

-Strictly Confidential: (For Internal and Restricted Use Only)
Senior School Certificate Examination
March -----2018-19
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. Small mistakes 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. Evaluation is a 10-12 days mission for all of us. Hence, it is desired from you too give your best in this process.
2. 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 innovative may be assessed and marks be awarded to them.
3. The head examiner has to go through the first five answer scripts evaluated by each evaluator to ensure that evaluation has been carried out as per instructions given in the marking scheme. The remaining answer scripts meant for evaluation shall be given only after ensuring that there is no significant variation in the marking and encircled.
4. 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 totalled up and encircled in the left hand margin.
5. If a question does not have any parts marks must be awarded in the left hand margin and encircled.
6. If a student has attempted an extra question, answer of the question deserving more marks should be retained and other answer scored out
7. In a question, if two features/ characteristics/ points are asked but an examinee writes more than two features/ characteristics/ points, say, five, of which first is correct, second is incorrect, the first two should be assessed and the remaining should be ignored.
8. The examiners should acquaint themselves with the instructions given in the Guidelines for Spot Evaluation before starting the actual evaluation.
9. Every examiner should stay full working hours i.e. 8 hours every day and evaluate 25 answer books.

10. It is expected that the marking scheme should be followed objectively to ensure quality evaluation. For instance, if an examinee scores 24 marks, then the marks should not be inflated to 27 simply to pass him/ her.

11. Avoid the following common type of errors committed by the examiners in the pat-

- Leaving answers or parts thereof unassessed in the answer script.
- Giving more marks for an answer than assigned to it or deviation from the marking scheme.
- Wrong transference of marks from the inside pages of the answer books 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.
- Wrong transference of marks from answer books to award list.
- Answer marked as correct but marks not awarded.
- Half or a part of answer marked correct and the rest as wrong but no marks awarded.

12. Marks should be awarded keeping in view the total marks of a particular question and not the total marks of the question paper. For example, if one mark is given to a 3 marks question even if nothing is correct, then that one mark constitutes 33% of the total marks for this answer.

13. The examiner shall also have to certify in the answer book that they have evaluated the answer book strictly in accordance with the value points given in the marking scheme and correct set of question papers.

14. While evaluating the answer scripts, if the answer is found to be totally incorrect, it should be marked as (x) and awarded zero (0) marks.

15. A full scale of marks 0-80 has to be used. Please do not hesitate to award full marks if the answer deserves it. Similarly, wherever an examinee writes an answer upto the mark, his/ her marks should not be deducted unnecessarily.

16. As per the orders of Hon'ble Supreme Court, the candidates would now be permitted to obtain photocopy of the Answer Book on request on payment of the prescribed fee. All 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.

66/1/3			MARKING SCHEME – 2018-19 BUSINESS STUDIES 66/1/3 EXPECTED ANSWERS / VALUE POINTS	Marks
66 /1 /1	66 /1 /2	66 /1 /3	SECTION A	
A1 5	A2 7	A3 1	<p>Q. Varsha Jain after completing her fashion designing course from Indian Institute of Fashion Technology planned to enter into designer clothing venture. She had to address issues like her target customers, channel of distribution to be used, pricing policy etc. Identify the type of plan that Varsha Jain needs to develop to provide direction and scope to her organisation in the long run.</p> <p>Ans. Strategy</p>	1 mark
6	8	2	<p>Q. State any two ‘Developmental Functions’ of Securities and Exchange Board of India.</p> <p>Ans. <u>Developmental functions of SEBI:</u> (Any two)</p> <p>(i) It trains intermediaries of the securities market.</p> <p>(ii) It conducts research and publishing information useful to all market participants.</p> <p>(iii) It undertakes measures to develop the capital markets by adapting a flexible approach.</p> <p style="text-align: center;">OR</p>	<p>$\frac{1}{2} \times 2$ = 1 mark</p> <p style="text-align: center;">OR</p>

			<p>Q. What is meant by ‘Allocative Function’ of Financial Markets?</p> <p>Ans. Allocative function of financial market means allocating or directing funds available for investment into their most productive investment opportunity.</p> <p style="text-align: center;">or</p> <p>Allocative function of financial market means mobilization of savings and channelizing them into the most productive use.</p>	1 mark
7	1	3	<p>Q. Beena has been using ‘Klean’, a famous detergent available in the market. On watching numerous advertisements in the television, she decided to try a new brand of detergent. When she went to the near-by store to purchase the same, she saw detergents of other producers making similar claims of whiteness and stain removing abilities. Hence she could not make up her mind as which detergent to purchase. Name the objection of advertising being discussed in this case.</p> <p>Ans. Advertising confuses the buyers</p>	1 mark
8	2	4	<p>Q. Give the meaning of ‘Physical Distribution’ as an element of Marketing Mix.</p> <p>Ans. <u>Place or Physical Distribution</u> means set of activities that make firm’s products available to the target customers. It consists of all the activities involved in transferring ownership and physical possession of the product to the consumers.</p> <p style="text-align: center;">(or any other correct meaning)</p> <p style="text-align: center;">OR</p> <p>Q. What is meant by ‘Marketing Management’?</p>	<p>1 mark</p> <p style="text-align: center;">OR</p>

