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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 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

66 /1 /2	MARKING SCHEME– 2023 BUSINESS STUDIES 66/1/2 EXPECTED ANSWERS / VALUE POINTS	Marks								
1	Q. Match the various characteristics of Business environment given in Column I with their respective explanations in Column II: <table> <tr> <td>Column I</td> <td>Column II</td> </tr> <tr> <td>A. Dynamic nature</td> <td>(i) Environment is a phenomenon that is relatively easier to understand in parts but difficult to grasp in its totality.</td> </tr> <tr> <td>B. Complexity</td> <td>(ii) Business environment differs from country to country and even region to region.</td> </tr> <tr> <td>C. Relativity</td> <td>(iii) Business environment keeps on changing, whether in terms of technological improvement or shifts in consumer preferences.</td> </tr> </table> (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)	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 changing, whether in terms of technological improvement or shifts in consumer preferences.	1 mark
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2	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
3	Q. _____ refers to the obligation of a subordinate to properly perform the assigned duty. (a) Authority (b) Responsibility (c) Accountability (d) Delegation Ans (b) Responsibility	1 mark
4	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
5	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
6	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 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
7	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
8	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
9	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 (d) Gathering and analysing market information Ans (d) Gathering and analysing market information	1 mark
10	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
11	Q. 'A good physical distribution system should provide for an accurate and speedy processing of orders in the 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
12	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
13	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
14	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
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. 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. (d) Both the statements are true. Ans (d) Both the statements are true	1 mark
17	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
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. The process of defining and grouping the activities of the enterprise and establishing authority relationship among them is : (a) Directing (b) Staffing (c) Management (d) Organising Ans (d) Organising	1 mark
20	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 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
21	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. (iii) Training <u>equips the future manager</u> who can take over in case of emergency. (iv) Training <u>increases employee morale and reduces absenteeism and employee turnover</u>. (v) It helps in <u>obtaining effective response to fast changing environment</u>. (If the examinee has listed the points only, ½ mark each to be awarded)	1x3 = 3 marks
22	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 (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)	1 mark+ 1/2x2=1+ 1/2x2=1 =3 marks

	Factors affecting dividend decision are (Any three): (i) <u>Amount of earnings</u> are a major determinant of dividend decision as dividends are paid out of current and past earnings. (ii) <u>Stability of earnings</u> 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 <u>stability of dividends</u> while taking dividend decision. (iv) If a company has good <u>growth opportunities</u>, it pays out less dividend. (v) A good <u>cash flow position</u> is necessary for declaration of dividend. (vi) <u>Shareholders' preference</u> is kept in mind by the management before declaring dividends. (vii) <u>Taxation policy</u> affects the dividend decision as a higher dividend distribution tax will lead to lesser dividend payout. (viii) The possible <u>stock market reaction</u> 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 <u>access to capital market</u>. (x) Certain provisions of the Companies Act i.e. <u>legal constraints</u> place restrictions on payout of dividend. (xi) While taking dividend decision, companies keep in mind the restrictions imposed by the lenders i.e. <u>contractual constraints</u>. (If the examinee has listed the points only, ½ mark each to be awarded)	1x3 = 3 marks
23	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)	$1/2 \times 2 = 1$ +1 mark + 1 mark = 3 marks
24	Q. (a) Explain the following as points of importance of Controlling function of management: (i) Accomplishing organizational goals (ii) Improving employee motivation Ans (a) (i) Accomplishing organizational goals • The controlling function measures progress towards the organisational goals and brings to light the deviations, if any, and indicates corrective action. • Controlling keeps the organisation on the right track so that its goals might be achieved. (ii) Improving employee motivation • A good control system ensures that employees know well in advance what they are expected to do and what are the standards of performance on the basis of which they will be appraised. • It motivates them and helps them to give better performance OR Explain any three advantages of filling vacancies from within the organization. Ans (b) Advantages of filling vacancies from within the organization: (Any three) (i) Employees are <u>motivated to improve their</u>	1 ½ x 2 = 3 marks

