

केन्द्रीय माध्यमिक शिक्षा बोर्ड, दिल्ली  
सीनियर स्कूल सर्टिफिकेट परीक्षा (कक्षा बारहवीं)  
परीक्षार्थी प्रवेश—पत्र के अनुसार भरें

विषय Subject : BUSINESS STUDIES

विषय कोड Subject Code : 054

परीक्षा का दिन एवं तिथि

Day & Date of the Examination : THURSDAY (16/3/17)

उत्तर देने का माध्यम

Medium of answering the paper : ENGLISH

प्रश्न पत्र के ऊपर लिखे

Code Number  
कोड को दर्शाएँ :  
Write code No. as written on  
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66 / 1

Set Number  
सेट नंबर :  
● (1) (2) (3) (4)

अतिरिक्त उत्तर-पुस्तिका (ओं) की संख्या

No. of supplementary answer -book(s) used

2

विकलांग व्यक्ति : हाँ / नहीं  
Person with Disabilities : Yes / No

किसी शारीरिक अक्षमता से प्रभावित हो तो संबंधित वर्ग में ✓ का निशान लगाएँ।  
If physically challenged, tick the category

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B = दृष्टिहीन, D = मूँह व बधिर, H = शारीरिक रूप से विकलांग, S = रसाइरिक  
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कामा लेखन — लिपिक उपलब्ध करवाया गया : हाँ / नहीं  
Whether writer provided : Yes / No

यदि दृष्टिहीन हैं तो उपयोग में लाए गये

सोफ्टवेयर का नाम :

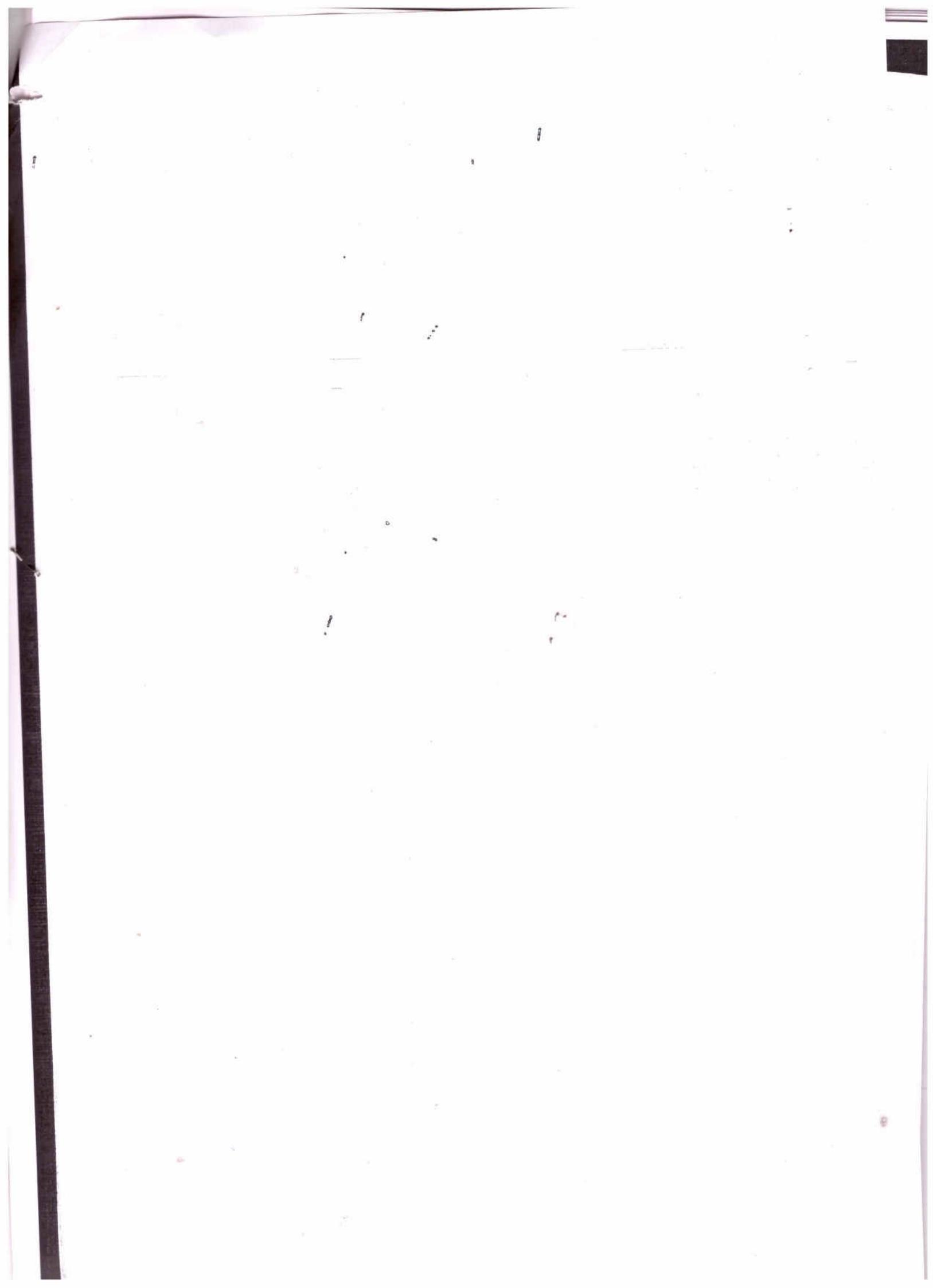
If Visually challenged, name of software used :