			<p>Ans. Marketing management is the art and science of choosing target markets and getting, keeping and growing customers through creating, delivering and communicating superior customer values of management.</p> <p style="text-align: center;">or</p> <p>Marketing management refers to planning, organising, directing and control of the activities which facilitate exchange of goods and services between producers and consumers or users of products and services.</p>	1 mark
1	3	5	<p>Q. Define ‘Workforce Analysis’.</p> <p>Ans. Workforce Analysis is an assessment of the number and type of human resources available for the performance of various jobs and accomplishment of organisational objectives.</p> <p style="text-align: center;">OR</p> <p>Q. Define ‘Selection’.</p> <p>Ans. Selection is defined as the process of choosing from among the pool of prospective job candidates developed at the stage of recruitment.</p> <p style="text-align: center;">or</p> <p>Ans. Selection is defined as the process of identifying and choosing the best person(s) out of a number of prospective candidates for the job.</p> <p style="text-align: center;">(or any other correct definition)</p>	<p>1 mark</p> <p style="text-align: center;">OR</p> <p>1 mark</p>
2	4	6	<p>Q. Appliances India Ltd is engaged in manufacturing and distribution of home appliances since 1987.</p> <p>It has a good name in the market as the company is producing good quality appliances. It has separate</p>	

			<p>departments for manufacturing, finance, sales, maintenance services and technical services to achieve specialisation.</p> <p>Since the areas of operation of the company have increased and customers have become more demanding, the company decided to modify the existing principle of management to meet the changing requirements of the environment.</p> <p>State the general principle of management which the company wants to modify to meet the changing requirements.</p> <p>Ans. The general principle of management which the company wants to modify is the Principle of <u>Division of work</u> which states that the work should be divided into small tasks/ jobs each performed by a specialist.</p>	<p>½ mark for identifying the principle + ½ mark for stating the principle = 1 mark</p>
3	5	7	<p>Q. How does Financial Market facilitate ‘Price Discovery’ of financial assets?</p> <p>Ans. Financial Market facilitates price discovery for financial assets by interaction of forces of demand and supply.</p>	1 mark
4	6	8	<p>Q. Biru Nandan, Chairman of Lalit group of companies founded ‘Biru University’ for undergraduate and postgraduate courses in diverse disciplines. The Information Technology department of the Lalit Power Ltd., had few vacancies related to Cyber security. The Human Resource Department of the Company decided to recruit fresh engineering graduates from ‘Biru University’ for the same. Identify the type of source of recruitment.</p> <p>Ans. External source of recruitment/ Campus Recruitment</p>	1 mark
			SECTION B	

10	12	9	<p>Q. Mita has a successful ice cream business at Bikaner, namely ‘Smartflavours’. Her ice creams are utterly delicious. She makes ice creams from fresh milk and the same are available in a wide range of flavours and packs. She sets viable business objectives and works with the same in mind in order to ensure that the customers will come back for purchasing.</p> <p>Having the first mover advantage, her business was doing well. To earn higher profits, she started cutting down costs. This would sometimes lead to delay in delivery and the ice cream was not reaching the market in time. Over a period of time, the demand for her ice cream declined and because of it the competitors entered the market. She lost some of her market share to competitors.</p> <p>At the beginning of summer season, she got back to back orders for supply of 4,000 ice cream packs of different flavours for special occasions. To ensure that the task was completed and orders delivered in time she hired additional workers. She was, thus able to produce and deliver the ice cream packs but at a high production cost.</p> <p>While completing activities and finishing the given task for achieving goals, Mita realised that she was ignoring one of the important aspects of management.</p> <p>Identify the aspects of management that has been ignored by Mita. Also explain the same with the help of an example.</p> <p>Ans. <u>Efficiency</u></p> <p>Efficiency means doing the task correctly and with minimum cost.</p> <p><u>Example</u></p> <p>Say, a company’s target production is 5,000 units in a year. The manager wants to achieve the production target by cutting down costs. He was able to cut down costs but could not achieve the target production. In</p>	<p>1 mark for identifying the aspect + 1 mark for its explanation +</p>
----	----	---	--	---

