

MARKING SCHEME

Senior Secondary School Supplementary Exam, July 2023

BUSINESS STUDIES (Subject Code — 054)

[Paper Code — 66/C/1]

Q. No.	EXPECTED ANSWER / VALUE POINTS	Marks
1.	<p>Q. Project ‘Nanhi Kali’ run by Shivam and Sohan Ltd. was started in 1998 and is one of the largest programmes that enables underprivileged girls to complete 10 years of schooling. The project has impacted the lives of over 5 lakh girls from low income group families across the country.</p> <p>The objective achieved by Shivam and Sohan Ltd. by doing so is:</p> <p>(a) Organizational objective</p> <p>(b) Social objective</p> <p>(c) Personal objective</p> <p>(d) Both (a) and (c)</p> <p>Ans. (b) Social objective</p>	1 mark
2.	<p>Q. With rising pollution levels, consumers are becoming conscious about the harmful effects of polluted air, so the demand for home air-purifiers is increasing day-by-day. Which dimension of business environment is discussed here?</p> <p>(a) Political Environment</p> <p>(b) Technological Environment</p> <p>(c) Economic Environment</p> <p>(d) Social Environment</p> <p>Ans. (d) Social Environment</p>	1 mark




<p>3.</p>	<p>Q. From the following, identify the <i>Incorrect</i> Statement as per Consumer Protection Act, 2019:</p> <p>(a) National Commission has territorial jurisdiction over the whole country for consumer protection.</p> <p>(b) District Commission entertains complaints where value of goods or services paid as consideration does not exceed ₹1 crore.</p> <p>(c) Appeal against District Commission’s order can be filed in National Commission.</p> <p>(d) District Commission and State Commission are set by the State Governments.</p> <p>Ans.(c) Appeal against District commission’s order can be filed in National Commission.</p>	<p>1 mark</p>
<p>4.</p>	<p>Q. In advertising ‘there is no direct face-to-face contact between the prospect and the advertiser’. The feature of advertising stated here is:</p> <p>(a) Paid form</p> <p>(b) Impersonality</p> <p>(c) Economical</p> <p>(d) Identified sponsor</p> <p>Ans. (b) Impersonality</p>	<p>1 mark</p>
<p>5.</p>	<p>Q. From the following, identify the statement which is correct about capital budgeting decision:</p> <p>(a) These decisions are reversible.</p> <p>(b) These decisions include committing huge amounts of finance on a long-term basis, therefore need to be taken with utmost care.</p> <p>(c) These decisions do not affect the earning capacity</p>	

	<p>of the business in the long run.</p> <p>(d) Size of assets, profitability and competitiveness are not affected by capital budgeting decisions.</p> <p>Ans.(b) These decisions include committing huge amounts of finance on a long-term basis, therefore need to be taken with utmost care.</p>	1 mark
6.	<p>Q. In organising process, which of the following step is performed just before establishing reporting relationship between individuals?</p> <p>(a) Assignment of duties</p> <p>(b) Identification and division of work</p> <p>(c) Departmentalization</p> <p>(d) Imparting training to employees</p> <p>Ans.(a) Assignment of duties</p>	1 mark
7.	<p>Q. A statement of expected results expressed in numerical terms is a type of plan called as _____.</p> <p>(a) Method</p> <p>(b) Budget</p> <p>(c) Programme</p> <p>(d) Procedure</p> <p>Ans. (b) Budget</p>	1 mark
8.	<p>Q. Which of the following functions of management completes one cycle of management process and improves planning in the next cycle?</p> <p>(a) Organising</p> <p>(b) Staffing</p> <p>(c) Directing</p>	

	<p>(d) Controlling</p> <p>Ans. (d) Controlling</p>	1 mark
9.	<p>Q. Providing job security and pension plan, etc. will satisfy which of the following needs of employees?</p> <p>(a) Basic physiological needs</p> <p>(b) Safety/Security needs</p> <p>(c) Belongingness needs</p> <p>(d) Esteem needs</p> <p>Ans. (b) Safety/ Security needs</p>	1 mark
10.	<p>Q. <i>Statement I:</i> Financial planning is essentially the preparation of financial blueprint of an organisation's future operations.</p> <p><i>Statement II:</i> Financial planning is done only for long-term and focuses on capital expenditure programmes only.</p> <p>Choose the correct option from the options given below:</p> <p>(a) Statement I is true and Statement II is false.</p> <p>(b) Statement II is true and Statement I is false.</p> <p>(c) Both the statements are true.</p> <p>(d) Both the statements are false.</p> <p>Ans. (a) Statement I is true and Statement II is false.</p>	1 mark

<p>11.</p>	<p>Q. Which of the following is <i>not</i> a factor affecting price of a product or service?</p> <p>(a) Product cost</p> <p>(b) Extent of competition in the market</p> <p>(c) Government and legal regulations</p> <p>(d) Standardization and Grading</p> <p>Ans. (d) Standardization and Grading</p>	<p>1 mark</p>				
<p>12.</p>	<p>Q. Ashita works in a company where her basic task is to integrate diverse elements and co-ordinate the activities of different departments according to the overall objectives of the organisation. At which level of management is Ashita working?</p> <p>(a) Top level management</p> <p>(b) Middle level management</p> <p>(c) Supervisory level management</p> <p>(d) Both (b) and (c)</p> <p>Ans. (a) Top level management</p>	<p>1 mark</p>				
<p>13.</p>	<p>Q. Match the features of planning given in Column I with their respective explanation given in Column II.</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"><i>Column I</i></td> <td style="width: 50%; vertical-align: top;"><i>Column II</i></td> </tr> <tr> <td style="vertical-align: top;"> <p>A. Planning is a mental exercise</p> </td> <td style="vertical-align: top;"> <p>(i) Planning involves thorough examination and evaluation of each alternative and choosing the most appropriate one</p> </td> </tr> </table>	<i>Column I</i>	<i>Column II</i>	<p>A. Planning is a mental exercise</p>	<p>(i) Planning involves thorough examination and evaluation of each alternative and choosing the most appropriate one</p>	
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<p>A. Planning is a mental exercise</p>	<p>(i) Planning involves thorough examination and evaluation of each alternative and choosing the most appropriate one</p>					

	<p>B. Planning is all-pervasive. (ii)Planning is required at all levels of management as well as in all departments of the organization</p> <p>C. Planning involves decision-making. (iii)Planning requires logical and systematic thinking rather than guess work or wishful thinking</p> <p>(a) A-(i), B-(ii), C-(iii) (b) A-(iii), B-(ii), C-(i) (c) A-(ii), B-(iii), C-(i) (d) A-(i), B-(iii), C-(ii)</p> <p>Ans. (b) A-(iii), B-(ii), C-(i)</p>	<p>1 mark</p>
<p>14.</p>	<p>Q. Which of the following is <i>not</i> a disadvantage of functional structure of organisation?</p> <p>(a) Less emphasis on overall enterprise objectives than the objectives pursued by a functional head.</p> <p>(b) A conflict of interests may arise when the interests of two or more departments are not compatible.</p> <p>(c) May lead to increase in costs since there may be duplication of activities across products.</p> <p>(d) It may lead to problems in coordination as information has to be exchanged across functionally differentiated departments.</p> <p>Ans.(c) May lead to increase in costs since there may be duplication of activities across products.</p>	<p>1 mark</p>

<p>15.</p>	<p>Q. The picture given below depicts important information related to a decision that a marketer has to take in the area of product.</p> <table border="1" data-bbox="261 310 1112 590"> <tr> <td data-bbox="261 310 548 384">Manufacturing Date : 10/3/23</td> <td data-bbox="548 310 862 384">Organic Honey :</td> <td data-bbox="862 310 1112 384">Quantity : 500 ml</td> </tr> <tr> <td data-bbox="261 384 548 468">Expiry Date : 10/3/25</td> <td data-bbox="548 384 862 468" rowspan="2">  </td> <td data-bbox="862 384 1112 468">No added sugar 100% pure</td> </tr> <tr> <td data-bbox="261 468 548 590">Max. Retail Price : ₹ 500</td> <td data-bbox="862 468 1112 590">Manufacturer : Organic Agro products ----- Uttarakhand</td> </tr> </table> <p>Identify from the following the correct option:</p> <p>(a) Branding (b) Labelling (c) Packaging (d) None of the above</p> <p>Ans. (b) Labelling</p>	Manufacturing Date : 10/3/23	Organic Honey :	Quantity : 500 ml	Expiry Date : 10/3/25		No added sugar 100% pure	Max. Retail Price : ₹ 500	Manufacturer : Organic Agro products ----- Uttarakhand	<p>1 mark</p>
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Max. Retail Price : ₹ 500		Manufacturer : Organic Agro products ----- Uttarakhand								
<p>16.</p>	<p>Q. From 2003, all transactions in securities are to be settled within two days after the trade date. This system is known as:</p> <p>(a) Rolling settlement system (b) Rotational settlement system (c) Automatic settlement system (d) Mutual settlement system</p> <p>Ans. (a) Rolling settlement system</p>	<p>1 mark</p>								
<p>17.</p>	<p>Q. ‘Managing public opinion of an organisation is an important task performed by the marketing department.’ It is included under which of the following element of marketing mix?</p>									

	<p>(a) Product mix</p> <p>(b) Place mix</p> <p>(c) Price mix</p> <p>(d) Promotion mix</p> <p>Ans. (d) Promotion Mix</p>	<p>1 mark</p>
<p>18.</p>	<p>Q. Which of the following consumer rights under Consumer Protection Act, 2019 gives the freedom to consumers to access variety of products at competitive prices?</p> <p>(a) Right to be informed</p> <p>(b) Right to be assured/Right to choose</p> <p>(c) Right to consumer education</p> <p>(d) Right to be heard</p> <p>Ans. (b) Right to be assured / Right to choose</p>	<p>1 mark</p>
<p>19.</p>	<p>Q. Which of the following statements is <i>Incorrect</i> with respect to Autocratic Leadership style?</p> <p>(a) Subordinates are expected to obey the orders of the leader.</p> <p>(b) An autocratic leader does not wish to be contradicted.</p> <p>(c) Subordinates are given high degree of independence.</p> <p>(d) Quick decision-making is facilitated.</p> <p>Ans. (c) Subordinates are given high degree of independence.</p>	<p>1 mark</p>

	<p>ahead and anticipating changes.</p> <p>(iii) Planning <u>reduces overlapping and wasteful activities</u> by co-ordinating the activities of different divisions.</p> <p>(iv) Planning <u>promotes innovative ideas</u> requiring application of mind and foresight.</p> <p>(v) Planning <u>facilitates decision making</u> by making a choice from among the alternative courses of action.</p> <p>(vi) Planning <u>establishes standards</u> against which actual performance is measured.</p> <p>(If an examinee has only listed the points, ½ mark for each point should be awarded.)</p>	<p>1 mark for each point of importance</p> <p>= 3marks</p>
<p>22.</p>	<p>Q.(a) Explain the first two steps in the process of ‘controlling’ function of management.</p> <p>Ans. First two steps in the process of ‘controlling’ function of management:</p> <p>(i) Setting performance standards:</p> <ul style="list-style-type: none"> • Performance standards are the criteria against which the actual performance would be measured. • Standards can be set in both quantitative and qualitative terms. <p>(ii) Measurement of actual performance</p>	<p>½ mark for naming + 1 mark for its explanation</p>

- Measurement of actual performance should be done in an objective and reliable manner.
- Performance should be measured in the same units in which the standards are set to make comparison easier.