\*एक खाने में एक अक्षर लिखें। नाम के प्रत्येक भाग के बीच एक खाना छिक्कत छोड़ दें। यदि परीक्षार्थी का नाम 24 अक्षरों से अधिक है, तो केवल नाम के प्रथम 24 अक्षर ही लिखें।

Each letter be written in one box and one box be left blank between each part of the name. In case Candidate's Name exceeds 24 letters, write first 24 letters.

कार्यालय उपयोग के लिए  
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March 16, 2017

Thursday

## BUSINESS STUDIES

1. Supervision means overseeing what is being done by subordinates and giving instructions to them to ensure



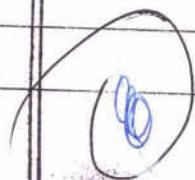
optimum utilisation of resources  
achievement of work targets.

2. Basis

Flow of communication

### Formal Organisation

Communication takes place through the scalar chain.



### Informal Organisation

Communication does not follow definite route & can take place in any direction.

4

2

3. Aptitude test is conducted to measure the aptitude ie individual's potential for learning new skills. They indicate a person's capacity to develop.

(Q3)

4. Workforce Analysis will help manager to find out number & type of personnel available.

(Q4)

5. Measurement of Actual performance is the step (of controlling process) being performed.

(Q5)

6. Capital structure refers to the mix between owners and borrowed funds. It is calculated as debt - equity ratio, ie

(Q6)

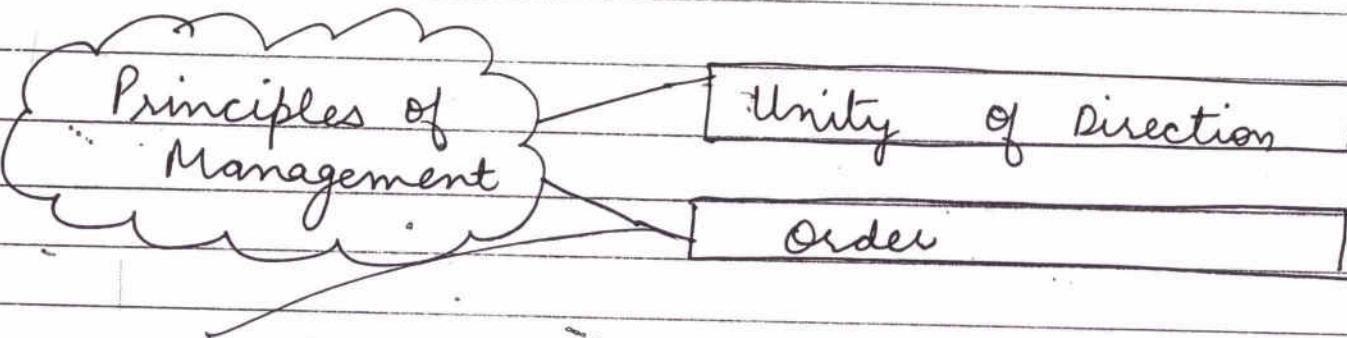
Debt

Equity

7. Offer for sale is used by the company.

8. Product combination is used by company.

9.



PTO

2.

①

## UNITY OF DIRECTION

• There should be one head & one plan for a group of activities having same objectives.

• Efforts of all the members should be directed towards the common goal.