		<p>this case, the manager was efficient but not effective.</p> <p>(or any other correct example)</p> <p>or</p> <p><u>Effectiveness</u></p> <p>Effectiveness means doing the right task, completing activities and achieving goals.</p> <p><u>Example</u></p> <p>Say, a company's target production is 5,000 units in a year. To achieve this target the manager has to operate on double shifts due to power failure most of the time. The manager is able to produce 5,000 units but at a higher production cost. In this case, the manager was effective but not so efficient.</p> <p>(or any other correct example)</p> <p><u>or</u></p> <p><u>Efficiency and Effectiveness</u></p> <p>Efficiency means doing the task correctly and with minimum cost.</p> <p>Effectiveness means doing the right task, completing activities and achieving goals.</p> <p><u>Example</u></p> <p>Say, a company's target production is 5,000 units in a year. To achieve this target the manager has to operate on double shifts due to power failure most of the time. The manager is able to produce 5,000 units but at a higher production cost. In this case, the manager was effective but not so efficient.</p> <p>In the above situation, if the manager was able to</p>	<p>1 mark for correct example</p> <p>=</p> <p>3 marks</p>
--	--	--	--

			<p>achieve the production target but at a higher cost, he would have been effective but not efficient.</p> <p style="text-align: center;">(or any other correct example)</p>	
11	13	10	<p>Q. State ‘Job Enrichment’ and ‘Employee Participation’ as non-financial incentives. How do they motivate employees?</p> <p>Ans. <u>Job Enrichment</u></p> <ul style="list-style-type: none"> ▪ Job Enrichment means designing jobs that include greater variety of work content, require higher level of knowledge and skill, give workers more autonomy and responsibility and provide the opportunity for personal growth and a meaningful work experience. ▪ If jobs are enriched and made more interesting, the job itself becomes a source of motivation to the individual. <p><u>Employee Participation</u></p> <ul style="list-style-type: none"> ▪ Employee Participation means giving more autonomy and powers to the employees. ▪ It makes them feel that their jobs are important and this feeling makes them contribute positively to the use of their skills and talents in the job performance. 	<p style="text-align: center;">1 ½ marks</p> <p style="text-align: center;">+</p> <p style="text-align: center;">1 ½ marks</p> <p style="text-align: center;">=</p> <p style="text-align: center;">3 marks</p>
-	-	11	<p>Q. Give the meaning of Financial Management. State its main objective.</p> <p>Ans. Financial Management is concerned with management of flow of funds and involves <u>decisions relating to procurement of funds, investment of funds and distribution of earnings.</u></p> <p style="text-align: center;">or</p> <p>Financial Management may be defined as <u>planning, organising, directing and controlling the financial activities</u> of an organisation.</p>	<p>1 mark</p>

			<p><u>Objective of Financial Management:</u></p> <p>The objective of financial management is to <u>maximize shareholders wealth</u> i.e. to <u>maximize the market price of equity shares</u> of the company.</p> <p>This is because a <u>company's funds belong to the shareholders</u> and the manner in which these are invested and the return earned on them determines the market value or price of shares.</p> <p style="text-align: center;">OR</p> <p>Q. State any three points of importance of financial planning.</p> <p><u>Ans. Importance of Financial planning: (any three):</u></p> <p>(a) It helps in avoiding business shocks and surprises and helps the company to prepare for the future.</p> <p>(b) It helps in coordinating various business functions by providing clear policies and procedures</p> <p>(c) Detailed plans of action prepared under financial planning helps in reducing waste, duplication of efforts and gaps in planning.</p> <p>(d) It tries to link the present with the future.</p> <p>(e) It provides a link between investment and financing decisions on a continuous basis</p> <p>(f) It makes the evaluation of actual performance easier by spelling out detailed objectives for various business segments.</p> <p>(If an examinee has given only the headings, ½ mark for each heading should be awarded)</p>	<p>2 marks</p> <p style="text-align: center;">=</p> <p>3 marks</p> <p style="text-align: center;">OR</p> <p style="text-align: center;">1 x 3</p> <p style="text-align: center;">=</p> <p>3 marks</p>
-	-	12	<p>Q. 'Coordination is the essence of management.' Explain.</p> <p>Ans. Co-ordination is not a separate function of</p>	

