deals in medium and long term securities such as equity shares	Money market instruments have a maximum tenure	1 mark 1 x 3 = 3 marks = 1+3 = 4 marks
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		and debentures.	of one year and may even be issued for a single day.													
29	Q. ‘Hitesh Ltd.’ is a well-known company in the cement industry since 1999. The company has an authorised capital of Rs. 100 crore and is listed with a reputed stock exchange. The value of its shares is increasing day-by-day due to increase in the demand for cement. Now the company wants to enter into car manufacturing business. For this it requires Rs. 200 crore. The Finance Manager of the company decides to raise this capital by a public issue. (a) Identify the market in which the company’s existing securities are being traded. (b) Name the market through which the company wants to raise its capital of Rs.200 crore. (c) Distinguish between the markets identified in (a) and (b) above on the basis of any two points. Ans. (a) Secondary Market (b) Primary Market <u>Difference between Primary Market and Secondary Market (Any two)</u> <table><tr><td></td><td>Primary Market</td><td></td><td>Secondary Market</td></tr><tr><td>i</td><td>Sale of securities by new companies or new issues of securities by existing companies.</td><td>i</td><td>Trading of existing securities only.</td></tr><tr><td>ii</td><td>Securities are sold by the company to the investor directly (or through an intermediary).</td><td>ii</td><td>Ownership of existing securities is exchanged between investors. The company is not involved at all.</td></tr></table>				Primary Market		Secondary Market	i	Sale of securities by new companies or new issues of securities by existing companies.	i	Trading of existing securities only.	ii	Securities are sold by the company to the investor directly (or through an intermediary).	ii	Ownership of existing securities is exchanged between investors. The company is not involved at all.	1 mark 1 mark 1x2 = 2 marks = 1+1+2 = 4 marks
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	<table><tr><td>iii</td><td>Flow of funds is from savers to investors, i.e. the Primary Market directly promotes capital formation.</td><td>iii</td><td>Enhances encashability of shares, i.e. it indirectly promotes capital formation.</td></tr><tr><td>iv</td><td>Only buying of securities takes place in the Primary Market. Securities can not be sold there.</td><td>iv</td><td>Both the buying and selling of securities can take place on the stock-exchange.</td></tr><tr><td>v</td><td>Prices are decided and determined by the management of the company.</td><td>v</td><td>Prices are determined by demand and supply of the securities.</td></tr><tr><td>vi</td><td>There is no fixed geographical location.</td><td>vi</td><td>Located at specified places.</td></tr></table>	iii	Flow of funds is from savers to investors, i.e. the Primary Market directly promotes capital formation.	iii	Enhances encashability of shares, i.e. it indirectly promotes capital formation.	iv	Only buying of securities takes place in the Primary Market. Securities can not be sold there.	iv	Both the buying and selling of securities can take place on the stock-exchange.	v	Prices are decided and determined by the management of the company.	v	Prices are determined by demand and supply of the securities.	vi	There is no fixed geographical location.	vi	Located at specified places.	
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vi	There is no fixed geographical location.	vi	Located at specified places.															
30	Q. ‘Smart Watch Ltd.’ is a watch manufacturing company marketing smart-watches for adults. The company now wants to manufacture smart-watches for children also. For this it gathered and analysed market information, did marketing planning, product designing and development, standardisation and also decided about the packaging, labelling, branding, pricing, warehousing, transportation and distribution of these smart-watches. Even after doing all the above stated activities the company is not picking up the sales. The Chief Executive Officer of the company asked the Marketing Manager to find out the reason. The Marketing Manager investigated the matter and found out that his marketing team had not performed the two important functions of marketing which may help the company not only in boosting the sales but also in getting repeat sales. Identify and explain the functions of marketing which were not performed by the marketing team. Ans. Functions of Marketing not performed are: (i) <u>Customer Support services</u> ▪ This is an important function to boost the sales and is	1 mark for identif y ing the																

	related to developing customer support services such as after sale services, handling customer complaints, and adjustments, procuring credit services, technical services and consumer information. - These services aim at providing maximum satisfaction to customers. (ii) <u>Promotion</u> - This function involves informing the customers about the firm's product, its features, etc. and persuading them to purchase these products. - It includes advertising, Personal selling, public relations and sales promotion. <i>(or any other correct explanation)</i>	function + 1 mark for its explanation = 1+1 = 2 marks = 2+2 = 4 marks
31	Q. (a) Explain the following characteristics of management: (i) Management is a goal-oriented process (ii) Management is a continuous process (iii) Management is all pervasive Ans. (i) <u>Management is goal-oriented process</u> Every organisation has a set of basic goals which are the basic reason for its existence. Management unites the efforts of different individuals in the organisation toward achieving these goals. (ii) <u>Management is a continuous process</u> The process of management is a series of continuous, composite but separate and ongoing series functions. These functions are simultaneously performed by all managers all the time.	2 marks 2 marks