OR

(b) Explain any two features of 'directing' function of management.

Ans. Features of 'directing' function of management (any two):

(i) Directing initiates action.

Planning, organising, staffing and controlling functions prepare a setting for action, whereas, directing initiates action in the organisation.

(ii) Directing takes place at every level of management.

Every manager, from top executive to supervisor performs the function of directing. It takes place wherever superior-subordinate relations exist.

(iii) Directing is a continuous process.

It takes place throughout the life of the organisation irrespective of people occupying managerial positions.

(iv) Directing flows from top to bottom.

Directing initiates at top level and flows to the bottom through organisational hierarchy.

= 1 ½ x 2
= 3 marks

OR

= 1 ½ x 2

= 3 marks

23.

Q. 'Burgers and Fudge' was among the first fast food chains in India which pioneered the concept of family-style restaurants. However, over the years it started losing business to multinational food chains like McDonalds and Pizza Hut, etc. and soon had to shut down.

The reason to shut down was the inability of managers to identify, understand, evaluate and to react to the forces external to their firm.

In the light of the above situation, explain with the help of any two points, how understanding of business environment is important for managers.

Ans. Importance of business environment (any two):

(i) It enables the firm to identify opportunities and get first mover advantage.

Early identification of opportunities helps an enterprise to be the first to exploit them instead of losing them to competitors.

(ii) It helps the firm to identify threats and early warning signals.

Environmental awareness can help managers to identify various threats on time and serve as an early warning signal.

(iii) It helps in tapping useful resources.

Understanding business environment helps an enterprise to design policies that allow it to get the resources that it needs so that it can convert those resources into outputs.

= 1 ½ x 2

	<p>(iv) It helps in coping with rapid changes.</p> <p>In order to effectively cope with significant changes, managers must understand and examine the environment and develop suitable courses of action.</p> <p>(v) It helps in assisting in planning and policy formulation.</p> <p>The understanding of business environment is the basis for deciding the future course of action(planning) or training guidelines for decision making (policy).</p> <p>(vi) It helps in improving performance.</p> <p>The enterprises that continuously monitor their environment and adopt suitable business practices not only improve their present performance but also succeed in the market for a longer period.</p>	<p>= 3 marks</p>
<p>24.</p>	<p>Q. (a) State any three benefits of ‘staffing’ function of management to the organisation.</p> <p>Ans. Benefits of ‘staffing’ function of management to the organisation (any three):</p> <p>(i) It helps in discovering and <u>obtaining competent personnel</u> for various jobs.</p> <p>(ii)It makes for <u>higher performance</u> by putting right person on the right job.</p> <p>(iii) It ensures <u>continuous survival and growth</u> of the enterprise through the succession planning for</p>	<p>= 1 x 3</p>

	<p>managers.</p> <p>(iv) It helps to <u>ensure optimum utilisation of human resources</u> by avoiding overmanning and under-utilisation of personnel.</p> <p>(v) It <u>improves job satisfaction</u> and morale of employees through objective assessment and fair rewarding of their contribution.</p> <p>(If an examinee has only listed the points, ½ mark for each point should be awarded.)</p> <p style="text-align: center;">OR</p> <p>(b) State any three benefits of training to employees.</p> <p>Ans. Benefits of training to employees (any three):</p> <p>(i) Improved skills and knowledge due to training lead to <u>better career</u> of the individual.</p> <p>(ii) Increased performance by the individual help him to <u>earn more</u>.</p> <p>(iii) Training makes the employee more efficient to handle machines, making them, <u>less prone to accidents</u>.</p> <p>(iv) Training increases the satisfaction and <u>morale of employees</u>.</p> <p>(If an examinee has only listed the points, ½ mark for each point should be awarded.)</p>	<p style="text-align: center;">= 3 marks</p> <p style="text-align: center;">OR</p> <p style="text-align: center;">1 x 3</p> <p style="text-align: center;">= 3 marks</p>
25.	<p>Q. Pallavi started a wedding planner company ‘Dreams Unlimited’ in 2016 and her target was to be amongst the top 10 companies in this field within the</p>	

next three years. For this she employed people having different skills. She worked hard and united the efforts of different people to achieve this goal. The requirements of the customers in this industry changed very fast and the company adapted to keep pace with the changing environment. As planned, the company achieved its target within three years. All the employees of the organisation were happy and satisfied and the effect of management was noticeable in the organisation.

The way Pallavi was managing her business highlights some of the features of management. By quoting lines from the above paragraph, explain any two such features.

Ans. Features of management (any two):

(i) Management is goal oriented

“.... united the efforts of different people to achieve this goal.”

Every organisation has a set of basic goals which are the basic reason for its existence and unites the efforts of different individuals in the organisation towards achieving these goals.

(ii) Management is a dynamic function

“The company adapted to keep pace with the changing environment.”

Management is a dynamic function and has to adapt itself to the changing environment. In order to be successful, an organisation must change itself and its goals according to the needs of the environment.

(iii) Management is an intangible force

½ mark for naming

+

½ mark for quoting

+

1 mark for its explanation

= 2 x 2

	<p><i>“All the employees of the organisation were happy and satisfied and the effect of management was noticeable in the organisation.”</i></p> <p>Management is an intangible force that cannot be seen but its presence can be felt in the way the organisation functions. The effect of management is noticeable when targets are met and employees are happy and satisfied.</p>	<p>= 4 marks</p>
<p>26.</p>	<p>Q. (a) Explain any two features of ‘motivation’ as an element of directing function of management.</p> <p>Ans. Features of ‘motivation’ as an element of directing function of management (any two):</p> <p>(i) Motivation is an internal feeling. The urges or needs of human being which influence human behaviour are internal.</p> <p>(ii) Motivation produces goal directed behaviour. It helps to produce a behaviour in the employee to improve his performance.</p> <p>(iii) Motivation can be either positive or negative. Positive motivation provides positive rewards like increase in pay, promotion, recognition etc., Negative motivation uses negative means like punishment, stopping increments, threatening etc. which also may induce a person to act in the desired way.</p> <p>(iv) Motivation is a complex process Any type of motivation may not have uniform effect on all the members.</p> <p style="text-align: center;">OR</p>	<p style="text-align: center;">=2 x 2</p> <p>= 4 marks</p> <p style="text-align: center;">OR</p>

	<p>(b) Explain the following as elements of communication process:</p> <p>(i) Message (ii) Encoding (iii) Media (iv) Decoding</p> <p>Ans. Elements of communication process:</p> <p>(i) Message: It is the content of ideas, feelings, suggestions, order, etc., intended to be communicated.</p> <p>(ii) Encoding: It is the process of converting the message into communication symbols such as words, pictures, gestures etc.</p> <p>(iii) Media: It is the path through which encoded message is transmitted to receiver. The channel may be in written form, face to face, phone call, Internet etc.</p> <p>(iv) Decoding: It is the process of converting encoded symbols of the sender.</p>	<p>= 1 x 4</p> <p>= 4 marks</p>
<p>27.</p>	<p>Q. Explain the following as factors affecting the working capital requirements of a business:</p> <p>(i) Nature of business (ii) Credit availed</p> <p>Ans. Factors affecting working capital requirements of a business</p>	

	<p>(i) Nature of business</p> <p>A <u>trading organisation</u> usually needs a smaller amount of working capital compared to a manufacturing organisation because usually there is no processing of materials.</p> <p>In a <u>manufacturing business</u>, raw material needs to be converted into finished goods before any sales become possible.</p> <p><u>Service industries</u> usually do not have to maintain inventory require, less working capital.</p> <p>(ii) Credit availed</p> <p>A firm may get credit from its suppliers. To the extent it avails the credit on purchases, the working capital requirement is reduced.</p>	<p>2 marks</p> <p>+</p> <p>2 marks</p> <p>= 4 marks</p>
<p>28.</p>	<p>Q. (a) State any four objectives of ‘Securities and Exchange Board of India’.</p> <p>Ans. Objectives of ‘Securities and Exchange Board of India’</p> <p>(i) To <u>regulate stock exchanges</u> and the securities industry to promote their orderly functioning.</p> <p>(ii) To <u>protect the rights and interests of investors</u>, particularly individual investors and to guide and educate them.</p> <p>(iii) To <u>prevent trading malpractices</u> and achieve a balance between self regulation by the securities industry and its statutory regulation.</p> <p>(iv) To <u>regulate and develop a code of conduct</u> and fair</p>	<p>= 1 x 4</p>

practices by intermediaries like brokers, merchant bankers etc., with a view to making them competitive and professional.

= 4 marks

OR

OR

(b) State any four functions of Stock Exchange.

Ans. Functions of Stock Exchange (any four):

- (i) Stock Exchanges provide liquidity and marketability to existing securities by giving investors the chance to disinvest and reinvest.
- (ii) They help in determining the prices of securities through the forces of demand and supply.
- (iii) Stock exchanges ensure the investors safety of transactions and fair deal on the market as they are well-regulated and their dealings are well-defined according to the existing legal framework.
- (iv) Stock exchanges contribute to economic growth through the process of disinvestment and reinvestment and channelising the savings into most productive investment avenues.
- (v) Stock exchanges spread equity cult by regulating new issues, better trading practices and taking effective steps in educating the public about investments.
- (vi) Stock exchanges provide sufficient scope for speculation within the provisions of law in a restricted and controlled manner.

= 1 x 4

= 4 marks

(If an examinee has only listed the points, ½ mark for each point should be awarded.)

<p>29.</p>	<p>Q. Ankush bought a high-end microwave on Diwali from a leading electronic store. The microwave had ISI mark and Ankush diligently went through the instruction manual so that he could use it properly. However, due to faulty wiring there was a short-circuit in the microwave. He called up the consumer helpline of the company many times, but no solution was provided by the company. Ankush now decided to file a case in the consumer court.</p> <p>(a) Identify and explain the right which Ankush will exercise.</p> <p>(b) State two responsibilities which Ankush had fulfilled while purchasing and using the microwave.</p> <p>Ans.</p> <p>(a) Right to seek redressal</p> <p>The consumer has a right to get relief in case the product or a service falls short of his expectations.</p> <p>(b) Responsibilities which Ankush had fulfilled while purchasing and using the microwave</p> <p>(i) Buy only <u>standardised goods</u> as they provide quality assurance.</p> <p>(ii) Learn about the risks associated with products and services, <u>follow manufacturer's instructions</u> and use the products safely.</p>	<p>1 mark for identification + 1 mark for explanation + 1 mark for each responsibility = 1 x 2</p> <p>= 4 marks</p>
<p>30.</p>	<p>Q. Srijan, after completing his bachelor's degree in culinary arts from a reputed institute, took over his family restaurant specialising in South Indian dishes. This business was promoted by his grandfather many years back in the form of a company. Now he wants to</p>	

get the restaurant renovated to open a special section for bakery products. It is estimated that an investment of ₹5 crore will be required to execute this plan. At present the cash flow position of the company is not strong and fixed operating costs of business are also high.