	<u>performance</u>. A promotion at a higher level may lead to a chain of promotion at lower levels in the organisation. Employees work with commitment and loyalty and remain satisfied with their jobs. Also <u>peace prevails</u> in the enterprise because of promotional avenues. (ii) Internal recruitment also <u>simplifies the process of selection and placement</u>. The candidates that are already working in the enterprise can be evaluated more accurately and economically. This is a more reliable way of recruitment since the candidates are already known to the organization (iii) Transfer is a <u>tool of training the employees</u> to prepare them for higher jobs. Also people recruited from within the organisation do not need induction training (iv) Transfer has the benefit of <u>shifting workforce from the surplus departments to those where there is shortage of staff</u>. (v) Filling of jobs internally is <u>cheaper as compared to getting candidates from external sources</u>. (If the examinee has listed the points only, ½ mark each to be awarded)	1x3 = 3 marks
25	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 <u>Financial incentives</u> 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) <u>Pay and allowances</u> include basic pay, dearness allowance and other allowances. (ii) <u>Productivity linked wage incentive</u> aims at linking payment of wages to increase in productivity at individual or group level. (iii) <u>Bonus</u> is an incentive offered over and above the wages/ salary to the employees. (iv) <u>Sharing profit with employees</u> serves to motivate the employees to improve their performance and contribute to increase in profits (v) <u>Retirement benefits</u> such as provident fund, pension, and gratuity provide financial security to employees after their retirement. (vi) <u>Perquisites</u> 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
26	Q. Identify and give the meaning of the concepts highlighted in the following statements : (a) The process of finding possible candidates for a job. (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 organisation. (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.	1/2 mark for identification and 1/2 mark for meaning 4 marks
27	Q. Nitya is a student of class XII 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	1/2 x 2 = 1 mark 1/2 mark for

	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.	heading and 1 mark for explanation 1 ½ x2 =3 1+3 = 4 marks
28	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 = $\frac{\text{Profit after interest and tax}}{\text{Number of equity shares}}$ $= \frac{2,00,000 - 56,000 - 72,000}{10,000}$ $= ₹ 7.20 \text{ per share}$	1 ½ marks + 1 ½ marks +

	Ans (b) It is a case of favourable financial leverage as the ROI > Rate of interest.	$\frac{1}{2}$ mark + 1/2 mark for reason=1 = 4 marks									
29	Q. (a) Fixed capital refers to investment in long term assets. Explain any two factors affecting the fixed capital requirements of an enterprise. Ans (a) Factors affecting the fixed capital requirements of an enterprise: (Any two) 1. Nature of Business 2. Scale of Operations 3. Choice of Technique 4. Technology Upgradation 5. Growth Prospects 6. Diversification 7. Financing Alternatives 8. Level of Collaboration OR (b) Distinguish between Capital Market and Money Market on the basis of the following: (i) Duration (ii) Liquidity (iii) Instruments (iv) Expected return Ans (b) Difference between capital market and money market <table border="1"> <thead> <tr> <th>Basis</th><th>Capital Market</th><th>Money Market</th></tr> </thead> <tbody> <tr> <td>Duration</td><td>Capital market deals in medium and long term securities.</td><td>Money market instruments have a maximum tenure of one year.</td></tr> <tr> <td>Liquidity</td><td>Capital market securities are considered liquid</td><td>Money market instruments enjoy a higher degree of</td></tr> </tbody> </table>	Basis	Capital Market	Money Market	Duration	Capital market deals in medium and long term securities.	Money market instruments have a maximum tenure of one year.	Liquidity	Capital market securities are considered liquid	Money market instruments enjoy a higher degree of	$\frac{1}{2}$ mark for heading and 1 $\frac{1}{2}$ marks for explanation 2x2=4 = 4 marks
Basis	Capital Market	Money Market									
Duration	Capital market deals in medium and long term securities.	Money market instruments have a maximum tenure of one year.									
Liquidity	Capital market securities are considered liquid	Money market instruments enjoy a higher degree of									

		investments because they are marketable on the stock exchanges.	liquidity as compared to capital market.	
	Instruments	Equity shares, debentures, bonds, preference shares etc	Short term debt instruments such as T-bills, trade bills (reports), commercial paper and certificates of deposit.	1x4
	Expected return	The investment in capital markets generally yield a higher return.	The investment in money markets generally yield a lower return for investors than the capital markets	=4 marks
30	Q. (a) Explain any four points of importance of consumer protection from the point of view of business. Ans (a) Importance of consumer protection from the point of view of business: (Any four) (i) Long-term Interest of Business (ii) Business uses Society's Resources (iii) Social Responsibility (iv) Moral Justification (v) Government Intervention OR Q. (b) Explain the following rights of a consumer: (i) Right to be heard (ii) Right to seek redressal Ans (b) (i) Right to be heard			½ mark for heading and ½ mark for explanation 1x4 = 4 marks