• Merits:

- ensures unity of action & coordination
- helps in achievement of group goals.

• [Eg] If a company manufactures both cars & motorcycles, it should have separate divisions for both. Each division should have its own

- incharge
- plan
- execution resources.

On no account, working of the two divisions should overlap.

② ORDER :

- According to Fayol, there should be material & social order.
- Material order:  
Place for everything & everything in its right place
- Social order:  
Place for everyone & everyone in his/her right place.
- According to Fayol, people must be in suitable places at appropriate time for maximum efficiency.  
<sup>& materials</sup>
- Merits:
  - ensures optimum utilisation of human &

2

material resources.

→ Smooth & systematic working of business.

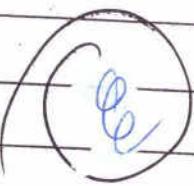
Eg

If worker is in need of tool, he must know bon or tool room in which it will be found. If he needs guidance from supervisor, he must know the fixed cabin of supervisor.

If no fixed place is given, worker will waste his time & energy in search of tools & supervisor.

PTO

10.



Features of  
Planning

Planning is futuristic

Planning is pervasive

Planning is continuous

### 1. PLANNING IS FUTURISTIC

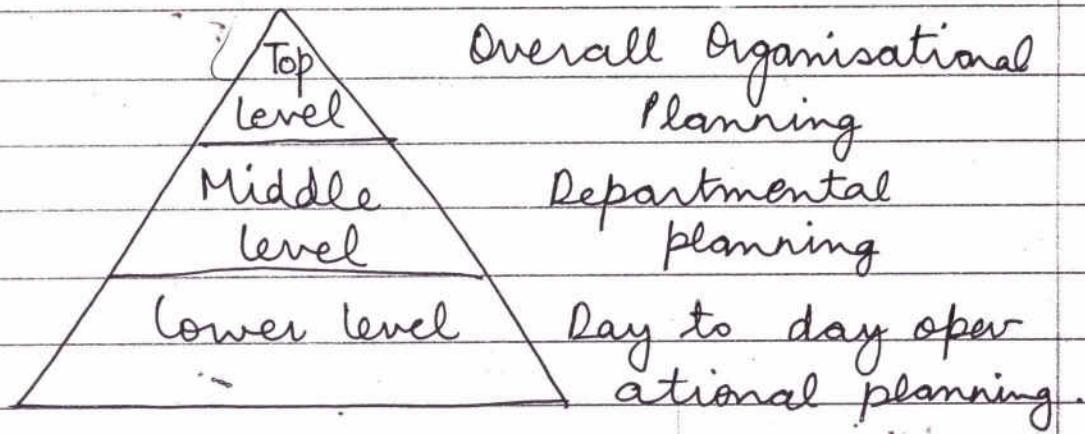
- Planning is looking ahead.
- It implies:
  - peeping into future
  - analysing it
  - predicting it.
- It is based on forecasting through which future events & conditions are anticipated & plans are drawn accordingly.

PTO

2

## 2. PLANNING IS PERVERSIVE

- Planning is required at
  - all levels
  - all departments
- It is not exclusive function of top management or any other department.
- Scope of planning differs at different levels & among different departments.