Keeping in view the above situation, name with two reasons, the source of finance which Srijan should choose for modernization and expansion of his business. Also explain one more factor, apart from those stated above which Srijan should keep in mind while taking this decision.

Ans. Equity

Reasons

- (i) **Cash Flow Position:** Cash flow position of the company is not strong, thus, company is not in a position to repay the principle along with interest.
- (ii) **Fixed Operating Cost:** Fixed operating costs of business are high which result in higher business risk and in this situation, its capacity to use debt is low.

While taking the decision to raise finance through Equity, the company has to take into consideration the following factor: (any one)

- (i) **Cost:** The cost of raising funds through different sources are different. A prudent financial manager would normally opt for a source which is the cheapest.
- (ii) **Risk:** The risk associated with each of the sources is different.

1 mark
for naming
the source

+

1 mark for
each reason

= 1 x 2

+

	<p>(iii) Floatation Costs: Higher the floatation cost, less attractive the source.</p> <p>(iv) Stock Market Conditions: If the stock markets are bullish, equity shares are more easily sold even at high price.</p> <p>(v) Control: Control also influences the choice between debt and equity especially in companies in which the current holding of management is on a lower side.</p>	<p>½ mark for naming another factor + ½ mark for explanation = 4 marks</p>
<p>31.</p>	<p>Q. Abhishek studied management principles and techniques of Henri Fayol and F.W. Taylor when he was in class XII. Now he is trying to apply his knowledge while doing his business. By using different techniques and scientifically analysing work he found one best way of doing the job. By removing unproductive movements of the workers, he reduces the time to complete the job. Not only this, to increase productivity and to regain stamina he started giving more rest intervals to his employees. He followed no discrimination policy on account of sex, religion, caste, etc. in his organisation. He ensured that the compensation should be fair to both employees and the organisation.</p> <p>Identify and explain any two techniques of scientific management and two principles of general management adopted by Abhishek.</p> <p>Ans. Techniques of Scientific Management adopted by Abhishek (any two):</p> <ul style="list-style-type: none"> (i) Method Study (ii) Motion Study (iii) Fatigue Study 	<p>½ mark for identification + 1 mark for explanation</p>

	<p>Principles of General Management adopted by Abhishek:</p> <p>(i) Equity (ii) Remuneration</p>	<p>= 1 ½ x 4 = 6 marks</p>
<p>32.</p>	<p>Q. F.M. Tech Ltd. is one of the leading information technology service provider companies in Delhi. To enable smooth functioning of the enterprise, job description and rules and procedures related to work processes are laid down. The company specifies clearly the boundaries of authority and responsibility and there is systematic co-ordination among the various activities to achieve organisational goals.</p> <p>(a) Identify and explain the ‘Type of organisation’ discussed above.</p> <p>(b) State any two advantages and two limitations of the ‘Type of organisation’ identified in (a) above.</p> <p>Ans. (a) Formal Organisation</p> <p>Formal organisation refers to the organisation structure which is designed by the management to accomplish a particular task.</p> <p>(b) Advantages of Formal Organisation (any two):</p> <p>(i) It is <u>easier to fix responsibility</u> since mutual relationships are clearly defined.</p> <p>(ii) It <u>avoids duplication of effort</u> since there is no ambiguity in the role that each member has to play.</p> <p>(iii) It <u>maintains unity of command</u> through an established chain of command.</p> <p>(iv) It <u>leads to accomplishment of goals</u> by providing a</p>	<p>1 mark for identification + 1 mark for explanation + 1 mark for Each Advantage = 1 X 2</p>

	<p>framework for the operations to be performed.</p> <p>(v) It <u>provides stability to the organisation</u> because there are specific rules to guide behaviour of employees.</p> <p>Limitations of formal organisation (any two):</p> <p>(i) It may lead to <u>procedural delays</u> as the established chain of command has to be followed which increases the time taken for decision making.</p> <p>(ii) It does <u>not allow any</u> deviations from rigidly laid down policies and may not provide adequate recognition to creative talent.</p> <p>(iii) It is difficult to understand all human relationships in an enterprise, hence it <u>does not provide a complete picture</u> of how an organisation works.</p> <p>(If an examinee has only listed the points, ½ mark for each point should be awarded.)</p>	<p>1 mark for each limitation = 1 x 2</p> <p>= 6 marks</p>
<p>33.</p>	<p>Q. (a) Explain the steps in the staffing process of management after ‘Placement and Orientation’.</p> <p>Ans. Steps in staffing process of management after ‘Placement and Orientation’:</p> <p>(i) Training and Development (ii) Performance Appraisal (iii) Promotion and Career Planning (iv) Compensation</p> <p style="text-align: center;">OR</p> <p>(b) Explain the steps in the selection process of staffing function of management after ‘Reference and Background checks’.</p>	<p>½ mark for naming + 1 mark for explanation = 1 ½ x 4 = 6 marks</p> <p style="text-align: center;">OR</p> <p>½ mark for</p>

	<p>Ans. Steps in the selection process of staffing function of management after ‘Reference and Background checks’:</p> <ul style="list-style-type: none"> (i) Selection Decision (ii) Medical Examination (iii) Job Offer (iv) Contract of Employment 	<p>Naming + 1 mark for explanation = 1 ½ x 4 = 6 marks</p>
<p>34.</p>	<p>Q. (a) Explain the following as functions of marketing:</p> <ul style="list-style-type: none"> (i) Marketing Planning (ii) Product Designing and Development (iii) Standardisation and Grading <p>Ans.</p> <ul style="list-style-type: none"> (i) Marketing Planning An important area of work of a marketer is to develop appropriate marketing plans so that objectives of the organisation can be achieved. Appropriate marketing plans includes the plan for increasing the level of production, promotion of the products, etc. and specifying the action programmes to achieve these objectives. (ii) Product Designing and Development The design of the product contributes to making the product attractive to the target customers. A good design can improve performance of a product and also give it a competitive advantage in the market. (iii) Standardisation and Grading 	<p>2 marks + 2 marks +</p>

	<p>Standardisation refers to producing goods of predetermined specifications, which helps in achieving uniformity and consistency in the output.</p> <p>Grading is the process of classification of products into different groups, on the basis of some of its important characteristics such as quality, size, etc.</p> <p style="text-align: center;">OR</p> <p>(b) ‘The important product related decisions include decisions about the packaging, labelling and branding of products.’ Explain these important decisions.</p> <p>Ans. Packaging</p> <p>Packaging refers to the act of designing and producing the container or wrapper of a product.</p> <p>Packaging is important not only for protection of the products but also serves as a promotional tool.</p> <p>Labelling</p> <p>Labelling refers to designing and developing the label to be put on the package to provide useful information about the product, its contents, date of manufacturing, etc. The label may vary from a simple tag to complex graphics.</p> <p>Branding</p> <p>Branding is the process of giving a name or a sign or a symbol etc., to a product. It helps in identifying and distinguishing a marketer’s products from competitors’ products.</p>	<p>2 marks</p> <p>= 6 marks</p> <p>OR</p> <p>2 marks</p> <p>+</p> <p>2 marks</p> <p>+</p> <p>2 marks</p> <p>= 6 marks</p>
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Marking Scheme
Strictly Confidential (For Internal and Restricted use only)
Senior School Certificate Supplementary Examination, July 2023
SUBJECT NAME: BUSINESS STUDIES (66/C/2)

General Instructions: -

1	You are aware that evaluation is the most important process in the actual and correct assessment of the candidates. A small mistake in evaluation may lead to serious problems which may affect the future of the candidates, education system and teaching profession. To avoid mistakes, it is requested that before starting evaluation, you must read and understand the spot evaluation guidelines carefully.
2	“Evaluation policy is a confidential policy as it is related to the confidentiality of the examinations conducted, Evaluation done and several other aspects. Its’ leakage to public in any manner could lead to derailment of the examination system and affect the life and future of millions of candidates. Sharing this policy/document to anyone, publishing in any magazine and printing in News Paper/Website etc may invite action under various rules of the Board and IPC.”
3	Evaluation is to be done as per instructions provided in the Marking Scheme. It should not be done according to one’s own interpretation or any other consideration. Marking Scheme should be strictly adhered to and religiously followed. However, while evaluating, answers which are based on latest information or knowledge and/or are innovative, they may be assessed for their correctness otherwise and due marks be awarded to them.
4	The Marking scheme carries only suggested value points for the answers These are in the nature of Guidelines only and do not constitute the complete answer. The students can have their own expression and if the expression is correct, the due marks should be awarded accordingly.
5	The Head-Examiner must go through the first five answer books evaluated by each evaluator on the first day, to ensure that evaluation has been carried out as per the instructions given in the Marking Scheme. If there is any variation, the same should be zero after deliberation and discussion. The remaining answer books meant for evaluation shall be given only after ensuring that there is no significant variation in the marking of individual evaluators.
6	Evaluators will mark (√) wherever answer is correct. For wrong answer CROSS ‘X’ be marked. Evaluators will not put right (✓) while evaluating which gives an impression that answer is correct and no marks are awarded. This is most common mistake which evaluators are committing.
7	If a question has parts, please award marks on the right-hand side for each part. Marks awarded for different parts of the question should then be totalled 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	<p>Ensure that you do not make the following common types of errors committed by the Examiner in the past:</p> <ul style="list-style-type: none"> ● Wrong totalling 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 totalling on the title page. ● Leaving answer or part thereof unassessed in an answer book. ● Wrong totalling 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	<p>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.</p>
15	<p>Any un assessed portion, non-carrying over of marks to the title page, or totalling 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.</p>
16	<p>The Examiners should acquaint themselves with the guidelines given in the “Guidelines for spot Evaluation” before starting the actual evaluation.</p>
17	<p>Every Examiner shall also ensure that all the answers are evaluated, marks carried over to the title page, correctly totalled and written in figures and words.</p>
18	<p>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.</p>

MARKING SCHEME

Senior Secondary School Supplementary Exam, 2023

BUSINESS STUDIES (Subject Code — 054)

[Paper Code — 66/C/2]

Q. No.	EXPECTED ANSWER / VALUE POINTS	Marks
1.	<p>Q. <i>Statement I:</i> Financial planning is essentially the preparation of financial blueprint of an organisation's future operations.</p> <p><i>Statement II:</i> Financial planning is done only for long-term and focuses on capital expenditure programmes only.</p> <p>Choose the correct option from the options given below:</p> <p>(a) Statement I is true and Statement II is false.</p> <p>(b) Statement II is true and Statement I is false.</p> <p>(c) Both the statements are true.</p> <p>(d) Both the statements are false.</p> <p>Ans. (a) Statement I is true and Statement II is false.</p>	1 mark
2.	<p>Q. Which of the following functions of management completes one cycle of management process and improves planning in the next cycle?</p> <p>(a) Organising</p> <p>(b) Staffing</p> <p>(c) Directing</p> <p>(d) Controlling</p> <p>Ans. (d) Controlling</p>	1 mark