		<p>management. It is the force that binds all other functions and thus called the essence of management.</p> <ul style="list-style-type: none"> • The process of coordinating the activities begins at the <u>planning stage</u> in which the top management plans for the entire organization. • At the <u>organizing stage</u>, the organizational structure is developed as per plans. • The <u>staffing function</u> is performed thereafter as per the structure developed in the organization structure. • <u>Directing</u> is then required to ensure that these plans are executed accordingly. • <u>Controlling function</u> ensures that the discrepancies between actual and planned activities are taken care of. <p>Coordination, therefore, synchronises the efforts through all functions of management and ensures that the organizational objectives are achieved with a minimum of conflict.</p> <p style="text-align: center;">OR</p> <p>Q. “Art is concerned with personal application of knowledge.” In the light of this statement compare all the features of management with art and prove that it is an art.</p> <p>Ans. “Art is concerned with personal application of knowledge”. Management is an art because of the following reasons:</p> <p>1. <u>Existence of theoretical knowledge.</u> As in art, in management too, there is a lot of literature available in various areas of management, which the manager has to specialise in.</p> <p>2. <u>Personalised application.</u> Like in any art, in management too, a manager applies his acquired knowledge in a personalised and unique manner.</p> <p>3. <u>Based on continuous practice and creativity</u> Management satisfies this criteria as a manager gains experience through regular practice and becomes more</p>	<p>3 marks</p> <p style="text-align: center;">OR</p> <p>1 x 3 = 3 marks</p>
--	--	--	--

			<p>effective. Like any other art, a manager after studying various situations, formulates his own theories for use in a given situation. This gives rise to different styles of management.</p> <p>As all the criteria of art are satisfied by management, it qualifies as an art.</p>	
9	11	13	<p>Q. JTM Ltd launched ‘Buddyline’, an exercise book and comprehensive stationery brand name comprising of ball pens, gel pens and geometry boxes after identifying the target market and understanding the needs and wants of the consumers of that market. All their products were of good quality and eco-friendly but expensive. They wanted to distinguish their product from that of their competitors. They spent lot of effort, time and money in creating the brand name, as they knew that without a brand name, they can only create awareness for the generic product and can never be sure of the sale of their products. The effort paid off and the demand for the products started growing. The customers liked the brand and became habitual to it. They did not mind paying a higher price. Over a period of time, it became a status symbol to buy ‘Buddyline’ brand because of its quality. The consumers felt pride in using them.</p> <p>(i) Identify the marketing management philosophy followed by JTM Ltd.</p> <p>(ii) Explain the advantages of branding to the marketers highlighted in the above case.</p> <p>Ans. (i) Societal marketing philosophy.</p> <p>(ii) <u>Advantages of branding highlighted in the above case are: (Any two)</u></p> <p>(a) Helps in product differentiation.</p> <p>(b) Helps in advertising and display programmes.</p>	<p>1 mark</p> <p>½ mark for heading + ½ mark for its explanation 1 x 2 =</p>

			(c) Differential pricing.	2 marks = 1+2 = 3 marks									
			SECTION C										
-	-	14	Q. Price of a product is influenced by many factors. Explain any four such factors. Ans. <u>Factors affecting Price:</u> (Any four) (i) Product Cost (ii) Utility and Demand (iii) Extent of competition (iv) Marketing methods used (v) Pricing objectives (If an examinee has not given the headings as above but has given the correct explanation, full credit should be given) OR Q. Distinguish between ‘Product’ and ‘Production’ concepts of marketing philosophies on the following bases: (i) Starting Point; (ii) Main Focus; (iii) Means: (iv) Ends. <table border="1"><tr><th>Basis</th><th>Product concept</th><th>Production concept</th></tr><tr><td>1.Starting point</td><td>The marketing efforts start after the product is produced in the Factory</td><td>The marketing efforts start after the product is produced in the Factory</td></tr><tr><td>2.Main</td><td>Its focus is on</td><td>Its focus is on</td></tr></table>	Basis	Product concept	Production concept	1.Starting point	The marketing efforts start after the product is produced in the Factory	The marketing efforts start after the product is produced in the Factory	2.Main	Its focus is on	Its focus is on	½ mark for heading + ½ mark for its explanation 1 x 4 = 4 marks OR
Basis	Product concept	Production concept											
1.Starting point	The marketing efforts start after the product is produced in the Factory	The marketing efforts start after the product is produced in the Factory											
2.Main	Its focus is on	Its focus is on											

