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Senior School Certificate Examination

March-----2023

Marking Scheme---Business Studies 66/4/3

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"**.
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 66/4/3 EXPECTED ANSWERS / VALUE POINTS	Marks
1	**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**
2	**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**
3	**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**
4	**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**
5	**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**
6	**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**
7	**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**
8	**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**
9	**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**
10	**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**
11	**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	**1 mark**

	purposes of the Act.	
12	**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**
13	**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**
14	**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**

15	**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**
16	**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 featuresof 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**
17	**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**
18	**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**

19	**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**
20	**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**
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 Functions to be performed by Aman at this level: **(Any two)** (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.** Discipline ▪ It is the obedience to organizational rules and employment agreement which are necessary for the working of the organization. ▪ It requires good superiors at all levels, clear and fair agreements and judicious application of penalties.	**1 mark** **2 marks = 1+2**

	(Or any other correct explanation)	**= 3 marks**
23	**(a) Explain any two points that highlight the importance of 'Controlling function of management.** **Ans.** <u>Importance of controlling: **(Any two)**</u> (i) Accomplishing organisational goals. (ii) Making efficient use of resources. (iii) Ensuring order and discipline. (iv) Improving employee motivation. (v) Judging accuracy of standards. (vi) Facilitating co-ordination in action. ***(If an examinee has not given the headings as above but has given the correct explanation, full credit should be given)*** **OR** **(b) With the help of any three points, explain the relationship between 'Planning' and 'Controlling.** **Ans.** **Ans.** <u>Relationship between planning and controlling: **(Any three)**</u> (i) Controlling takes place on the basis of <u>standards developed by planning.</u> (ii) <u>Planning without controlling is meaningless</u> as controlling ensures that the events conform to the plans. (iii) <u>Planning prescribes</u> an appropriate course of action for achieving objectives whereas <u>controlling evaluates</u> whether decisions have been translated into desired actions. (iv) Planning and controlling both are <u>forward looking and looking</u>	**½ mark for each heading + 1 mark for explanation = 1 ½ x 2 = 3 marks** **OR** **1 x 3 = 3 marks**

	back. ***(Note: If the answer covers the above points in any other form, full credit should be given)***	
24	**Q. (a) State any three factors that affect the 'Dividend Decision' of a company.** **Ans.** Factors affecting dividend decision of a company are: **(Any three)** (i) 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) Shareholder's 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 on the share price to dividend policy 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.	**1 x 3 = 3 marks**

	(If an examinee has given only the heading, ½ mark for each heading should be awarded) **OR** **(b) State any three factors that affect the fixed capital requirements of a company.** **Ans.** Factors affecting the requirements of fixed capital: (**Any three**) (i) Nature of business as a trading concern needs a lower investment in fixed assets as compared to a manufacturing concern since it doesn't require to purchase plant and machinery. (ii) Scale of operations as a larger organisation operating at a higher scale needs bigger plant and more space and hence higher investment in fixed assets. (iii) Choice of technique as a capital intensive organisation requires higher investment in plant and machinery and thus requires higher fixed capital than a labour intensive organisation. (iv)Technology upgradation as industries where assets become obsolete sooner require higher fixed capital to purchase such assets. (v) Higher growth prospects require higher investment in fixed assets to meet anticipated demand quicker (vi) Availability of financing alternatives like leasing requires lower investment in fixed assets and hence requires less fixed capital. (vii) Collaboration reduces the level of investment in fixed assets. (viii) Diversification will increase the fixed capital requirements as the investment in fixed capital will increase. ***(If an examinee has given only the heading, ½ mark for each heading should be awarded)***	**OR** **1 x 3 = 3 marks**