<p>3.</p>	<p>Q. In organising process, which of the following step is performed just before establishing reporting relationship between individuals? (a) Assignment of duties (b) Identification and division of work (c) Departmentalization (d) Imparting training to employees</p> <p>Ans.(a) Assignment of duties</p>	<p>1 mark</p>
<p>4.</p>	<p>Q. _____ is a standing plan. (a) Rule (b) Budget (c) Programme (d) Strategy</p> <p>Ans. (a) Rule</p>	<p>1 mark</p>
<p>5.</p>	<p>Q. Which of the following consumer rights under Consumer Protection Act, 2019 gives the freedom to consumers to access variety of products at competitive prices? (a) Right to be informed (b) Right to be assured/Right to choose (c) Right to consumer education (d) Right to be heard</p> <p>Ans. (b) Right to be assured / Right to choose</p>	<p>1 mark</p>
<p>6.</p>	<p>Q. From 2003, all transactions in securities are to be settled within two days after the trade date.</p>	




	<p>This system is known as:</p> <p>(a) Rolling settlement system</p> <p>(b) Rotational settlement system</p> <p>(c) Automatic settlement system</p> <p>(d) Mutual settlement system</p> <p>Ans. (a) Rolling settlement system</p>	<p>1 mark</p>
7.	<p>Q. _____ provides the prescribed ways or manner in which a task has to be performed, considering the objective.</p> <p>(a) Method</p> <p>(b) Budget</p> <p>(c) Programme</p> <p>(d) Procedure</p> <p>Ans. (d) Procedure</p>	<p>1 mark</p>
8.	<p>Q. Project ‘Nanhi Kali’ run by Shivam and Sohan Ltd. was started in 1998 and is one of the largest programmes that enables underprivileged girls to complete 10 years of schooling. The project has impacted the lives of over 5 lakh girls from low income group families across the country.</p> <p>The objective achieved by Shivam and Sohan Ltd. by doing so is:</p> <p>(a) Organizational objective</p> <p>(b) Social objective</p> <p>(c) Personal objective</p> <p>(d) Both (a) and (c)</p>	<p>1 mark</p>

	Ans. (b) Social objective	
9.	<p>Q. From the following, identify the <i>Incorrect</i> Statement as per Consumer Protection Act, 2019:</p> <p>(a) National Commission has territorial jurisdiction over the whole country for consumer protection.</p> <p>(b) District Commission entertains complaints where value of goods or services paid as consideration does not exceed ₹1 crore.</p> <p>(c) Appeal against District Commission's order can be filed in National Commission.</p> <p>(d) District Commission and State Commission are set by the State Governments.</p> <p>Ans.(c) Appeal against District commission's order can be filed in National Commission.</p>	1 mark
10.	<p>Q. From the following, identify the statement which is correct about capital budgeting decision:</p> <p>(a) These decisions are reversible.</p> <p>(b) These decisions include committing huge amounts of finance on a long-term basis, therefore need to be taken with utmost care.</p> <p>(c) These decisions do not affect the earning capacity of the business in the long run.</p> <p>(d) Size of assets, profitability and competitiveness are not affected by capital budgeting decisions.</p> <p>Ans.(b) These decisions include committing huge amounts of finance on a long-term basis, therefore need to be taken with utmost care.</p>	1 mark
11.	<p>Q. Which of the following is <i>not</i> a disadvantage of functional structure of organisation?</p>	

	<p>(a) Less emphasis on overall enterprise objectives than the objectives pursued by a functional head.</p> <p>(b) A conflict of interests may arise when the interests of two or more departments are not compatible.</p> <p>(c) May lead to increase in costs since there may be duplication of activities across products.</p> <p>(d) It may lead to problems in coordination as information has to be exchanged across functionally differentiated departments.</p> <p>Ans.(c) May lead to increase in costs since there may be duplication of activities across products.</p>	<p>1 mark</p>
<p>12.</p>	<p>Q. Ashita works in a company where her basic task is to integrate diverse elements and co-ordinate the activities of different departments according to the overall objectives of the organisation. At which level of management is Ashita working?</p> <p>(a) Top level management</p> <p>(b) Middle level management</p> <p>(c) Supervisory level management</p> <p>(d) Both (b) and (c)</p> <p>Ans. (a) Top level management</p>	<p>1 mark</p>
<p>13</p>	<p>Q. Which of the following is <i>not</i> a factor affecting price of a product or service?</p> <p>(a) Product cost</p> <p>(b) Extent of competition in the market</p> <p>(c) Government and legal regulations</p> <p>(d) Standardization and Grading</p>	

	<p>Ans. (d) Standardization and Grading</p>	<p>1 mark</p>				
<p>14.</p>	<p>Q. Match the features of planning given in Column I with their respective explanation given in Column II.</p> <table border="0" style="width: 100%;"> <tr> <td style="text-align: center; vertical-align: top;"><i>Column I</i></td> <td style="text-align: center; vertical-align: top;"><i>Column II</i></td> </tr> <tr> <td style="vertical-align: top;"> <p>A. Planning is a mental exercise</p> <p>B. Planning is all-pervasive.</p> <p>C. Planning involves decision-making.</p> </td> <td style="vertical-align: top;"> <p>(i) Planning involves thorough examination and evaluation of each alternative and choosing the most appropriate one</p> <p>(ii) Planning is required at all levels of management as well as in all departments of the organization</p> <p>(iii) Planning requires logical and systematic thinking rather than guess work or wishful thinking</p> </td> </tr> </table> <p>(a) A-(i), B-(ii), C-(iii) (b) A-(iii), B-(ii), C-(i) (c) A-(ii), B-(iii), C-(i) (d) A-(i), B-(iii), C-(ii)</p> <p>Ans. (b) A-(iii), B-(ii), C-(i)</p>	<i>Column I</i>	<i>Column II</i>	<p>A. Planning is a mental exercise</p> <p>B. Planning is all-pervasive.</p> <p>C. Planning involves decision-making.</p>	<p>(i) Planning involves thorough examination and evaluation of each alternative and choosing the most appropriate one</p> <p>(ii) Planning is required at all levels of management as well as in all departments of the organization</p> <p>(iii) Planning requires logical and systematic thinking rather than guess work or wishful thinking</p>	<p>1 mark</p>
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<p>A. Planning is a mental exercise</p> <p>B. Planning is all-pervasive.</p> <p>C. Planning involves decision-making.</p>	<p>(i) Planning involves thorough examination and evaluation of each alternative and choosing the most appropriate one</p> <p>(ii) Planning is required at all levels of management as well as in all departments of the organization</p> <p>(iii) Planning requires logical and systematic thinking rather than guess work or wishful thinking</p>					

<p>15.</p>	<p>Q. Providing job security and pension plan, etc. will satisfy which of the following needs of employees?</p> <p>(a) Basic physiological needs (b) Safety/Security needs (c) Belongingness needs (d) Esteem needs</p> <p>Ans. (b) Safety/ Security needs</p>	<p>1 mark</p>
<p>16.</p>	<p>Q. With rising pollution levels, consumers are becoming conscious about the harmful effects of polluted air, so the demand for home air-purifiers is increasing day-by-day. Which dimension of business environment is discussed here?</p> <p>(a) Political Environment (b) Technological Environment (c) Economic Environment (d) Social Environment</p> <p>Ans. (d) Social Environment</p>	<p>1 mark</p>
<p>17.</p>	<p>Q. In advertising ‘there is no direct face-to-face contact between the prospect and the advertiser’. The feature of advertising stated here is:</p> <p>(a) Paid form (b) Impersonality (c) Economical (d) Identified sponsor</p> <p>Ans. (b) Impersonality</p>	<p>1 mark</p>

<p>18.</p>	<p>Q. The picture given below depicts important information related to a decision that a marketer has to take in the area of product.</p> <table border="1" data-bbox="245 365 1099 646"> <tr> <td data-bbox="245 365 534 436">Manufacturing Date : 10/3/23</td> <td data-bbox="534 365 850 436">Organic Honey :</td> <td data-bbox="850 365 1099 436">Quantity : 500 ml</td> </tr> <tr> <td data-bbox="245 436 534 520">Expiry Date : 10/3/25</td> <td data-bbox="534 436 850 646" rowspan="2">  </td> <td data-bbox="850 436 1099 520">No added sugar 100% pure</td> </tr> <tr> <td data-bbox="245 520 534 646">Max. Retail Price : ₹ 500</td> <td data-bbox="850 520 1099 646">Manufacturer : Organic Agro products ----- Uttarakhand</td> </tr> </table> <p>Identify from the following the correct option:</p> <p>(a) Branding (b) Labelling (c) Packaging (d) None of the above</p> <p>Ans. (b) Labelling</p>	Manufacturing Date : 10/3/23	Organic Honey :	Quantity : 500 ml	Expiry Date : 10/3/25		No added sugar 100% pure	Max. Retail Price : ₹ 500	Manufacturer : Organic Agro products ----- Uttarakhand	<p>1 mark</p>
Manufacturing Date : 10/3/23	Organic Honey :	Quantity : 500 ml								
Expiry Date : 10/3/25		No added sugar 100% pure								
Max. Retail Price : ₹ 500		Manufacturer : Organic Agro products ----- Uttarakhand								
<p>19.</p>	<p>Q. ‘Managing public opinion of an organisation is an important task performed by the marketing department.’ It is included under which of the following element of marketing mix?</p> <p>(a) Product mix (b) Place mix (c) Price mix (d) Promotion mix</p> <p>Ans. (d) Promotion Mix</p>	<p>1 mark</p>								
<p>20.</p>	<p>Q. Which of the following statements is <i>Incorrect</i> with respect to Autocratic Leadership style?</p>									

	<p>(a) Subordinates are expected to obey the orders of the leader.</p> <p>(b) An autocratic leader does not wish to be contradicted.</p> <p>(c) Subordinates are given high degree of independence.</p> <p>(d) Quick decision-making is facilitated.</p> <p>Ans. (c) Subordinates are given high degree of independence.</p>	<p>1 mark</p>
<p>21.</p>	<p>Q. ‘Burgers and Fudge’ was among the first fast food chains in India which pioneered the concept of family-style restaurants. However, over the years it started losing business to multinational food chains like McDonalds and Pizza Hut, etc. and soon had to shut down.</p> <p>The reason to shut down was the inability of managers to identify, understand, evaluate and to react to the forces external to their firm.</p> <p>In the light of the above situation, explain with the help of any two points, how understanding of business environment is important for managers.</p> <p>Ans. Importance of business environment (any two):</p> <p>(i) It enables the firm to identify opportunities and get first mover advantage.</p> <p style="padding-left: 40px;">Early identification of opportunities helps an enterprise to be the first to exploit them instead of losing them to competitors.</p> <p>(ii) It helps the firm to identify threats and early warning signals.</p>	<p>= 1 ½ x 2</p>

Environmental awareness can help managers to identify various threats on time and serve as an early warning signal.