			<table><tr><td>focus</td><td>Quality, performance, features of product</td><td>Quantity of product</td></tr><tr><td>3.Means</td><td>It uses Product improvement as a means to achieve the objective</td><td>It uses Availability and affordability of product as a means to achieve the objective</td></tr><tr><td>4.Ends</td><td>Its objective is to earn Profit through Product quality</td><td>Its objective is to earn Profit through production volume</td></tr></table>	focus	Quality, performance, features of product	Quantity of product	3.Means	It uses Product improvement as a means to achieve the objective	It uses Availability and affordability of product as a means to achieve the objective	4.Ends	Its objective is to earn Profit through Product quality	Its objective is to earn Profit through production volume	1 x 4 = 4 marks
focus	Quality, performance, features of product	Quantity of product											
3.Means	It uses Product improvement as a means to achieve the objective	It uses Availability and affordability of product as a means to achieve the objective											
4.Ends	Its objective is to earn Profit through Product quality	Its objective is to earn Profit through production volume											
14	17	15	<p>Q. Mahinder Agro Ltd. started a new venture for distribution of harmful and chemical free fertilizers vegetables. They conducted a survey to find out consumer preferences for such vegetables. They found that most of the consumers were concerned about the harmful chemicals being used in growing the vegetables. They found out that 90% of the households were searching for alternatives. The company contacted a group of agricultural experts to lay down the procedure for growing the vegetables by the farmers. They decided to train the farmers in new technology to grow chemical free vegetables according to new innovative methods. The experts also suggested soil management techniques through which farmers would be able to create an abundant and lasting harvest. Identify and explain the two dimensions of business environment highlighted in the above para.</p> <p><u>Ans. Dimensions of business environment highlighted above are:</u></p> <p><u>(i) Social Dimension</u></p> <p>Social Environment includes social forces like custom and traditions, values, social trends and society's expectation from business.</p>	1 mark for identifying each dimension + 1 mark for its explanation = 2 + 2 = 4 marks									

			<p>(ii) <u>Technological Dimension</u></p> <p>Technological Environment of business includes forces relating to scientific improvements and innovations which provide new ways of producing goods and services and new methods and techniques of operating a business.</p>	
15	18	16	<p>Q. Mega Ltd. holds an Annual Management Programme every year in the month of March in which the top managerial personnel formulate plans for the next year by analysing and predicting the future to meet future events effectively. As they are responsible for providing direction to the organisation, facts are thoroughly checked through scientific calculations. Detailed plans are prepared after discussion with professional experts. Preliminary investigations are also undertaken to find out the viability of the plan. Since it is an intellectual activity requiring intelligent imagination and sound judgement, it is mainly done by the top management. Usually rest of the members just implement the plans. Middle level managers are neither allowed to deviate from the plans nor are they permitted to act on their own. The top management ensures that the expenses incurred in formulating the plans justify the benefits derived from them. State two limitations and two features of planning discussed above.</p> <p>Ans. <u>Two limitations of planning discussed above are:</u></p> <p>(i) <u>Planning reduces creativity</u> as it is mostly done by the top management; rest of the members just carry out orders and think on the same lines as others.</p> <p>(ii) <u>Planning involves huge costs</u> in terms of time and money. The costs incurred sometimes may not justify the benefits derived from the plans.</p>	<p>1 x 4</p> <p>=</p>

			<p>(If an examinee has given only the headings, ½ mark for each heading should be awarded)</p> <p><u>Two features of planning discussed above are:</u></p> <p>(i) <u>Planning is futuristic</u> as it involves looking ahead and preparing for the future to meet future events effectively to the best advantage of the organisation.</p> <p>(ii) <u>Planning is a mental exercise</u> as it requires application of mind involving foresight, intelligent imagination and sound judgement. It is an intellectual activity of thinking rather than doing.</p> <p>(If an examinee has given only the headings, ½ mark for each heading should be awarded)</p>	4 marks
16	19	17	<p>Q. Vinber Ltd. set up a manufacturing unit at Bhiwadi at Himachal Pradesh to manufacture electric geysers and supply them to dealers all over the country. Their production target was 500 geysers per week. It was decided by the management that variation in production upto 10 units would be acceptable.</p> <p>At the end of the first week, the production was 450 geysers. The next week, production increased to 470 geysers. A week later, production was 460 geysers. On investigation, it was found out that fluctuation in production was due to irregular supply of electricity.</p> <p>(a) The above para discusses some of the steps of one of the functions of management. Explain the steps.</p> <p>(b) Also, state the step(s) not discussed in the above para.</p> <p>Ans.</p> <p><u>(a) Steps in the process of controlling discussed in the above case:</u></p> <p>(i) Setting performance standards</p> <p>(ii) Measuring actual performance</p>	<p>(½ mark for naming the step + ½ mark for its</p>

			<p>(iii) Comparing actual performance with standards and Analysing deviations</p> <p><i>(In case the examinee has not written the steps in the right sequence, ½ mark may be deducted)</i></p> <p>(b) <u>Step not discussed in the above para:</u></p> <p><u>Taking corrective action</u> if deviations go beyond the acceptable limits.</p> <p><i>(In case the examinee has not written the steps in the right sequence, ½ mark may be deducted)</i></p> <p style="text-align: center;">or</p> <p>(a) <u>Steps in the process of controlling discussed in the above case:</u></p> <p>(i) Setting performance standards</p> <p>(ii) Measuring actual performance</p> <p>(iii) Analysing deviations</p> <p>(b) <u>Steps not discussed in the above para:</u></p> <p>(i) Comparing actual performance with standards to find out the deviation.</p> <p>(ii) Taking corrective action if deviations go beyond the acceptable limits.</p> <p>(In case the examinee has not written the steps in the right sequence, ½ mark may be deducted)</p>	<p>explanation 1 x 3 = 3 marks)</p> <p style="text-align: center;">+</p> <p>(1 mark) = 3+1 = 4 marks</p> <p style="text-align: center;">or</p> <p>(½ mark for naming the step + ½ mark for its explanation 1 x 3 = 3 marks) +</p> <p style="text-align: center;">(½ x 2 = 1 mark) = 3+1 = 4 marks</p>
-	-	18	<p>Q. What is meant by ‘Decentralisation’? State any three points that highlight the importance of decentralisation in an organisation.</p>	