25	**Q. (a) Identify and explain the following as steps in the process of 'Staffing:** **(i) Occupying the position or post for which the person has been selected and familiarising the selected person to other employees and with the rules and policies of the organisation.** **(ii) To facilitate employee-learning inhouse or by alliance with educational institutions and offering opportunities for career advancement so that they can contribute more organisational effectiveness and efficiency. to** **Ans.** (i) The step of staffing process is <u>Placement and orientation.</u> Placement refers to occupying of position by the employee for which he has been selected. Orientation refers to introducing the selected employee to other employees and familiarising him with the rules and policies of the organisation. (ii) The step of staffing process is <u>Training and Development</u>. Training is the process by which the aptitudes, skills and abilities of the employees to perform specific jobs are improved. Development is the process by which the employees acquire skills and competencies for handling higher jobs in future. It enables the overall growth of the employee. **OR** **(b) Identify and explain two sources of recruitment when the present employees are insufficient to fulfil the specifications of the job to be filled.** **Ans.** <u>External Sources of recruitment</u>: **(any two)** (i) Direct recruitment. (ii) Casual callers. (iii) Advertisement. (iv) Employment exchange.	**2 marks** **2 marks = 2+2 = 4 marks** **OR** **½ mark for naming the source + 1½ marks for explanation**

	(v) Placement agencies and management consultants. (vi) Campus recruitment. (vii) Recommendations of present employees. (viii) Labour contractors. (ix) Advertising on television. (x) Web Publishing.	**= 2x2 = 4 marks**
26	**Q. (a) State any four 'Semantic barriers' to communication.** **Ans.** Semantic barriers to communication: (**Any four)** (i) Badly expressed message in which the intended meaning may not be conveyed on account of inadequate vocabulary, usage of wrong words, omission of needed words etc. (ii) Symbols with different meanings where a word may have several meanings and receiver has to perceive one such meaning for the word used by communicator. (iii) Faulty translations where the communication drafted in one language is not properly translated in a language understandable to workers. (iv) Unclarified assumptions where communication may have certain assumptions which are subject to different interpretations. (v) Technical jargon where the specialists use it to explaining something to persons who are not specialists in the concerned field as a result of which it is not understood clearly by the receiver. (vi) Body language and gesture decoding becomes a barrier when there is no match between what is said and what is expressed in body movements. ***(If an examinee has given only the heading, ½ mark for each heading should be awarded)*** **OR** **(b) State any four measures to overcome barriers to communication.**	**1 x 4 = 4 marks** **OR**

<table>
<tr><td></td><td>Ans. <u>Measures to overcome communication barriers: </u>(Any four)
(i) Clarify the ideas before communicating.

(ii) Communicate according to the needs of the receiver.

(iii) Consult others before communicating.

(iv) Be aware of the language, tone and content of the message.

(v) Convey things of help and value to listeners.

(vi) Ensure proper feedback by asking questions regarding the message conveyed.

(vii) Communicate for present as well as future.

(viii) Follow up communications and review on the instructions given to the subordinates.

(ix) Be a good listener.

(If an examinee has only listed the points, ½ mark for each point should be awarded)</td><td>1 x 4
=
4
marks</td></tr>
<tr><td>27</td><td>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 and prestige of job</td><td>1 mark</td></tr>
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	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 and with this feeling they contribute positively. ***(If an examinee has given the correct statement without giving the***	**½ mark for naming each incentive** **+** **½ mark for its correct explanation** **=** **1 x 3** **=** **3 marks** **=** **1+3** **=** **4 marks**

	headings, full marks for each statement is to be awarded)	
28	**Q. Give the meaning of 'Financial Management'. Explain any three points that highlight the role of financial management.** **Ans.** Financial Management is concerned with management of flow of funds and involves <u>decisions relating to procurement of funds</u>, <u>investment of funds and distribution of earnings.</u> OR Financial Management may be defined as <u>planning, organising, directing and controlling</u> the <u>financial activities</u> of an organisation. <u>Points that highlight the role of financial management are:</u> **(Any three)** (i) The size as well as the composition of Fixed Assets of the business. (ii) The quantum of Current Assets as well as its break-up into cash, inventories and receivables. (iii) The amount of long term and short-term financing to be used. (iv) Break-up of long-term financing into debt, equity etc. (v) All items in the Profit and Loss Account e.g., Interest, Expense, Depreciation etc.	**1 mark** **½ mark for headin g + ½ mark for explan ation = 1 x 3 = 3 marks = 1+3 = 4 marks**
29	**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 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. (or any other correct explanation)	**1 mark for identifying the function + 1 mark for its explanation = 1+1 = 2 marks = 2+2 = 4 marks**
30	**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. **crore for its new business.** **(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</u> **(Any two)**	**1 mark** **1 mark** **1 x 2 = 2 marks = 1+1+2 =** **4 marks**

	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.
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.