	- The consumer has a right to <u>file a complaint and to be heard</u> in case of dissatisfaction with a good or a service. - It is because of this reason that many enlightened business firms have <u>set up their own consumer service and grievance cells</u> and helping consumers in redressal of their grievances. (ii) Right to seek redressal: - The consumer has a <u>right to get relief</u> in case the product or service falls short of his expectations. <u>The Consumer Protection Act</u> provides a number of reliefs to the consumers including replacement of the product, removal of defect, compensation paid for any loss or injury suffered by consumer, etc.	2 marks + 2 marks =4 marks
31	Q. (a) Explain the following principles of management: (i) Division of work (ii) Remuneration of employees (iii) Subordination of individual interest to general interest Ans (a) Division of work - Work is divided into small tasks/ jobs and each task is performed by trained employee or specialist who is competent is required to perform each job. - This results in efficient and effective output. Remuneration of employees - The overall pay and compensation should be fair to both employees and the organisation. - The employees should be paid fair wages, which should give them at least a reasonable standard of living. At the same time , it should be within the paying capacity of the company. - This will ensure congenial atmosphere and good	2 marks each

	relations between workers and management. Consequently, the working of the company would be smooth. Subordination of individual interest to general interest: • The interests of an organisation should take priority over, or supersede the interests of any one individual employee. • This is so because larger interests of the workers and stakeholders are more important than the interest of any one person. OR Q. (b) Explain the following techniques of scientific management: (i) Differential piece-wage system (ii) Standardisation and simplification of work Ans (b) Differential piece-wage system • In order to differentiate between efficient and inefficient workers, and reward efficient workers, there should be different rate of wage payment for those who performed above standard and for those who performed below standard. • According to Taylor, the difference would be enough for the inefficient worker to be motivated to perform better. Standardization and simplification of work • Standardisation refers to the process of setting standards for every business activity. • These standards are the benchmarks, which must be adhered to during production. • Simplification aims at eliminating superfluous varieties, sizes and dimensions while standardisation implies devising new varieties instead of the existing ones. Simplification aims at eliminating unnecessary	2x3 = 6 marks 3 marks each 2x3 = 6 marks
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	diversity of products. • It results in savings of cost of labour, machines and tools. It implies reduced inventories, fuller utilisation of equipment and increasing turnover.	
32	Q. ‘It is setting objectives for a given time period, identifying various alternative courses of action to achieve them and then selecting the best possible alternative from amongst the various alternative courses of actions available.’ (a) Identify the function of management referred above. (b) State any five points of importance of the function of management identified in (a) above. Ans (a) Planning (b) Importance of planning: (Any five) (i) By stating in advance how work is to be done <u>planning provides direction for action.</u> (ii) Planning shows the way to deal with changes and <u>uncertain events by</u> anticipating them and developing managerial responses to deal with them. (iii) Planning reduces overlapping and wasteful activities. It helps in <u>avoiding confusion and misunderstanding</u> by providing the basis for coordination of activities, departments and individuals. (iv) Planning <u>promotes innovative ideas</u> which can take the shape of concrete plans. (v) Planning <u>facilitates decision making</u> by making a choice from amongst various alternative courses of action. (vi) Planning <u>establishes standards for controlling</u> against which actual performance is measured. (If the examinee has listed the points only, ½ mark each should be awarded)	1 mark 1x5 1+5 =6marks

33	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 case. (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 (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. (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. (c) Other promotional tools that can be used by X Ltd: (Any two)	1 mark for identification + 1 mark for explanation i.e,1+1=2 1 mark for identification + 1 mark for explanation i.e,1+1=2
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	(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
34	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 identified in (a) above which are not discussed in the above case. Ans (a) Divisional structure	1 mark

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