			<p style="text-align: center;">OR</p> <p>Q. Give the meaning of ‘Formal Organisation’. State its any three advantages.</p> <p>Ans. <u>Formal organisation</u> refers to the organisation structure which is deliberately created by the management to accomplish a particular task. It specifies clearly the boundaries of authority and responsibility and there is systematic co-ordination among the various activities to achieve organisational goals.</p> <p style="text-align: center;">(or any other correct meaning)</p> <p><u>Advantages of Formal organisation: (any three)</u></p> <p>(a) It is easier to <u>fix responsibility</u> since mutual relationships are clearly defined.</p> <p>(b) It <u>avoids duplication of effort</u> since there is no ambiguity in the role that each member has to play.</p> <p>(c) It <u>maintains unity of command</u> through an established chain of command</p> <p>(d) It leads to <u>accomplishment of goals</u> by providing a framework for the operations to be performed.</p> <p>(e) It <u>provides stability</u> to the organisation because there are specific rules to guide behaviour of employees.</p> <p>(If an examinee has given only the heading, ½ mark for the heading should be awarded)</p>	<p style="text-align: center;">OR</p> <p>1 mark</p> <p style="text-align: center;">+</p> <p>1 x 3 = 3 marks</p> <p style="text-align: center;">= 1+3 = 4 marks</p>
18	15	19	<p>Q. Stock exchange acts as a regulator of the securities market. It creates a continuous market where the securities are bought and sold. It gives investors the chance to disinvest and reinvest. Through this process of disinvestment and reinvestment, savings get channelised into their</p>	

		<p>most productive investment avenues. To ensure that the investing public gets a safe and fair deal in the market, the membership of the stock exchange is well regulated and its dealings are well defined according to the existing legal framework. It also ensures wider share ownership by regulating new issues, better trading practices and taking effective steps in educating the public about investments. Various functions performed by the Stock Exchange are discussed in the above para. By quoting the lines from the above para, state any four functions of stock exchange.</p> <p><u>Ans. Various functions performed by the Stock Exchange are:</u></p> <p>(i) Providing liquidity and marketability to existing securities as the stock exchange creates a continuous market where the securities are bought and sold. It gives investors the chance to disinvest and reinvest.</p> <p><i>It creates a continuous market where the securities are bought and sold. It gives investors the chance to disinvest and reinvest.</i></p> <p>(ii) Contributes to economic growth as through process of disinvestment and reinvestment, savings get channelised into their most productive investment avenues.</p> <p><i>Through this process of disinvestment and reinvestment, savings get channelised into their most productive investment avenues.</i></p> <p>(iii) Safety of transactions as the membership of the stock exchange is well regulated and its dealings are well defined according to the existing legal framework. This ensures that the investing public gets a safe and fair deal on the market.</p>	<p>½ mark for quoting the line + ½ mark for the statement 1 x 4 = 4 marks</p>
--	--	--	--

			<p><i>Membership of the stock exchange is well regulated and its dealings are well defined according to the existing legal framework</i></p> <p>(iv) Spreading of equity cult as the stock exchange ensures wider share ownership by regulating new issues, better trading practices and taking effective steps in educating the public about investments.</p> <p><i>Ensures wider share ownership by regulating new issues, better trading practices and taking effective steps in educating the public about investments.</i></p>	
			SECTION D	
21	22	20	<p>Voltage fluctuations have been common and quite high in India. They harm our electrical appliances like television, refrigerators and air conditioners, often leaving them in a permanently damaged condition.</p> <p>N-Guard Company decided to manufacture stabilizers for North India where the voltage fluctuation ranges from 220V-230V. Once the demand for the North India was taken care of, they decided to launch stabilizers of varying voltages from 90 V -260V for meeting the requirements of voltage fluctuations in other regions of India also. Three engineers were appointed for South, West and East regions of India, as the voltage was different in all the three regions. Though all the engineers were appointed to manufacture stabilizers but the product differed from region to region.</p> <p>(a) Identify the organisational structure of N-Guard Company.</p> <p>(b) State any two advantages and two limitations of the structure identified in the above para.</p> <p>Ans. <u>FUNCTIONAL STRUCTURE</u></p> <p><u>Advantages of Functional structure:</u> (Any two)</p> <p>(a) It leads to <u>occupational specialisation</u> since emphasis is placed on specific functions.</p>	<p>1 mark</p> <p>+</p> <p>1 x 2 = 2 marks</p>