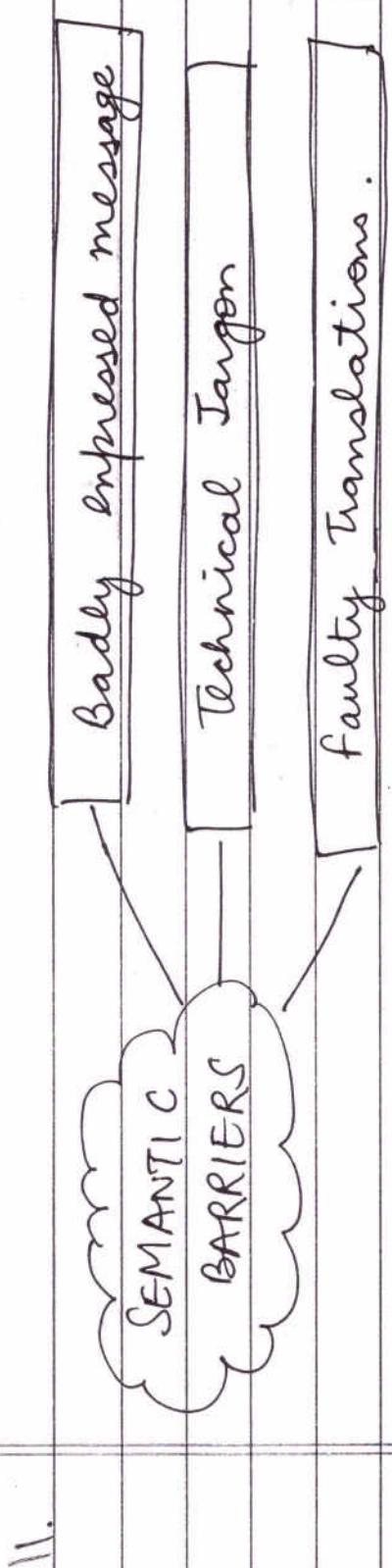
### 3. PLANNING IS CONTINUOUS

- Plans are prepared for specific time period say month or year.
- At end of every time period, new plans are drawn according to new conditions & future requirements, hence planning is continuous process.
- Planning cycle is continuous, because plans are

- framed
  - implemented
  - followed by another plan
- and so on.

Q

PTO



2

### 1. BADLY EXPRESSED MESSAGES

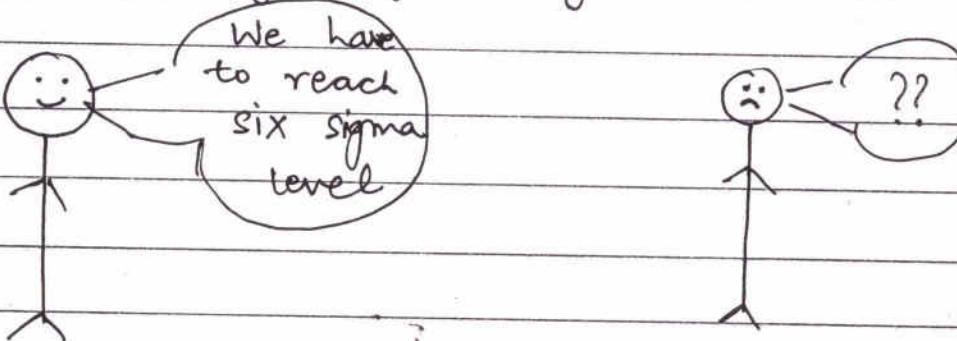
- Sometimes, intended meaning may not be conveyed by manager to subordinates.
- These badly expressed messages arise on account of
  - inadequate vocabulary
  - usage of wrong words
  - omission of needed words etc.



2.

## TECHNICAL JARGON :

- It is usually found that specialists use technical jargon while explaining to persons who are not specialists in the concerned field.
- Therefore, they may not understand the actual meaning of many such words.



BOSS

Worker

Technical Jargon

G

[ PTO ]

2

3.

### FAULTY TRANSLATIONS:

- Sometimes communications originally drafted in one language (English) need to be translated into a language understandable to workers (Hindi).
- If translator is not proficient in both the languages, mistakes may creep in causing different meanings to communications.

12.

### FINANCIAL PLANNING.

Importance :



- ① It helps in avoiding business  
• shocks  
• surprises

and helps company in preparing for future.

- ② It provides a link between investment & financing decisions on a continuous basis.

13.

Hemant believed in → SOCIETAL MARKETING CONCEPT.

Societal marketing concept holds that task of any organisation is to identify the needs & wants of target market & deliver desired satisfaction in effective & efficient way so that long term well being of customers, <sup>& society</sup> is taken care of. It is extension of marketing concept. Any activity which satisfies consumer needs but it detrimental to interest of society at large can't be justified.

Main focus → Customer needs, society's well being.

Means → Integrated marketing

2

Guddu believed in → SELLING CONCEPT.

It emphasized on use of aggressive selling & promoting techniques to make sales through any means. Use of push approach was focus of this concept. ~~No emphasis~~

Toshita believed in → MARKETING CONCEPT

If all marketing decisions are taken with perspective to satisfy customer needs, selling will be no problem. Basic role of firm is to identify need & fill it.

Main focus → Customer needs

Means → Integrated marketing.

Starting Point → Market.

PTO

14.

(a) Rishitosh works at MIDDLE LEVEL of management.

(b) functions

- ① Interpret the policies framed by top management.
- ② Assign necessary duties & responsibilities to subordinates.
- ③ Motivate them (subordinates) to achieve the desired objectives.

