



**EEE CONSORTIUM
PREBOARD EXAMINATION (2021 -22)
ANSWER KEY**

**Subject: Business Studies
Grade: XII**

**Max. Marks: 40
Time: 2 hours**

Name:	Section:	Roll No:
1		2
	Importance of staffing: (i) Helps in discovering and obtaining competent personnel for various jobs; (ii) Hakes for higher performance , by putting right person on the right job; (iii) Helps to ensure optimum utilization of the human resources . By avoiding overmanning, it prevents under - utilization of personnel and high labor costs. At the same time it avoids disruption of work by indicating in advance the shortages of personnel; and (iv) Improves job satisfaction and morale of employees through objective assessment and fair reward for their contribution.	1 mark each for one correct point.
2		2
	Offer for sale: Under this method, Firstly the new securities are offered to an intermediary at a fixed price. They further resell the same to the general public	1 mark for identification and 1 mark explanation
3	.	2
	Reena – Recommendation of employees Indu – Campus recruitment	1/2marks for identification and 1/2 marks for explanation
4		2
	1. Management by exception 2. Critical path control	1 mark each
5		3
	(a) Employee Recognition (b) Esteem Needs	(1.5 +1.5)
6		3

	(a) Autocratic leadership (b) (i) This leadership style is effective in getting productivity in many situations like in a factory where the supervisor is responsible for production on time and has to ensure labour productivity. (ii) Quick decision-making is also facilitated.	(1.5 +1.5)
	Or	
6	.	
	(i) Supervision : 'it employs 10 operating managers support to the workers.' (give the meaning) (ii) Motivation : 'to pay double wages for working overtime and triple wages for working on holidays.' (give the meaning)	(1.5 +1.5)
7		3
	Capital structure refers to the mix between owners' funds and borrowed funds. It is calculated as debt-equity ratio i.e., Debit./Equity For Krishna Ltd. Debt = Debentures + Long term loans from banks = 300 + 200 = Rs. 500 crore. Equity = Share capital + Reserves and surplus (or retained earnings) = 200 + 100 = Rs. 300 crores. Therefore, debt equity ratio = 500/300 = 5:3	1 +2 =3 One for meaning, one for calculation, one for correct answer.
8		3
	Judging accuracy of standards: A good control system enables management to verify whether the standards set are accurate and objective. An efficient control system keeps a careful check on the changes taking place in the organization and in the environment and helps to review and revise the standards in light of such changes. 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, thus, motivates them and helps them to give better performance Facilitating coordination in action: Controlling provides direction to all activities and efforts for achieving organizational goals. Each department and employee is governed by predetermined standards which are well coordinated with one another. This ensures that overall organizational objectives are accomplished.	1 mark each
9		5
	i) a)Right to heard The consumer has a right to file a complaint and to be heard in case of dissatisfaction with a good or a service. It is because of this reason	(part I (2+2) +

	<p>that many enlightened business firms have set up their own consumer service and grievance cells</p> <p>b) Right to seek redressal :The consumer has a right to get relief in case the product or service falls short of his expectations. The Consumer Protection Act provides a number of reliefs to the consumers including replacement of the product, removal of defect in the product, compensation paid for any loss or injury suffered by the consumer, etc.</p> <p>ii) District forum</p>	<p>Part ii 1 mark</p>
	OR	
	<p>a) (i) To remove the defect in goods or deficiency in service. (ii) To replace the defective product with a new one, free from any defect. (iii) To refund the price paid for the product, or the charges paid for the service. (iv) To pay a reasonable amount of compensation for any loss or injury suffered by the consumer due to the negligence of the opposite party. (v) To pay punitive damages in appropriate circumstances. (vi) To discontinue the unfair/ restrictive trade practice and not to repeat it in the future. (vii) Not to offer hazardous goods for sale. (viii) To withdraw the hazardous goods from sale. (ix) To cease manufacture of hazardous goods and to desist from offering hazardous services. (x) To pay any amount (not less than 5% of the value of the defective goods or deficient services provided), to be credited to the Consumer Welfare Fund or any other organisation/person, to be utilised in the prescribed manner. xi) To issue corrective advertisement to neutralise the effect of a misleading advertisement. (xii) To pay adequate costs to the appropriate party.</p> <p>b) Who can file a complaint?: A complaint before the appropriate consumer forum can be made by: (i) Any consumer; (ii) The Central Government or any State Government; (iii) One or more consumers, on behalf of numerous consumers having the same interest; and (vi) A legal heir or representative of a deceased consumer</p> <p>c) A ‘consumer’ is generally understood as a person who uses or consumes goods or avails of any service. Under the Consumer Protection Act, a consumer is defined as: Any person who buys any goods and service 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, when such use is made with the approval of the buyer, but does not include a person who obtains goods for re-sale or any commercial purpose.</p>	<p>(1+2+2)</p>
10	.	5
	<p>Contributes to Economic Growth: A stock exchange is a market in which existing securities are resold or traded. Through this process of disinvestment and reinvestment</p>	<p>1 X 2 = 2 1 X 3 = 3 (advantages)</p>

	<p>savings get channelised into their most productive investment avenues. This leads to capital formation and economic growth.</p> <p>Spreading of Equity Cult: The stock exchange can play a vital role in ensuring wider share ownership by regulating new issues, better trading practices and taking effective steps in educating the public about investments.</p> <p>(any three) advantages of screen based trading system of stock exchange.</p> <ol style="list-style-type: none"> 1. It ensures transparency as it allows participants to see the prices of all securities in the market while business is being transacted. 2. It increases efficiency of information. 3. It increases the efficiency of operations, 4. improving the liquidity of the market. <p>one trading platform, i.e., the stock exchange, on the computer</p>	2+3 = 5
11		5
	<p>(a) Estimating manpower requirements.</p> <p>(b) Last four steps of staffing process are:</p> <ol style="list-style-type: none"> (i) Training and development (ii) Performance appraisal (iii) Promotion and career planning (iv) Compensation. 	<p>part (a) = 1 mark</p> <p>part (b) = 4 marks.</p>
12		5
	<p><u>Financial Risk:</u> the risk of default on payment of interest on debentures/loan or repayment of debentures/loan is known as financial risk. The overall financial risk depends upon the proportion of debt in the total capital.</p> <p>Factors affecting Choice of Capital Structure:(any three)s</p> <ol style="list-style-type: none"> 1. Return on Investment: $ROI < \text{Cost of debt}$ 2. Cost of Debt 3. Risk Consideration 4. Flexibility 5. Control 	<p>Part (a) = 2marks 1 marks for identification and 1 marks for explanation.</p> <p>Part (b) = 3 marks.</p> <p>One marks each for three correct</p>
	OR	
12		
	<p>(a) Financial Planning</p> <p>(a) <u>Importance of financial planning:</u></p>	<p>Part (a) = 1 mark.</p>

	<p>(i) It helps in forecasting what may happen in future under different business situations.</p> <p>(ii) It helps in avoiding business shocks and surprises and helps the company in preparing for the future.</p> <p>(iii) It helps in co-ordinating various business functions, e.g., sales and production functions, by providing clear policies and procedures.</p> <p>(iv) Detailed plans of action prepared under financial planning reduce waste, duplication of efforts, and gaps in planning.</p> <p>(v) It tries to link the present with the future.</p> <p>(vi) It provides a link between investment and financing decisions on a continuous basis.</p> <p>(vii) By spelling out detailed objectives for various business segments, it makes the evaluation of actual performance easier.</p>	<p>Part (b) = 4 marks.</p> <p>1 mark each for one importance</p>
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