			<p>learning. They had entered into alliances with institutes to ensure continuous learning of their employees. With the jobs becoming more and more complex, KLI Global Services invested large amount of money in making the employees learn the skills necessary to complete the jobs. State by giving any five points, how this investment is likely to benefit the organisation.</p> <p>Ans. <u>Benefits of training to the organisation:</u></p> <p>(i) It <u>avoids wastage of efforts and money</u> as training is systematic learning, better than hit and trial methods.</p> <p>(ii) It <u>enhances employee productivity</u> both in terms of quantity and quality leading to higher profits.</p> <p>(iii) It <u>equips the future manager</u> to take over in an emergency.</p> <p>(iv) It <u>reduces employees' turnover</u> as it increases employee morale and reduces absenteeism.</p> <p>(v) It helps in <u>obtaining effective response in a fast changing environment</u></p> <p>(If an examinee has given only the headings, ½ mark for each heading should be awarded)</p>	<p>1 x 5 = 5 marks</p>
-	-	22	<p>Q. Explain the following techniques of scientific management: (a) Motion Study and (b) Time Study</p> <p>Ans. (a) <u>Motion Study</u></p> <ul style="list-style-type: none"> ▪ It is a technique to study the movements which are undertaken while doing a well defined job. ▪ The movement could be productive, incidental and unproductive. ▪ It seeks to eliminate unnecessary and wasteful 	<p>2 ½ marks</p>

		<p>movements so that it takes less time to complete a job efficiently.</p> <p>(b) <u>Time Study</u></p> <ul style="list-style-type: none"> Time study is a technique used to determine the standard time taken by a worker of reasonable skill and efficiency to perform a well defined job. It helps in deciding the number of workers to be employed, frame suitable incentive schemes and determine labour costs. The method of time study will depend upon volume and frequency of the task, the cycle time of the operation and time measurement costs. <p style="text-align: center;">OR</p> <p>Q. Explain how principles of management: (i) help the managers in taking scientific decisions, and (ii) in providing the managers with useful insights into real world situations.</p> <p>Ans. (i) <u>Principles of management help the managers in taking scientific decisions:</u></p> <ul style="list-style-type: none"> Principles of management help in taking scientific decisions because the decisions based on principles are free from bias. They are based on the objective assessment of the situation. <p>(ii) <u>Principles of management provide the managers with useful insights into real world situations</u></p> <ul style="list-style-type: none"> Principles of management provide useful insights into reality by enabling the managers to learn from past mistakes and conserve time by solving recurring problems quickly. 	<p style="text-align: center;">+</p> <p style="text-align: center;">2 ½ marks</p> <p style="text-align: center;">=</p> <p style="text-align: center;">5 marks</p> <p style="text-align: center;">OR</p> <p style="text-align: center;">+</p> <p style="text-align: center;">2 ½ marks</p>
--	--	---	---

			- Adherence to these principles adds to their knowledge, ability and understanding of managerial situations and circumstances.	= 5 marks
			SECTION E	
24	25	23	<p>‘VOICE’ is an an important consumer organisation. It organised workshops in the months of December in Delhi/ NCR for consumers. The theme was ‘Organic Food –From Farm to Plate’ to spread awareness on the importance of organic farming and to encourage consumers to switch from conventional food that contains chemicals and pesticides to organic food. Expert speakers from farmers’ community explained the harmful effects of usage of pesticides in farming and the importance of organic food. People were informed that the organisation regularly tests samples to detect adulteration like presence of heavy metals or pesticides. The results of the tests are published in their monthly magazine’ Consumer Voice’ to make people aware of quality of different products. It also provides aid and legal advice to the consumers in seeking a remedy.</p> <p>State the functions performed by the Consumer Voice for the protection and promotion of consumer interest by quoting lines from the above para.</p> <p>Ans. Functions performed by the Consumer Voice for the protection and promotion of consumer interest:</p> <p>(a) <u>Educating the general public about consumer rights by organising training programmes, seminars and workshops.</u></p> <p><i>‘organised consumer workshops in the months of December in Delhi/ NCR on the theme, of ‘Organic Food –From Farm to Plate’, as a part of its initiative to spread awareness on the importance of organic farming’</i></p>	<p>1 mark for stating + ½ mark for quoting</p>