(iii) It helps in tapping useful resources.

Understanding business environment helps an enterprise to design policies that allow it to get the resources that it needs so that it can convert those resources into outputs.

(iv) It helps in coping with rapid changes.

In order to effectively cope with significant changes, managers must understand and examine the environment and develop suitable courses of action.

(v) It helps in assisting in planning and policy formulation.

The understanding of business environment is the basis for deciding the future course of action(planning) or training guidelines for decision making (policy).

(vi) It helps in improving performance.

The enterprises that continuously monitor their environment and adopt suitable business practices not only improve their present performance but also succeed in the market for a longer period.

= 3 marks

22.

Q.(a) Explain any three points that highlight the relationship between ‘planning’ and ‘controlling’ function of management.

Ans.(a) Relationship between planning and controlling (Any three with explanation):

- (i) Controlling takes place on the basis of standards developed by planning.
- (ii) Planning without controlling is meaningless as controlling ensures that the events conform to plans.
- (iii) Planning prescribes an appropriate course of action for achieving objectives whereas controlling evaluates whether decisions have been translated into desired actions.
- (iv) Planning and controlling are both forward looking as well as looking back.

OR

(b) Explain any two points of importance of ‘directing’ function of management.

Ans. (b) Importance of directing function of management (Any two):

- (i) Directing helps to **initiate action** by people in the organisation towards attainment of desired objectives.
- (ii) Directing **integrates employees’ efforts** in the organisation in such a way that every individual effort contributes to the organisational performance.

1 mark each

= 1x3

= 3 marks

OR

= 1 ½ x 2

	<p>(iii) Directing guides employees to fully realise their potential and capabilities by motivating and providing effective leadership.</p> <p>(iv) Directing facilitates introduction of needed changes in the organisation.</p> <p>(v) Effective directing helps to bring stability and balance in the organisation.</p>	<p>= 3 marks</p>
<p>23.</p>	<p>Q. (a) State any three benefits of ‘staffing’ function of management to the organisation.</p> <p>Ans. Benefits of ‘staffing’ function of management to the organisation (any three):</p> <p>(i) It helps in discovering and <u>obtaining competent personnel</u> for various jobs.</p> <p>(ii) It makes for <u>higher performance</u> by putting right person on the right job.</p> <p>(iii) It ensures <u>continuous survival and growth</u> of the enterprise through the succession planning for managers.</p> <p>(iv) It helps to <u>ensure optimum utilisation of human resources</u> by avoiding <u>overmanning</u> and under-utilisation of personnel.</p> <p>(v) It <u>improves job satisfaction</u> and morale of employees through objective assessment and fair rewarding of their contribution.</p>	<p>= 1 x 3</p> <p>= 3 marks</p>

	<p>(If an examinee has only listed the points, ½ mark for each point should be awarded.)</p> <p style="text-align: center;">OR</p> <p>(b) State any three benefits of training to employees.</p> <p>Ans. Benefits of training to employees (any three):</p> <ul style="list-style-type: none"> (i) Improved skills and knowledge due to training lead to <u>better career</u> of the individual. (ii) Increased performance by the individual help him to <u>earn more</u>. (iii) Training makes the employee more efficient to handle machines, making them, <u>less prone to accidents</u>. (iv) Training increases the satisfaction and <u>morale of employees</u>. <p>(If an examinee has only listed the points, ½ mark for each point should be awarded.)</p>	<p style="text-align: center;">OR</p> <p style="text-align: center;">1 x 3</p> <p style="text-align: center;">= 3 marks</p>
<p>24.</p>	<p>Q. Ananta Ltd. is a firm manufacturing electronic goods. To increase its sales and earn profits, its General Manager, Kamal is thinking in advance what to do and how to do it. He is also preparing forecasts to reduce the risk of uncertainty and to achieve its targets.</p> <p>By doing so Kamal is performing an important function of management.</p> <p>Identify and state the function of management highlighted above. Also state any two points of importance of this function.</p>	

	<p>Ans. Planning</p> <p>Planning is the process of setting objectives for a given time period, formulating various courses of action to achieve them and then selecting the best possible alternative from among the various courses of action available.</p> <p>Importance of planning (any two):</p> <p>(i) Planning <u>provides direction</u> by stating in advance how the work is to be done.</p> <p>(ii) Planning <u>reduces risk of uncertainty</u> by looking ahead and anticipating changes.</p> <p>(iii) Planning <u>reduces overlapping and wasteful activities</u> by co-ordinating the activities of different divisions.</p> <p>(iv) Planning <u>promotes innovative ideas</u> requiring application of mind and foresight.</p> <p>(v) Planning <u>facilitates decision making</u> by making a choice from among the alternative courses of action.</p> <p>(vi) Planning <u>establishes standards</u> against which actual performance is measured.</p> <p>(If an examinee has only listed the points, ½ mark for each point should be awarded.)</p>	<p>½ mark for identification + ½ mark for statement</p> <p>+ 1 mark for each point of importance = 1 x 2</p> <p>= 1+2</p> <p>= 3marks</p>
25.	<p>Q. Ankush bought a high-end microwave on Diwali from a leading electronic store. The microwave had ISI mark and Ankush diligently went through the instruction manual so that he could use it properly.</p>	

	<p>However, due to faulty wiring there was a short-circuit in the microwave. He called up the consumer helpline of the company many times, but no solution was provided by the company. Ankush now decided to file a case in the consumer court.</p> <p>(a) Identify and explain the right which Ankush will exercise.</p> <p>(b) State two responsibilities which Ankush had fulfilled while purchasing and using the microwave.</p> <p>Ans.</p> <p>(a) Right to seek redressal The consumer has a right to get relief in case the product or a service falls short of his expectations.</p> <p>(b) Responsibilities which Ankush had fulfilled while purchasing and using the microwave</p> <p>(i) Buy only <u>standardised goods</u> as they provide quality assurance.</p> <p>(ii) Learn about the risks associated with products and services, <u>follow manufacturer's instructions</u> and use the products safely.</p>	<p>1 mark for identification + 1 mark for explanation + 1 mark for each responsibility = 2 marks</p> <p>= 4 marks</p>
26.	<p>Q. Srijan, after completing his bachelor's degree in culinary arts from a reputed institute, took over his family restaurant specialising in South Indian dishes. This business was promoted by his grandfather many years back in the form of a company. Now he wants to get the restaurant renovated to open a special section for bakery products. It is estimated that an investment of ₹5 crore will be required to execute this plan. At present the cash flow position of the company is not strong and fixed operating costs of business are also high.</p>	

<p>Keeping in view the above situation, name with two reasons, the source of finance which Srijan should choose for modernization and expansion of his business. Also explain one more factor, apart from those stated above which Srijan should keep in mind while taking this decision.</p> <p>Ans. Equity</p> <p><u>Reasons</u></p> <p>(i) Cash Flow Position: Cash flow position of the company is not strong, thus, company is not in a position to repay the principle along with interest.</p> <p>(ii) Fixed Operating Cost: Fixed operating costs of business are high which result in higher business risk and in this situation, its capacity to use debt is low.</p> <p><u>While taking the decision to raise finance through Equity, the company has to take into consideration the following factor:</u> (any one)</p> <p>(i) Cost: The cost of raising funds through different sources are different. A prudent financial manager would normally opt for a source which is the cheapest.</p> <p>(ii) Risk: The risk associated with each of the sources is different.</p> <p>(iii) Floatation Costs: Higher the floatation cost, less attractive the source.</p> <p>(iv) Stock Market Conditions: If the stock markets are bullish, equity shares are more easily sold even at high price.</p>	<p>1 mark for naming the source</p> <p>+</p> <p>1 mark for each reason = 1 x 2</p> <p>+</p> <p>½ mark for naming another factor</p> <p>+</p> <p>½ mark for its explanation = 1 mark</p>
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	<p>(v) Control: Control also influences the choice between debt and equity especially in companies in which the current holding of management is on a lower side.</p>	<p>= 4 marks</p>						
<p>27.</p>	<p>Q. Explain the following as factors affecting the working capital requirements of a business:</p> <p>(i) Business cycle</p> <p>(ii) Operating efficiency</p> <p>Ans.(i) Business cycle In case of a boom, the sales as well as production are likely to be larger and, therefore, larger amount of working capital is required.</p> <p style="padding-left: 40px;">During the period of depression, the requirement for working capital will be lower as sales as well as production will be low.</p> <p>(ii) Operating efficiency Efficiencies in managing raw materials, inventories and debtors may reduce the level of raw materials, finished goods and debtors, resulting in lower requirement of working capital.</p>	<p>2 marks</p> <p style="text-align: center;">+</p> <p>2 marks</p> <p>= 4 marks</p>						
<p>28.</p>	<p>Q. (a) State any four points of difference between ‘Primary Market’ and ‘Secondary Market’.</p> <p>Ans. (a) Difference between Primary Market and Secondary Market (Any four)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;"></th> <th style="width: 45%;">Primary Market</th> <th style="width: 45%;">Secondary Market</th> </tr> </thead> <tbody> <tr> <td>i</td> <td>There is sale of</td> <td>There is trading of existing</td> </tr> </tbody> </table>		Primary Market	Secondary Market	i	There is sale of	There is trading of existing	
	Primary Market	Secondary Market						
i	There is sale of	There is trading of existing						

	securities by new companies or further (new issues of securities by existing companies to investors).	shares only.
ii	Securities are sold by the company to the investor directly (or through an intermediary).	Ownership of existing securities is exchanged between investors. The company is not involved at all
iii	The flow of funds is from savers to investors, i.e. the primary market directly promotes capital formation.	Enhances encashability (liquidity) of shares, i.e. the secondary market indirectly promotes capital formation.
iv	Only buying of securities takes place in the primary market, securities cannot be sold there.	Both the buying and the selling of securities can take place on the stock exchange.
v	Prices are determined and decided by the management of the company.	Prices are determined by demand and supply for the security.
vi	There is no fixed geographical location.	Located at specified places.

1x4
= 4 marks

OR

OR

(b) State any four protective functions of 'Securities and Exchange Board of India'.