Main task of middle management is to carry out plans developed by top management.

## TECHNIQUES OF SCIENTIFIC MANAGEMENT

TIME STUDY

SIMPLIFICATION OF  
WORK

①

### TIME STUDY:

- It determines standard time for doing job under given conditions.
- Time required by worker to perform each element of job is determined.
- Various time measuring devices like stopwatches etc are used for each element and time required by worker to perform each element of time and job as a whole is determined by

taking several readings.

- Objectives

- to determine number of persons to be employed
- to determine labour cost.
- to frame suitable incentive schemes.

[Eg]

time taken to make 1 card box - 20 minutes

boxes made in 1 hour - 3

If worker works for 7 hours, he will have to  
make 21 boxes & wages will be paid accordingly.

PTO

2

7

1

### (2) SIMPLIFICATION OF WORK:

- It aims at eliminating superfluous varieties, sizes, dimensions. It aims to eliminate unnecessary diversity of products.
- It leads to:
  - better utilisation of equipment & tools
    - increased turnover
    - reduced inventory.
  - It results in saving of cost of labour & machinery.

(3)

### MOTION STUDY:

- It refers to study of movements (sitting, changing positions etc) undertaken while doing job.
- There are productive, unproductive, incidental motions. Taylor emphasized to eliminate unproductive motions to complete job efficiently in less time by reducing fatigue & manual labour.

16.

## STRATEGY

- It represents broad contours of organisation's business.
- It refers to future decision defining organisation's direction & scope in long run.
- It is comprehensive plan ~~made~~ to achieve specified objectives in changing environment.
- Eg | company's marketing strategy may include choice of
  - channels of distribution
  - advertising media
  - pricing strategy etc.
- Major strategic decision → to acquire dominant position in the same market.

②

RULE:

- Specific statements regarding what must or must not be done.
- They are rigid with no scope of
  - flexibility
  - discretion.
- Simplest types of plans as there is no
  - compromise
  - change.
- If rules are not followed, there may be some penalty.
- Eg] no smoking, no parking.

17.

### CASUAL CALLERS (external source)

- Many reputed business organisations keep database of unsolicited applicants in their offices.
- A list of such job seekers can be prepared & can be screened to fill vacancies as & when they arise.
- MERIT

It reduces the cost of recruiting workforce in comparison to other sources.

### LABOUR CONTRACTORS (external source)

- labour contractors maintain close contacts with labourers & they can provide required number of unskilled workers at short notice.

[ PTO ]

2

• Workers are recruited through labour contractors who are themselves the employees of the organisation.

• DISMERIT:

If the labour contractor himself decides to leave organisation, all workers recruited through him will follow suit.

18.

(a) ALLOCATIVE FUNCTION

(b) MONEY MARKET trades in unsecured & short term debt instruments.



[ PTO ]

Basis	Money Market	Capital Market
① Participants	<p>Participants in money market are:</p> <ul style="list-style-type: none"> <li>• commercial banks</li> <li>• non banking finance companies</li> <li>• RBI</li> <li>• State Governments</li> <li>• Large Corporate Houses</li> <li>• Mutual funds</li> </ul>	<p>Participants in capital market are:</p> <ul style="list-style-type: none"> <li>• banks</li> <li>• financial institutions</li> <li>• corporate entities</li> <li>• foreign investors</li> <li>• Ordinary retail investors from members of public.</li> </ul>
② Duration	<p>Capital Money market deals with short</p>	<p>Capital market deals in both</p>

term debt instruments which have maximum tenure upto one year & may be issued for single day.

~~medium & long term securities like equity shares & debentures.~~

③

liquidity

~~Capital market securities are liquid. However share may not be actively traded as it may not easily find a buyer.~~