31	**Q. (a) Explain the following characteristics of management:** **(i) Management is a group activity**	

	(ii) Management is a dynamic function **(iii) Management is multidimensional** **Ans. (a)** **(i) Management is a group activity** An organisation is a collection of diverse individuals with different needs. Every member of the group has a different purpose for joining the organisation but as members of the organisation they work towards fulfilling the common organisational goal. This requires team work and coordination of individual effort in a common direction. At the same time management should enable all its members to grow and develop as needs and opportunities change. **(ii) Management is a dynamic function** Management is a dynamic function and has to adapt itself to the changing environment. An organisation interacts with its external environment which consists of various social, economic and political factors. In order to be successful, an organisation must change itself and its goals according to the needs of the environment. **(iii) Management is multidimensional** Management is a complex activity that has three main dimensions: Management of work*:* All organisations exist for the performance of some work. Management translates this work in terms of goals to be achieved and assigns the means to achieve it. Management of people: Managing people involves: (i) dealing with employees as individuals with diverse needs and behavior; (ii) dealing with individuals as a group of people. Management of operations: All organisations, in order to survive, provide a product or a service. This requires a production process which entails the flow of input material and the technology for transforming this input into the desired output for consumption. It is interlinked with	**2 marks** **2 marks** **2 marks** **=** **2+2+2** **=** **6 marks**

	both management of work and management of people. **OR** **(b) Explain the following as nature of principles of management:** **(i) Formed by Practice and Experience** **(ii) Contingent** **(iii) Cause and Effect Relationship** **Ans. (i) <u>Formed by Practice and Experience</u>** ▪ The principles of management are formed by experience and collective wisdom of managers as well as experimentation. ▪ For example, it is a matter of common experience that <u>discipline</u> is indispensable for accomplishing any purpose. This principle finds mention in management theory. On the other hand, in order to remedy the problem of <u>fatigue</u> of workers in the factory, an experiment may be conducted to see the effect of improvement of physical conditions to reduce stress. *(The explanation may be supported by example of any other principle or technique of management)* **(ii) <u>Contingent</u>** ▪ The application of principles of management is <u>contingent or dependent upon the prevailing situation</u> at a particular point of time. ▪ The application of principles has to be changed as per requirements. **(iii) <u>Cause and effect relationship</u>** ▪ The principles of management establish <u>cause and effect relationship</u> so that they can be <u>used in similar situations in a large number of cases.</u> ▪ The principles tell us if a particular principle was applied in a particular situation, what would be its likely effect.	**OR** **2 marks** **2 marks** **2 marks = 2+2+2 = 6**

		marks
32	**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) Consumers can exercise their 'Right' against Vivek Electronics'.	**1 mark**
	(b) Under the Consumer Protection Act 2019, a consumer 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. It includes any user of such goods or beneficiary of services if such use is made with the approval of the buyer. It applies to both offline and online transactions through electronic means by teleshopping or direct selling or multilevel marketing. However, any person who obtains goods or avails services for resale or commercial purpose is not treated as a consumer and is outside the scope of Consumer Protection Act 2019.	**3 marks**
	(c) The 'Right' which can be exercised to get relief is Right to seek redressal which states that the consumer has a right to get relief in case the product or service falls short of his expectations. (or any other correct explanation)	**2 marks = 1+3+2 = 6**

		marks
33	**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) Benefits of specialisation ▪ 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) Clarity in working relationships ▪ 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) Adaptation to change ▪ The process of organising allows a business enterprise to accommodate changes in the business environment. ▪ It also provides much needed stability to the enterprise as it can then continue to survive and grow in spite of changes. (*Or any other correct explanation*) **OR**	**2 marks** **2 marks** **2 marks** **=** **6 marks** **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, 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. (*Or any other correct explanation*)	**2 marks** **2 marks** **2 marks** = **6 marks**
34	**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.**

Any two:

- 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.

(b) The type of plan is **Policy**.

Any two:

- Policies are general statements that guide thinking or channelise energies towards a particular direction.
- Policies define the broad parameters within which a manager may function.
- A manager may use his discretion to interpret and apply a policy.

(*Or any other correct explanation*)

1 mark for identifying the plan + 2 marks for its explanation = 1+2 = 3 marks = 3+3 = 6 marks