Ans. Protective functions of Securities and Exchange

1x4

	<p>Board of India:</p> <p>(i) Prohibition of fraudulent and unfair trade practices like making misleading statements, manipulations, price rigging etc.</p> <p>(ii) Controlling insider trading and imposing penalties for such practices.</p> <p>(iii) Undertaking steps for investor protection.</p> <p>(iv) Promotion of fair practices and code of conduct in securities market.</p>	<p>= 4 marks</p>
<p>29.</p>	<p>Q. Pallavi started a wedding planner company ‘Dreams Unlimited’ in 2016 and her target was to be amongst the top 10 companies in this field within the next three years. For this she employed people having different skills. She worked hard and united the efforts of different people to achieve this goal. The requirements of the customers in this industry changed very fast and the company adapted to keep pace with the changing environment. As planned, the company achieved its target within three years. All the employees of the organisation were happy and satisfied and the effect of management was noticeable in the organisation.</p> <p>The way Pallavi was managing her business highlights some of the features of management. By quoting lines from the above paragraph, explain any two such features.</p> <p>Ans. Features of management (any two):</p> <p>(i) Management is goal oriented</p> <p><i>“.... united the efforts of different people to achievethis goal.”</i></p> <p>Every organisation has a set of basic goals which are the basic reason for its existence and unites the efforts of</p>	<p>$\frac{1}{2}$ mark for naming + $\frac{1}{2}$ mark for</p>

	<p>different individuals in the organisation towards achieving these goals.</p> <p>(ii) Management is a dynamic function <i>“ ...The company adapted to keep pace with the changing environment.”</i></p> <p>Management is a dynamic function and has to adapt itself to the changing environment. In order to be successful, an organisation must change itself and its goals according to the needs of the environment.</p> <p>(iii) Management is an intangible force <i>“All the employees of the organisation were happy and satisfied and the effect of management was noticeable in the organisation.”</i></p> <p>Management is an intangible force that cannot be seen but its presence can be felt in the way the organisation functions. The effect of management is noticeable when targets are met and employees are happy and satisfied.</p>	<p>quoting + 1 mark for its explanation = 2 x 2</p> <p>= 4 marks</p>
<p>30.</p>	<p>Q. (a) Explain any two features of ‘motivation’ as an element of directing function of management.</p> <p>Ans. Features of ‘motivation’ as an element of directing function of management (any two):</p> <p>(i) Motivation is an internal feeling. The urges or needs of human being which influence human behaviour are internal.</p> <p>(ii) Motivation produces goal directed behaviour. It helps to produce a behaviour in the employee to improve his performance.</p> <p>(iii) Motivation can be either positive or negative. Positive motivation provides positive rewards like</p>	<p>=2 x 2</p>

increase in pay, promotion, recognition etc., Negative motivation uses negative means like punishment, stopping increments, threatening etc. which also may induce a person to act in the desired way.

(iv) **Motivation is a complex process**

Any type of motivation may not have uniform effect on all the members.

= 4 marks

OR

(b) Explain the following as elements of communication process:

(i) Message

(ii) Encoding

(iii) Media

(iv) Decoding

OR

Ans. Elements of communication process:

(i) **Message:**

It is the content of ideas, feelings, suggestions, order, etc., intended to be communicated.

(ii) **Encoding:**

It is the process of converting the message into communication symbols such as words, pictures, gestures etc.

= 1 X 4

(iii) **Media:**

It is the path through which encoded message is transmitted to receiver. The channel may be in written form, face to face, phone call, Internet etc.

(iv) **Decoding:**

It is the process of converting encoded symbols of the sender.

= 4 marks

<p>31.</p>	<p>Q. F.M. Tech Ltd. is one of the leading information technology service provider companies in Delhi. To enable smooth functioning of the enterprise, job description and rules and procedures related to work processes are laid down. The company specifies clearly the boundaries of authority and responsibility and there is systematic co-ordination among the various activities to achieve organisational goals.</p> <p>(a) Identify and explain the ‘Type of organisation’ discussed above.</p> <p>(b) State any two advantages and two limitations of the ‘Type of organisation’ identified in (a) above.</p> <p>Ans. (a) Formal Organisation</p> <p>Formal organisation refers to the organisation structure which is designed by the management to accomplish a particular task.</p> <p>(b) Advantages of Formal Organisation (any two):</p> <p>(i) It is <u>easier to fix responsibility</u> since mutual relationships are clearly defined.</p> <p>(ii) It <u>avoids duplication of effort</u> since there is no ambiguity in the role that each member has to play.</p> <p>(iii) It <u>maintains unity of command</u> through an established chain of command.</p> <p>(iv) It <u>leads to accomplishment of goals</u> by providing a framework for the operations to be performed.</p> <p>(v) It <u>provides stability to the organisation</u> because there are specific rules to guide behaviour of employees.</p> <p>(If an examinee has only listed the points, ½ mark for</p>	<p>1 mark for identification</p> <p>+</p> <p>1 mark for explanation</p> <p>+</p> <p>1 mark for each advantage</p> <p>= 1 X 2</p>
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	<p>each point should be awarded.)</p> <p>Limitations of formal organisation (any two):</p> <p>(i) It may lead to <u>procedural delays</u> as the established chain of command has to be followed which increases the time taken for decision making.</p> <p>(ii) It does <u>not allow any</u> deviations from rigidly laid down policies and may not provide adequate recognition to creative talent.</p> <p>(iii) It is difficult to understand all human relationships in an enterprise, hence it <u>does not provide a complete picture</u> of how an organisation works.</p>	<p style="text-align: center;">+</p> <p style="text-align: center;">1 mark for each limitation</p> <p style="text-align: center;">= 1 x 2</p> <p style="text-align: center;">= 6 marks</p>
<p>32.</p>	<p>Q. Abhishek studied management principles and techniques of Henri Fayol and F.W. Taylor when he was in class XII. Now he is trying to apply his knowledge while doing his business. By using different techniques and scientifically analysing work he found one best way of doing the job. By removing unproductive movements of the workers, he reduces the time to complete the job. Not only this, to increase productivity and to regain stamina he started giving more rest intervals to his employees. He followed no discrimination policy on account of sex, religion, caste, etc. in his organisation. He ensured that the compensation should be fair to both employees and the organisation.</p> <p>Identify and explain any two techniques of scientific management and two principles of general management adopted by Abhishek.</p> <p>Ans. Techniques of Scientific Management adopted by Abhishek (any two):</p>	<p style="text-align: center;">$\frac{1}{2}$ mark for identification</p>

	<p>(i) Method Study (ii) Motion Study (iii) Fatigue Study</p> <p>Principles of General Management adopted by Abhishek:</p> <p>(i) Equity (ii) Remuneration</p>	<p>+</p> <p>1 mark for explanation</p> <p>= 1 ½ x 4 = 6 marks</p>
<p>33.</p>	<p>Q. (a) Explain any four psychological barriers of communication.</p> <p>6</p> <p>Ans.(a) Psychological barriers of communication:</p> <p>(i) Premature evaluation (ii) Lack of attention (iii) Loss by transmission and poor retention (iv) Distrust</p> <p style="text-align: center;">OR</p> <p>(b) Explain any four merits of external sources of recruitment.</p> <p>Ans. Merits of external sources of recruitment:</p> <p>(i) Qualified Personnel (ii) Wider Choice (iii) Fresh Talent (iv) Competitive Spirit</p>	<p>½ mark for naming +</p> <p>1 mark for explanation = 1 ½ x 4 = 6 marks</p> <p style="text-align: center;">OR</p> <p>½ mark for naming +</p> <p>1 mark for explanation = 1 ½ x 4 = 6 marks</p>
<p>34.</p>	<p>Q. (a) Explain the following as functions of marketing:</p> <p>6</p> <p>(i) Gathering and analysing market information</p> <p>(ii) Customer support services</p>	

	<p>(iii) Pricing of product</p> <p>Ans. (a) (i) Gathering and Analysing Market Information:</p> <ul style="list-style-type: none"> • Gathering and analysing market information is necessary to <u>identify the needs of the customers</u> and take various decisions for successful marketing of products and services. • This function helps in making an analysis of the available opportunities and threats as well as strengths and weaknesses of the organisation to decide what opportunities can best be pursued by it. <p>(ii) Customer support services:</p> <ul style="list-style-type: none"> • Developing customer support services aim at <u>providing maximum satisfaction</u> to the customers. • Customer support services are very effective in bringing repeat sales from the customers and developing brand loyalty for a product. <p>(iii) Pricing of product:</p> <ul style="list-style-type: none"> • Price of product refers to the amount of money customers have to pay to obtain a product. • The marketers have to properly analyse the factors determining the price of a product and take several crucial decisions in this respect including setting the pricing objectives, determining the pricing strategies, determining the price and changing the prices. <p style="text-align: center;">OR</p> <p>(b) Explain the following as components of Physical Distribution:</p>	<p style="text-align: center;">2</p> <p style="text-align: center;">+</p> <p style="text-align: center;">2</p> <p style="text-align: center;">+</p> <p style="text-align: center;">2</p> <p style="text-align: center;">= 6 marks</p> <p style="text-align: center;">OR</p>
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	<p>(i) Order Processing</p> <p>(ii) Transportation</p> <p>(iii) Warehousing</p> <p>Ans. (b) (i) Order Processing</p> <p>A good physical distribution system should provide for an accurate and speedy processing of orders, in the absence of which, goods would reach the customers late or in wrong quantity or specifications. This would result in customer dissatisfaction, with the danger of loss of business and goodwill.</p> <p>(ii) Transportation</p> <p>Transportation is the means of carrying goods and raw materials from the point of production to the point of sale. Transportation is important because unless the goods are physically made available, the sale cannot be completed.</p> <p>(iii) Warehousing</p> <p>Warehousing refers to the act of storing and assorting products in order to create time utility in them. The need for warehousing arises because there may be difference between the time a product is produced and the time it is required for consumption. The efficiency of a firm in serving its customers will depend on where these warehouses are located and where the products are to be delivered.</p>	<p>2</p> <p>+</p> <p>2</p> <p>+</p> <p>2</p> <p>= 6 marks</p>
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Marking Scheme
Strictly Confidential (For Internal and Restricted use only)
Senior School Certificate Supplementary Examination, July 2023
SUBJECT NAME: BUSINESS STUDIES (66/C/3)

General Instructions: -	
19	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.
20	“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.”
21	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.
22	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.
23	The Head-Examiner must go through the first five answer books evaluated by each evaluator on the first day, to ensure that evaluation has been carried out as per the instructions given in the Marking Scheme. If there is any variation, the same should be zero after deliberation and discussion. The remaining answer books meant for evaluation shall be given only after ensuring that there is no significant variation in the marking of individual evaluators.
24	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.
25	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 written in the left-hand margin and encircled. This may be followed strictly.
26	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.
27	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” .
28	No marks to be deducted for the cumulative effect of an error. It should be penalized only once.
29	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.
30	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).
31	Ensure that you do not make the following common types of errors committed by the Examiner in the past: <ul style="list-style-type: none"> ● Wrong totalling 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 totalling on the title page. ● Leaving answer or part thereof unassessed in an answer book.