~~Money market instruments enjoy higher degree of liquidity because there is~~

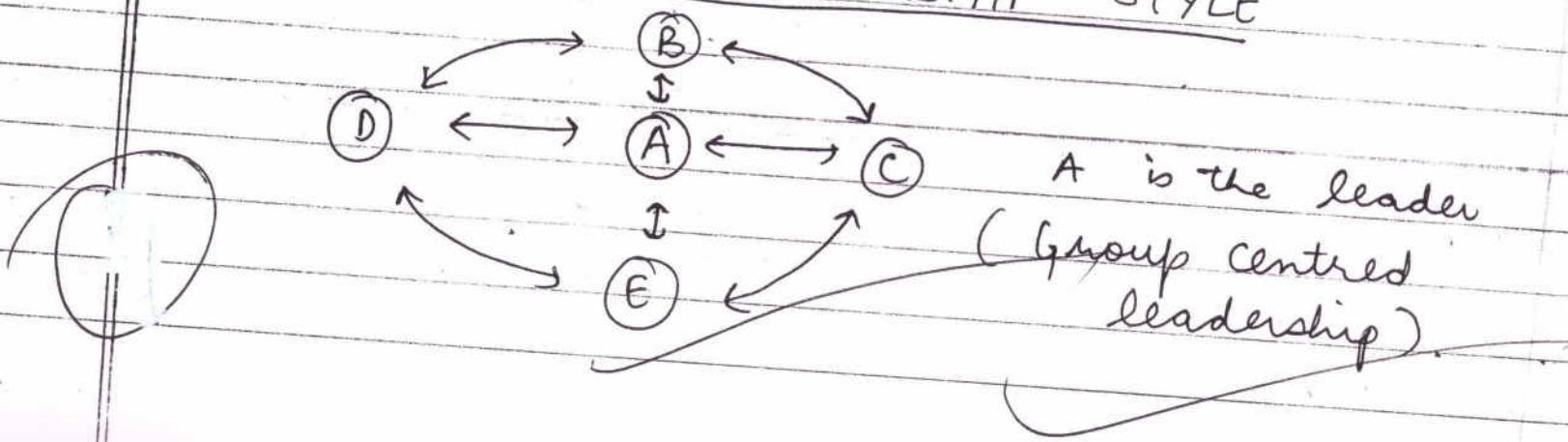
~~capital~~ ~~Money~~ market securities are considered liquid. However, share may not be actively traded as it may not easily find a buyer.

formal arrangement for this. Discount Finance House of India (DFHI) has been set up for specific objective of providing a ready market for money market instruments.

19.

a)

### DEMOCRATIC LEADERSHIP STYLE



## VALUES

- Initiative & creativity (by encouraging employee participation)
- Concern for employees (by visiting Priyanka)
- Team Spirit
- Fulfilling social responsibility towards employees.

20.

### (a) LIBERALISATION

It means liberalising the Indian business & industry from all unnecessary controls & restrictions. It signalled the end of licence permit grata raj.

Features →

- freedom in fixing prices of goods & services
- simplifying procedures of exports & imports.

ITO

## GLOBALISATION

- It means integration of various economies of world leading towards emergence of cohesive global economy.
- It involves increased level of
  - interdependence
  - interactionamong various nations of global economy.
- Features:
  - free flow of information & technology
  - free flow of good & services across nations

(b)

[PTO]

Impacts of economic reforms

Increasing competition

More demanding customers

Market Orientation

①

### INCREASING COMPETITION:

- Due to delicensing & entry of foreign firms, competition for Indian firms has increased especially in service industries like :
  - airlines
  - telecommunications
  - banking
  - insurance.

(5)