	(iii) <u>Management is all-pervasive</u> The activities involved in managing an enterprise are common to all organisations, whether economic, social or political. These activities are performed at all levels – Top, middle and lower and in all the departments of all type of organisations. <i>(or any other correct explanation)</i> OR (b) Explain the following as nature of principles of management: (i) Universal applicability (ii) Flexible (iii) Mainly behavioural Ans. (i) <u>Universal applicability</u> The principles of management are intended to apply to all types of organisations, business as well as non-business, small as well as large, public sector as well as private sector, manufacturing as well as the service sectors. However the extent of their applicability would vary with the nature of the organisation, business activity and scale of operation, etc. (ii) <u>Flexible</u> The principles of management are not rigid prescriptions, which have to be followed absolutely. They are flexible and can be modified by the manager when the situation so demands. (iii) <u>Mainly behavioural</u>	2 marks = 6 marks OR 2 marks 2 marks
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	Management principles aim at influencing behaviour of human beings. These principles enable a better understanding of the relationship between human and material resources in accomplishing organisational objectives. <i>(or any other correct explanation)</i>	2 marks = 6 marks
32	Q. (a) Explain the following points of importance of ‘Organising’ function of management: (i) Benefits of specialization (ii) Clarity in working relationships (iii) Adaptation to change Ans. (i) <u>Benefits of specialisation</u> ▪ Organisation leads to a systematic allocation of jobs amongst the workforce. ▪ Repetitive performance of a particular task allows a worker to gain experience in that area and leads to specialisation. (ii) <u>Clarity in working relationships</u> ▪ The establishment of working relationships clarifies lines of communication and specifies who is to report whom. ▪ It helps in creating a hierarchical order thereby enabling the fixation of responsibility and specification to the extent of authority to be exercised by an individual. (iii) <u>Adaptation to change</u> ▪ The process of organising allows a business enterprise to accommodate changes in the business environment.	2 marks 2 marks

	▪ It also provides much needed stability to the enterprise as it can then continue to survive and grow in spite of changes. <i>(Or any other correct explanation)</i> OR (b) Explain the following points of importance of ‘Delegation’: (i) Effective management (ii) Employee development (iii) Better coordination Ans. (i) <u>Effective Management</u> ▪ By empowering the employees, the managers are able to function more efficiently as they get more time to concentrate on important matters. ▪ Freedom from doing routine work provides them with opportunities to excel in new areas. (ii) <u>Employee Development</u> ▪ As a result of delegation, employees get more opportunities to utilise their talent and this may give rise to latent abilities in them. ▪ It allows them to develop those skills which will enable them to perform complex tasks and resume those responsibilities which will improve their career prospects. (iii) <u>Better Co-ordination</u> ▪ Authority, responsibility and accountability – the elements of delegation help to define the powers,	2 marks = 6 marks OR 2 marks 2 marks
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	duties and answerability related to various positions in an organisation. This helps to avoid overlapping of duties and duplication of effort as it gives a clear picture of the work being done at various levels and helps in developing and maintaining co-ordination amongst the departments, levels and functions of management. <i>(Or any other correct explanation)</i>	2 marks = 6 marks
33	Q. Identify and explain the type of plans in the following cases: (a) ‘Ananta Travel and Tourism Pvt. Ltd.’ is providing tourism and hospitality services to its customers. To achieve its objectives the company prepares a comprehensive plan taking into consideration the business environment. (b) Amit is Chief Executive Officer of ‘Mannat Raj Industries’. He developed the broad parameters within which the managers may function. By doing so he tried to provide a base for interpreting strategy which was stated in general terms. Ans. (a) The type of plan is Strategy. <u>Any two:</u> - A strategy is a comprehensive plan for accomplishing an organisation’s objectives taking business environment into consideration. - It provides the broad contours of an organisation’s business. It refers to future decisions defining the organisations direction and scope in the long run. - Strategy as a comprehensive plan includes three dimensions, (i) determining long term objectives, (ii) adopting a particular course of action, and (iii) allocating resources necessary to achieve the objective.	1 mark for identifying the plan + 2 marks for its explanation = 1+2 = 3 marks = 3+3 =

	(b) The type of plan is Policy. <u>Any two:</u> ▪ Policies are <u>general statements</u> that guide thinking or channelise energies towards a particular direction. ▪ Policies define the <u>broad parameters within which a manager may function</u>. ▪ A manager may use his <u>discretion</u> to interpret and apply a policy. (Or any other correct explanation)	6 marks
34	Q. Kartik is engaged in trading of Smart Televisions. He purchases these televisions from ‘Vivek Electronics’, the manufacturer. All the televisions are certified by ‘Bureau of Indian Standards’. During Deepawali season, ‘Vivek Electronics’ supplied some defective television sets to Kartik. Kartik is getting complaints about the televisions from almost all the customers. (a) Who amongst the following can exercise his/her ‘Right’ and against whom? (i) Kartik (ii) Vivek Electronics (iii) Consumers (b) Define ‘Consumer’ as per the provisions of the Consumer Protection Act, 2019. (c) State the ‘Right’ which can be exercised to get relief. Ans. (a) (iii) <u>Consumers</u> can exercise their ‘Right’ against <u>Vivek Electronics</u>’. (b) Under the Consumer Protection Act 2019, a <u>consumer</u> is a person who buys any goods or avails services for a consideration, which has been paid or promised, or partly paid and partly promised, or under any scheme of deferred payment.	1 mark

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