			<p>(b) <u>Publishing periodicals and other publications to impart knowledge about consumer problems, legal reporting, reliefs available and other matters of interest.</u></p> <p><i>'The results of the tests are published in their monthly magazine' Consumer Voice' to make people aware of quality of different products'</i></p> <p>(c) <u>Carrying out comparative testing of consumer products in accredited laboratories to test relative qualities of competing brands and publishing the test results for the benefit of consumers.</u></p> <p><i>'People were informed that the organisation regularly tests samples to detect adulteration like presence of heavy metals or pesticides'</i></p> <p>(d) <u>Providing legal assistance to consumers by the way of providing aid, legal advice etc. in seeking legal remedy.</u></p> <p><i>'It also provides aid and legal advice to the consumers in seeking a remedy'</i></p>	<p>1 ½ x 4 = 6 marks</p>
25	23	24	<p>Pratap Singh is the Chief Executive Officer of Nissar Enterprises. It is an automobile parts manufacturing company. The enterprise has a functional structure, in which jobs of similar nature have been grouped together as Production, Finance, Marketing and Human Resource. Nissar Enterprises has its manufacturing unit at Manesar. The factory has been plagued with many problems for a long time which was in the knowledge of the Production Manager, Varun Sharma. The workers had internal differences. Time and again, there were misunderstandings between the management and the workers. Keeping the problems in mind, Varun Sharma appointed, Siyaram Singh who had 14 years of experience of working with the actual work force and passing on instructions of the middle management to the workers. Siyaram Singh met Varun Sharma to understand</p>	

		<p>what the management wanted. Thereafter he met the workers and conveyed the ideas of management to them. He also promised the workers to convey their problems to the management. In this way, he cleared the misunderstanding between the management and the workers.</p> <p>He also sorted out internal differences and was able to unite the workers within a month of his joining. His work was acknowledged and he was given a certificate of good performance along with 10% increase in salary.</p> <p>(i) Siyaram Singh performed some of the functions which are required to be performed at the position he is working at. State any five other functions Siyaram Singh is expected to perform.</p> <p>(ii) Name the incentives provided to Siyaram Singh.</p> <p>Ans.</p> <p>(i) Five other functions Siyaram Singh is expected to perform are:</p> <p>(a) <u>Maintaining day to day contact</u> and friendly relations with the workers. He should act as a friend, philosopher and a guide to the workers.</p> <p>(b) <u>Providing good on the job training</u> to the workers to build an efficient team.</p> <p>(c) <u>Building up high morale</u> among workers through good leadership.</p> <p>(d) <u>Giving feedback to the workers</u> after analysing their work and suggesting ways of developing their work skills</p> <p>(e) <u>Ensuring performance of work</u> according to the targets set.</p> <p>(f) To <u>oversee the efforts</u> of the workforce. [L] [SEP]</p> <p>(g) To <u>ensure that the quality of output is maintained</u> and wastage of [L] [SEP] material is minimized.</p>	<p>1 x 5 = 5 marks</p> <p>+</p>
--	--	--	---

			<p>(h) To <u>ensure safety standards are maintained</u> .</p> <p><u>(ii) Incentives provided to Siyaram Singh are:</u></p> <p>(a) Pay and allowances/ Financial Incentive</p> <p>(b) Employee Recognition Programmes/ Non Financial Incentive</p>	<p>$\frac{1}{2} \times 2$ = 1 mark</p> <p>= 5+1 = 6 marks</p>
-	-	25	<p>Q. “Determining the overall cost of capital and the financial risk of the enterprise depends upon various factors”. Explain any six such factors.</p> <p><u>Ans. Overall cost of capital and the financial risk of the enterprise depends upon the following factors (Any six):</u></p> <p>(i) Cost (ii) Cost of debt (iii) Cost of equity. (iv) Risk (v) Floatation costs. (vi) Cash flow position (vii) Level of fixed operating costs. (viii) Control (ix) State of the capital market. (x) Interest coverage ratio (xi) Debt service coverage ratio. (xii) Return on Investment (xiii) Tax rate (xiv) Flexibility (xv) Regulatory framework. (If an examinee has not given the headings as above but has given the correct explanation, full credit should be given)</p> <p style="text-align: center;">OR</p> <p>Q. You are a Finance Manager of a newly established manufacturing company. Explain any</p>	<p>$\frac{1}{2}$ mark for heading + $\frac{1}{2}$ mark for its explanation 1×6 = 6 marks</p> <p style="text-align: center;">OR</p>

		<p>six factors that you will consider while determining the fixed capital requirement for the company.</p> <p>Ans. <u>Factors that determine the fixed capital requirement of the company are (any six):</u></p> <ol style="list-style-type: none"> 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. <p>(If an examinee has not given the headings as above but has given the correct explanation, full credit should be given)</p>	<p>½ mark for heading + ½ mark for its explanation 1 x 6 = 6 marks</p>
--	--	---	---