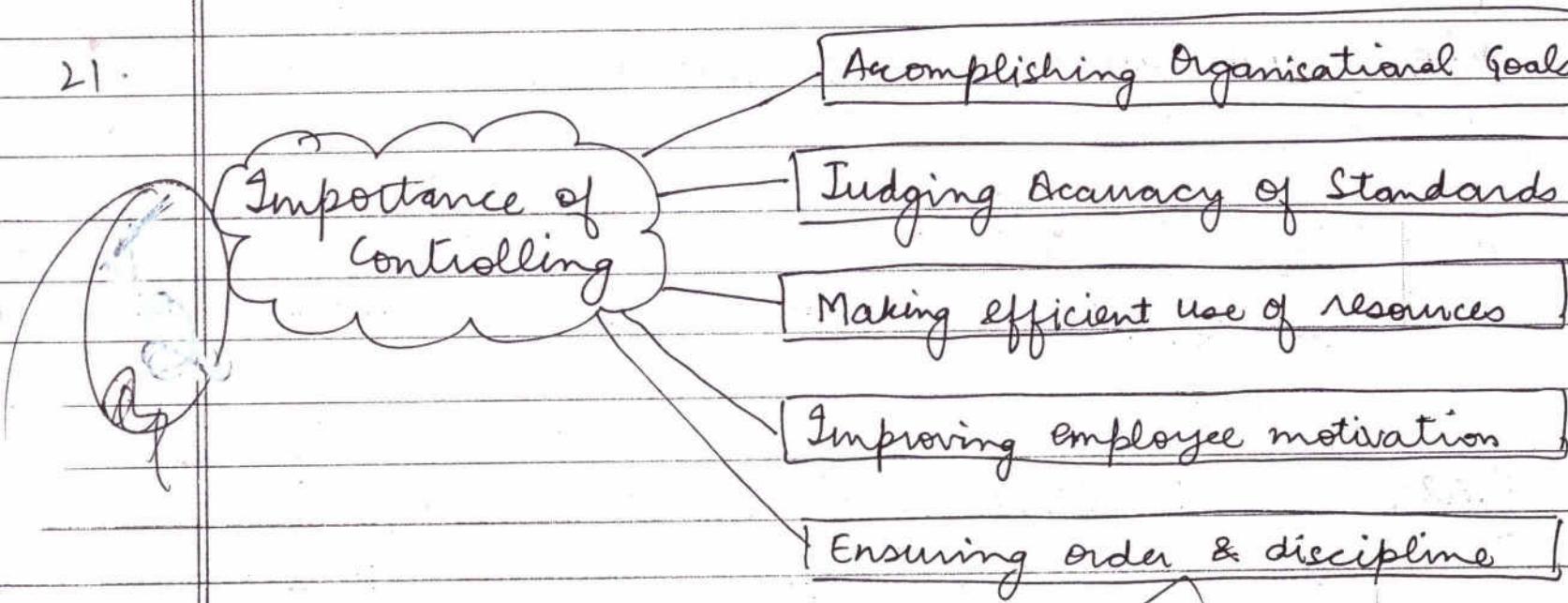
### MORE DEMANDING CUSTOMERS:

- Customers today have become more demanding because they are well informed.
- Increased competition in market gives customers a wider choice in purchasing better quality of products & services.

(3)

### MARKET ORIENTATION:

- Earlier firms used to produce first & go to market for sale later, i.e. they had production oriented marketing operations.
- In fast changing world there is shift to market orientation.
- Firms now have to study & analyse market first & produce goods accordingly.



### ① ACCOMPLISHING ORGANISATIONAL GOALS:

- Controlling function brings to aks
  - measures progress towards goals
  - brings to light deviations, if any
  - indicates corrective action
- It keeps organisation on right track so that goals are achieved.

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Supplementary Answer-Book(s) No. ....

## ② JUDGING ACCURACY OF STANDARDS :

- Good control system enables management to verify whether standards set are accurate & objective.
- It keeps careful check on changes taking place in organisation & environment & helps to <sup>review &</sup> revise standards in light of such changes.

## ③ MAKING EFFICIENT USE OF RESOURCES :

- By exercising control manager seeks to reduce
  - wastage
  - spoilage of resources.
- Each activity is performed in accordance with pre determined standards & norms ensuring that resources are used effectively & efficiently.

(4)

#### IMPROVING EMPLOYEE MOTIVATION:

- Good control system ensures employees know well in advance
  - what they are expected to do
  - what are standards of performance on basis of which they will be appraised.
- It motivates employees & helps them to give better performance.

(5)

#### ENSURES ORDER & DISCIPLINE:

Controlling creates atmosphere of order & discipline in organisation by minimizing dishonest behaviour on part of employees by keeping close check on their activities.

22. (a) Directions issued by consumer court:

- ① To refund the prices paid for good or charges paid for service.
- ② To pay adequate costs to appropriate party.
- ③ To pay any amount (not less than 5% of value of defective goods or deficient services provided) to be credited to Consumer Welfare Fund or any organisation or person to be utilised in prescribed manner.
- ④ To issue corrective advertisement to neutralize the effect of misleading advertisement.

[ PTO ]

- (5) To pay reasonable amount of compensation for loss or injury suffered by consumer due to negligence of opposite party.
- (6) To discontinue restrictive / unfair trade practice & not to repeat it in future.
- (7) Withdraw hazardous goods from sale.

(b)

## VALUES :

- Fulfilling social responsibility towards society
- Health & hygiene
- Concern for the old & aged.

23. (a) DELEGATION OF AUTHORITY is used by Anoop to focus on objectives.

- Delegation of authority means granting of authority to subordinates to operate within prescribed limits. → Theo Haimmam.

It is a pre-requisite to efficient functioning of organisation as it enables manager to use his time on high priority activities.