	<ul style="list-style-type: none"> ● Wrong totalling 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.
32	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.
33	Any un assessed 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.
34	The Examiners should acquaint themselves with the guidelines given in the “ Guidelines for spot Evaluation ” before starting the actual evaluation.
35	Every Examiner shall also ensure that all the answers are evaluated, marks carried over to the title page, correctly totalled and written in figures and words.
36	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

Senior Secondary School Supplementary Exam, July 2023

BUSINESS STUDIES (Subject Code — 054)

[Paper Code — 66/C/3]

Q. No.	EXPECTED ANSWER / VALUE POINTS	Marks
1.	<p>Q. _____ is a standing plan.</p> <p>(a) Rule</p> <p>(b) Budget</p> <p>(c) Programme</p> <p>(d) Strategy</p> <p>Ans. (a) Rule</p>	1 mark
2.	<p>Q. Which of the following consumer rights under Consumer Protection Act, 2019 gives the freedom to</p>	

	<p>consumers to access variety of products at competitive prices?</p> <p>(a) Right to be informed</p> <p>(b) Right to be assured/Right to choose</p> <p>(c) Right to consumer education</p> <p>(d) Right to be heard</p> <p>Ans. (b) Right to be assured / Right to choose</p>	<p>1 mark</p>
<p>3.</p>	<p>Q. From 2003, all transactions in securities are to be settled within two days after the trade date. This system is known as:</p> <p>(e) Rolling settlement system</p> <p>(f) Rotational settlement system</p> <p>(g) Automatic settlement system</p> <p>(h) Mutual settlement system</p> <p>Ans. (a) Rolling settlement system</p>	<p>1 mark</p>
<p>4.</p>	<p>Q. Which of the following is <i>not</i> a disadvantage of functional structure of organisation?</p> <p>(a) Less emphasis on overall enterprise objectives than the objectives pursued by a functional head.</p> <p>(b) A conflict of interests may arise when the interests of two or more departments are not compatible.</p> <p>(c) May lead to increase in costs since there may be duplication of activities across products.</p> <p>(d) It may lead to problems in coordination as information has to be exchanged across functionally differentiated departments.</p> <p>Ans.(c) May lead to increase in costs since there may be</p>	<p>1 mark</p>

	duplication of activities across products.	
5.	<p>Q. Ashita works in a company where her basic task is to integrate diverse elements and co-ordinate the activities of different departments according to the overall objectives of the organisation. At which level of management is Ashita working?</p> <p>(a) Top level management (b) Middle level management (c) Supervisory level management (d) Both (b) and (c)</p> <p>Ans. (a) Top level management</p>	1 mark
6.	<p>Q. <i>Statement I:</i> Financial planning is essentially the preparation of financial blueprint of an organisation's future operations.</p> <p><i>Statement II:</i> Financial planning is done only for long-term and focuses on capital expenditure programmes only.</p> <p>Choose the correct option from the options given below:</p> <p>(a) Statement I is true and Statement II is false. (b) Statement II is true and Statement I is false. (c) Both the statements are true. (d) Both the statements are false.</p> <p>Ans. (a) Statement I is true and Statement II is false.</p>	1 mark
7.	<p>Q. _____ are detailed statements about a project which outline the objectives, policies, procedures, rules, tasks, budgets, etc. to implement any course of action.</p>	




	<p>(a) Methods (b) Budgets (c) Programmes (d) Procedures</p> <p>Ans. (c) Programmes</p>	<p>1 mark</p>
<p>8.</p>	<p>Q. Project ‘Nanhi Kali’ run by Shivam and Sohan Ltd. was started in 1998 and is one of the largest programmes that enables underprivileged girls to complete 10 years of schooling. The project has impacted the lives of over 5 lakh girls from low income group families across the country. The objective achieved by Shivam and Sohan Ltd. by doing so is:</p> <p>(a) Organizational objective (b) Social objective (c) Personal objective (d) Both (a) and (c)</p> <p>Ans. (b) Social objective</p>	<p>1 mark</p>
<p>9.</p>	<p>Q. From the following, identify the <i>Incorrect</i> Statement as per Consumer Protection Act, 2019:</p> <p>(a) National Commission has territorial jurisdiction over the whole country for consumer protection. (b) District Commission entertains complaints where value of goods or services paid as consideration does not exceed ₹1 crore. (c) Appeal against District Commission’s order can be filed in National Commission.</p>	

	<p>(d) District Commission and State Commission are set by the State Governments.</p> <p>Ans.(c) Appeal against District commission's order can be filed in National Commission.</p>	<p>1 mark</p>
<p>10.</p>	<p>Q. From the following, identify the statement which is correct about capital budgeting decision:</p> <p>(a) These decisions are reversible.</p> <p>(b) These decisions include committing huge amounts of finance on a long-term basis, therefore need to be taken with utmost care.</p> <p>(c) These decisions do not affect the earning capacity of the business in the long run.</p> <p>(d) Size of assets, profitability and competitiveness are not affected by capital budgeting decisions.</p> <p>Ans.(b) These decisions include committing huge amounts of finance on a long-term basis, therefore need to be taken with utmost care.</p>	<p>1 mark</p>
<p>11.</p>	<p>Q. Which of the following statements is <i>Incorrect</i> with respect to Autocratic Leadership style?</p> <p>(a) Subordinates are expected to obey the orders of the leader.</p> <p>(b) An autocratic leader does not wish to be contradicted.</p> <p>(c) Subordinates are given high degree of independence.</p> <p>(d) Quick decision-making is facilitated.</p> <p>Ans. (c) Subordinates are given high degree of independence.</p>	<p>1 mark</p>

<p>12.</p>	<p>Q. Providing job security and pension plan, etc. will satisfy which of the following needs of employees?</p> <p>(a) Basic physiological needs</p> <p>(b) Safety/Security needs</p> <p>(c) Belongingness needs</p> <p>(d) Esteem needs</p> <p>Ans. (b) Safety/ Security needs</p>	<p>1 mark</p>				
<p>13</p>	<p>Q. Which of the following is <i>not</i> a factor affecting price of a product or service?</p> <p>(a) Product cost</p> <p>(b) Extent of competition in the market</p> <p>(c) Government and legal regulations</p> <p>(d) Standardization and Grading</p> <p>Ans. (d) Standardization and Grading</p>	<p>1 mark</p>				
<p>14.</p>	<p>Q. Match the features of planning given in Column I with their respective explanation given in Column II.</p> <table style="width: 100%; border: none;"> <tr> <td style="text-align: center; vertical-align: top;"><i>Column I</i></td> <td style="text-align: center; vertical-align: top;"><i>Column II</i></td> </tr> <tr> <td style="vertical-align: top;"> <p>A. Planning is a mental exercise</p> </td> <td style="vertical-align: top;"> <p>(iv) Planning involves thorough examination and evaluation of each alternative and choosing the most appropriate one</p> </td> </tr> </table>	<i>Column I</i>	<i>Column II</i>	<p>A. Planning is a mental exercise</p>	<p>(iv) Planning involves thorough examination and evaluation of each alternative and choosing the most appropriate one</p>	
<i>Column I</i>	<i>Column II</i>					
<p>A. Planning is a mental exercise</p>	<p>(iv) Planning involves thorough examination and evaluation of each alternative and choosing the most appropriate one</p>					

	<p>B. Planning is all-pervasive. (v) Planning is required at all levels of management as well as in all departments of the organization</p> <p>C. Planning involves decision-making. (vi) Planning requires logical and systematic thinking rather than guess work or wishful thinking</p> <p>(a) A-(i), B-(ii), C-(iii) (b) A-(iii), B-(ii), C-(i) (c) A-(ii), B-(iii), C-(i) (d) A-(i), B-(iii), C-(ii)</p> <p>Ans. (b) A-(iii), B-(ii), C-(i)</p>	<p>1 mark</p>
<p>15.</p>	<p>Q. With rising pollution levels, consumers are becoming conscious about the harmful effects of polluted air, so the demand for home air-purifiers is increasing day-by-day. Which dimension of business environment is discussed here?</p> <p>(a) Political Environment (b) Technological Environment (c) Economic Environment (d) Social Environment</p> <p>Ans. (d) Social Environment</p>	<p>1 mark</p>
<p>16.</p>	<p>Q. In advertising ‘there is no direct face-to-face contact between the prospect and the advertiser’. The feature of advertising stated here is:</p>	

	<p>(a) Paid form (b) Impersonality (c) Economical (d) Identified sponsor</p> <p>Ans. (b) Impersonality</p>	1 mark
17.	<p>Q. In organising process, which of the following step is performed just before establishing reporting relationship between individuals?</p> <p>(a) Assignment of duties (b) Identification and division of work (c) Departmentalization (d) Imparting training to employees</p> <p>Ans.(a) Assignment of duties</p>	1 mark
18.	<p>Q. Which of the following functions of management completes one cycle of management process and improves planning in the next cycle?</p> <p>(a) Organising (b) Staffing (c) Directing (e) Controlling</p> <p>Ans. (d) Controlling</p>	1 mark
19.	<p>Q. The picture given below depicts important information related to a decision that a marketer has to take in the area of product.</p>	

	<table border="1"> <tr> <td data-bbox="245 138 532 212">Manufacturing Date : 10/3/23</td> <td data-bbox="537 138 846 174">Organic Honey :</td> <td data-bbox="850 138 1096 174">Quantity : 500 ml</td> </tr> <tr> <td data-bbox="245 218 532 291">Expiry Date : 10/3/25</td> <td data-bbox="537 197 846 401" rowspan="2">  </td> <td data-bbox="850 218 1096 291">No added sugar 100% pure</td> </tr> <tr> <td data-bbox="245 294 532 415">Max. Retail Price : ₹ 500</td> <td data-bbox="850 294 1096 415">Manufacturer : Organic Agro products ----- Uttarakhand</td> </tr> </table> <p>Identify from the following the correct option:</p> <p>(a) Branding (b) Labelling (c) Packaging (d) None of the above</p> <p>Ans. (b) Labelling</p>	Manufacturing Date : 10/3/23	Organic Honey :	Quantity : 500 ml	Expiry Date : 10/3/25		No added sugar 100% pure	Max. Retail Price : ₹ 500	Manufacturer : Organic Agro products ----- Uttarakhand	1 mark
Manufacturing Date : 10/3/23	Organic Honey :	Quantity : 500 ml								
Expiry Date : 10/3/25		No added sugar 100% pure								
Max. Retail Price : ₹ 500		Manufacturer : Organic Agro products ----- Uttarakhand								
20.	<p>Q. ‘Managing public opinion of an organisation is an important task performed by the marketing department.’ It is included under which of the following element of marketing mix?</p> <p>(a) Product mix (b) Place mix (c) Price mix (d) Promotion mix</p> <p>Ans. (d) Promotion Mix</p>	1 mark								
21.	<p>Q. ‘Burgers and Fudge’ was among the first fast food chains in India which pioneered the concept of family-style restaurants. However, over the years it started losing business to multinational food chains like McDonalds and Pizza Hut, etc. and soon had to shut down.</p> <p>The reason to shut down was the inability of managers to identify, understand, evaluate and to react to the</p>									

forces external to their firm.

In the light of the above situation, explain with the help of any two points, how understanding of business environment is important for managers.

Ans. Importance of business environment (any two):

(vii) It enables the firm to identify opportunities and get first mover advantage.

Early identification of opportunities helps an enterprise to be the first to exploit them instead of losing them to competitors.

(viii) It helps the firm to identify threats and early warning signals.

Environmental awareness can help managers to identify various threats on time and serve as an early warning signal.