It helps the manager to extend his area of operations as without it, his activities would be restricted to what he can do himself.

Elements of delegation are:

- Authority (flows downwards)
- Responsibility (flow upwards)
- Accountability.

[PRO]

## Importance of Delegation

Effective Management

Employee Development

Motivation of Employees

Facilitation of Growth

### ① EFFECTIVE MANAGEMENT :

- By empowering employees, managers are able to function more efficiently as they get more time to concentrate on important matters.
- Freedom from doing routine jobs, provides him with opportunity to excel in new areas.

## ② EMPLOYEE DEVELOPMENT :

- As result of delegation, employees get more opportunities to utilise their talents.
- It allows them to develop
  - those skills which will enable them to perform complex tasks.
  - assume those responsibilities which will improve their career prospects.
- Thus, delegation helps by preparing better future managers.

## ③ MOTIVATION OF EMPLOYEES :

- Delegation also has psychological benefits.
- When superior entrusts subordinate with a task, it is not merely sharing of work but involves :

[ PTO ]

- trust → Superior's part
- commitment → Subordinate's part.
- Responsibility for work builds self esteem of workers and improves their confidence.
- They feel encouraged to give better performance.

(4)

FACILITATION OF GROWTH:

- Delegation facilitates expansion of organisation by providing ready workforce to take up leading positions in new ventures.
- Trained & experienced employees are able to play significant role in launch of new projects by replicating work ethos in newly set up branches.

[R.T.D]

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अतिरिक्त उत्तर-पुस्तिका (ओं) की संख्या  
Supplementary Answer-Book(s) No. 2

24.

## Factors affecting working capital requirement.

(1)

### SCALE OF OPERATIONS

If large scale  
(quantity of inventory,  
debtors is high)

more working  
capital

If small scale  
(quantity of  
inventory &  
debtors is low)

less working  
capital

PTO

(2)

## BUSINESS CYCLE

If boom period  
(sales as well as  
production high)



more working  
capital

If depression period  
(sales as well as  
production is  
low)



less working  
capital

(3)

## SEASONAL FACTORS

If peak season  
(high level of activity)



more working capital

If lean season  
(low level of activity)



less working capital

(4)

## AVAILABILITY OF RAW MATERIAL

If raw material is not available readily

↓  
more stock of raw material is to be maintained

↓  
more working capital

If raw material is available readily

↓  
lesser stocks of raw material to be maintained

↓  
less working capital

### Lead Time

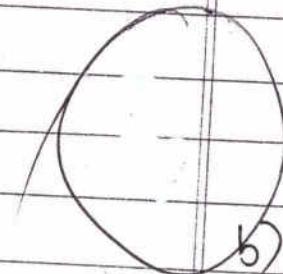
High lead time      less lead time

↓  
more working capital  
lead time is time lag between placement of order &  
less working capital

actual receipt of raw material.

25.

- (a) 1. Product Related factors (Degree of Complexity)  
 2. Company Characteristics (Financial strength of company)  
 3. Market factors (Quantity purchased)



b) PRODUCT RELATED FACTORS

(a)

<u>UNIT VALUE OF PRODUCT</u>
------------------------------

If unit value is high  
 (as in case of gold, silver etc.)

↓  
Direct channels

If unit value is low  
 (eg consumer products)  
 ↓

Indirect channels

(b)

PERISHABILITY OF PRODUCT

In case of perishable  
products  
(like fruits, vegetables,  
dairy products etc)

In case of non  
perishable products  
(like soap, tea,  
toothpaste etc)

Shorter / Direct channels

Indirect channels.

(c)

NATURE OF PRODUCT

If industrial product  
(technical, expensive,  
few buyers)

If consumer product  
(standardised, less  
expensive, frequently  
purchased)

direct channels.

indirect channels.

2.

## COMPANY CHARACTERISTICS

### DEGREE OF CONTROL

Greater control by management



Shorter / Direct channels

Lesser control by management



long / Indirect channels.

3.

## MARKET FACTORS

a)

### GEOGRAPHIC CONCENTRATION OF BUYERS

Concentrated in a smaller area



Shorter / Direct channels

Buyers are widely spread



long / indirect channels.

b)

### SIZE OF MARKET

If market size is small

↓  
industrial products

↓  
less number of buyers

↓  
direct channels

If market size is large

↓  
convenience products

↓  
more number of buyers

↓  
indirect channels