(ix) It helps in tapping useful resources.

Understanding business environment helps an enterprise to design policies that allow it to get the resources that it needs so that it can convert those resources into outputs.

(x) It helps in coping with rapid changes.

In order to effectively cope with significant changes, managers must understand and examine the environment and develop suitable courses of action.

(xi) It helps in assisting in planning and policy formulation.

= 1 ½ x 2

	<p>The understanding of business environment is the basis for deciding the future course of action(planning) or training guidelines for decision making (policy).</p> <p>(xii) It helps in improving performance.</p> <p>The enterprises that continuously monitor their environment and adopt suitable business practices not only improve their present performance but also succeed in the market for a longer period.</p>	<p>= 3 marks</p>
<p>22.</p>	<p>Q.(a) Explain any two points that highlight the importance of ‘controlling’ function of management.</p> <p>Ans. Importance of ‘controlling’ function of management (any two):</p> <p>(i) Accomplishing organisational goals: The controlling function measures progress towards the organisational goals and indicates the corrective action, if required, to keep the organisation on the right track.</p> <p>(ii) Judging accuracy of standards: Controlling helps in judging accuracy of standards by keeping a careful check on the changes taking place in the organisation and reviewing and revising standards in the light of these changes.</p> <p>(iii) Making efficient use of resources: Controlling helps in making efficient use of resources by ensuring that each activity is performed according to pre-determined standards.</p> <p>(iv) Improving employee motivation:</p>	<p>$\frac{1}{2}$ mark for naming + 1 mark for explanation</p>

	<p>Controlling helps in improving employees' motivation as the employees know well in advance what they are expected to do which helps them to give better performance.</p> <p>(v) Ensuring order and discipline: It ensures order and discipline among employees by keeping a close check on their activities and minimising dishonest behaviour.</p> <p>(vi) Facilitating coordination in action: It facilitates coordination in action as each department is governed by pre-determined standards which are well coordinated with one another.</p> <p style="text-align: center;">OR</p> <p>(b) Explain 'Supervision' and 'Communication' as elements of 'directing' function of management.</p> <p>Ans. Supervision: It means overseeing what is being done by subordinates and giving instructions to ensure optimum utilisation of resources and achievement of work targets.</p> <p style="text-align: center;">Communication: Communication is defined as a process of exchange of information, ideas, views, facts, feelings, etc., between two or more persons to create common understanding.</p>	<p>=1 ½ x 2</p> <p>= 3 marks</p> <p style="text-align: center;">OR</p> <p>= 1 ½ x 2</p> <p>= 3 marks</p>
23.	<p>Q. Ananta Ltd. is a firm manufacturing electronic goods. To increase its sales and earn profits, its General Manager, Kamal is thinking in advance what to do and how to do it. He is also preparing forecasts to reduce the risk of uncertainty and to achieve its targets.</p>	

<p>By doing so Kamal is performing an important function of management.</p> <p>Identify and state the function of management highlighted above. Also state any two points of importance of this function.</p> <p>Ans. <u>Planning</u></p> <p>Planning is the process of setting objectives for a given time period, formulating various courses of action to achieve them and then selecting the best possible alternative from among the various courses of action available.</p> <p>Importance of planning (any two):</p> <p>(vii) Planning <u>provides direction</u> by stating in advance how the work is to be done.</p> <p>(viii) Planning <u>reduces risk of uncertainty</u> by looking ahead and anticipating changes.</p> <p>(ix) Planning <u>reduces overlapping and wasteful activities</u> by co-ordinating the activities of different divisions.</p> <p>(x) Planning <u>promotes innovative ideas</u> requiring application of mind and foresight.</p> <p>(xi) Planning <u>facilitates decision making</u> by making a choice from among the alternative courses of action.</p> <p>(xii) Planning <u>establishes standards</u> against which actual performance is measured.</p> <p>(If an examinee has only listed the points, ½ mark for each point should be awarded.)</p>	<p>½ mark for identification + ½ mark for statement</p> <p>+</p> <p>1 mark for each point of importance = 1 x 2</p> <p>= 3marks</p>
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<p>24.</p>	<p>Q. (a) State any three benefits of ‘staffing’ function of management to the organisation.</p> <p>Ans. Benefits of ‘staffing’ function of management to the organisation (any three):</p> <p>(vi) It helps in discovering and <u>obtaining competent personnel</u> for various jobs.</p> <p>(vii) It makes for <u>higher performance</u> by putting right person on the right job.</p> <p>(viii) It ensures <u>continuous survival and growth</u> of the enterprise through the succession planning for managers.</p> <p>(ix) It helps to <u>ensure optimum utilisation of human resources</u> by avoiding overmanning and under-utilisation of personnel.</p> <p>(x) It <u>improves job satisfaction</u> and morale of employees through objective assessment and fair rewarding of their contribution.</p> <p>(If an examinee has only listed the points, ½ mark for each point should be awarded.)</p> <p style="text-align: center;">OR</p> <p>(b) State any three benefits of training to employees.</p> <p>Ans. Benefits of training to employees (any three):</p> <p>(iii) Improved skills and knowledge due to training lead to <u>better career</u> of the individual.</p>	<p>= 1 x 3</p> <p>= 3 marks</p> <p style="text-align: center;">OR</p> <p>2 x 3</p>
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	<p>(iv) Increased performance by the individual help him to <u>earn more</u>.</p> <p>(v) Training makes the employee more efficient to handle machines, making them, <u>less prone to accidents</u>.</p> <p>(vi) Training increases the satisfaction and <u>morale of employees</u>.</p> <p>(If an examinee has only listed the points, ½ mark for each point should be awarded.)</p>	<p>= 3 marks</p>
<p>25.</p>	<p>Q. Srijan, after completing his bachelor’s degree in culinary arts from a reputed institute, took over his family restaurant specialising in South Indian dishes. This business was promoted by his grandfather many years back in the form of a company. Now he wants to get the restaurant renovated to open a special section for bakery products. It is estimated that an investment of ₹5 crore will be required to execute this plan. At present the cash flow position of the company is not strong and fixed operating costs of business are also high.</p> <p>Keeping in view the above situation, name with two reasons, the source of finance which Srijan should choose for modernization and expansion of his business. Also explain one more factor, apart from those stated above which Srijan should keep in mind while taking this decision.</p> <p>Ans. Equity</p> <p><u>Reasons</u></p> <p>(iii) Cash Flow Position: Cash flow position of the company is not strong, thus, company is not in a</p>	<p>1 mark for naming the source</p>

	<p>position to repay the principle along with interest.</p> <p>(iv) Fixed Operating Cost: Fixed operating costs of business are high which result in higher business risk and in this situation, its capacity to use debt is low.</p> <p><u>While taking the decision to raise finance through Equity, the company has to take into consideration the following factor: (any one)</u></p> <p>(vi) Cost: The cost of raising funds through different sources are different. A prudent financial manager would normally opt for a source which is the cheapest.</p> <p>(vii) Risk: The risk associated with each of the sources is different.</p> <p>(viii) Floatation Costs: Higher the floatation cost, less attractive the source.</p> <p>(ix) Stock Market Conditions: If the stock markets are bullish, equity shares are more easily sold even at high price.</p> <p>(x) Control: Control also influences the choice between debt and equity especially in companies in which the current holding of management is on a lower side.</p>	<p>+</p> <p>1 mark for each reason = 1 x 2</p> <p>+</p> <p>½ mark for naming another factor +</p> <p>½ mark for explanation</p> <p>= 4 marks</p>
<p>26.</p>	<p>Q. Ankush bought a high-end microwave on Diwali from a leading electronic store. The microwave had ISI mark and Ankush diligently went through the instruction manual so that he could use it properly. However, due to faulty wiring there was a short-circuit in the microwave. He called up the consumer</p>	

	<p>helpline of the company many times, but no solution was provided by the company. Ankush now decided to file a case in the consumer court.</p> <p>(a) Identify and explain the right which Ankush will exercise.</p> <p>(b) State two responsibilities which Ankush had fulfilled while purchasing and using the microwave.</p> <p>Ans.</p> <p>(a) Right to seek redressal The consumer has a right to get relief in case the product or a service falls short of his expectations.</p> <p>(b) Responsibilities which Ankush had fulfilled while purchasing and using the microwave</p> <p>(iii) Buy only <u>standardised goods</u> as they provide quality assurance.</p> <p>(iv) Learn about the risks associated with products and services, <u>follow manufacturer's instructions</u> and use the products safely.</p>	<p>1 mark for identification + 1 mark for explanation + 1 mark for each responsibility = 2 marks</p> <p>= 4 marks</p>
<p>27.</p>	<p>Q. Explain the following as factors affecting the fixed capital requirements of a business:</p> <p>(i) Nature of business</p> <p>(ii) Choice of technique</p> <p>Ans. Factors affecting the fixed capital requirements of a business:</p> <p>(i) Nature of business</p> <ul style="list-style-type: none"> Trading concerns need lower investment in fixed assets as compared to manufacturing organisations. 	<p>2 +</p>

	<ul style="list-style-type: none"> • Manufacturing concerns require to purchase plant and machinery resulting in more fixed capital. <p>(ii) Choice of technique</p> <ul style="list-style-type: none"> • Capital-intensive organisations require higher investment in plant and machinery, resulting in higher requirement of fixed capital. • Labour-intensive organisations require lesser fixed capital due to less investment in fixed assets. 	<p>2</p> <p>= 4 marks</p>
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<p>28.</p>	<p>Q. (a) Differentiate between ‘Capital Market’ and ‘Money Market’ on the basis of following:</p> <p>4</p> <p>(i) Instruments</p> <p>(ii) Investment outlay</p> <p>(iii) Duration</p> <p>(iv) Liquidity</p> <p>Ans. (a) Difference between Capital Market and Money Market</p> <table border="1" data-bbox="235 1354 1096 1921"> <thead> <tr> <th data-bbox="235 1354 451 1428">Basis</th> <th data-bbox="451 1354 763 1428">Capital Market</th> <th data-bbox="763 1354 1096 1428">Money Market</th> </tr> </thead> <tbody> <tr> <td data-bbox="235 1428 451 1921">Instruments</td> <td data-bbox="451 1428 763 1921">The main instruments traded in the capital market are equity shares, debentures, bonds, preference shares, etc.</td> <td data-bbox="763 1428 1096 1921">The main instruments traded in the money market are short term debt instruments such as T-bills, trade bills reports, commercial paper and certificates of</td> </tr> </tbody> </table>	Basis	Capital Market	Money Market	Instruments	The main instruments traded in the capital market are equity shares, debentures, bonds, preference shares, etc.	The main instruments traded in the money market are short term debt instruments such as T-bills, trade bills reports, commercial paper and certificates of	
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		deposit.	=1x4
Investment outlay	Investment in capital market does not require a huge financial outlay. The value of units of securities is generally low and minimum trading lot of shares is kept small.	Transactions entail huge sums of money as the instruments are quite expensive.	
Duration	The capital market deals in medium and long term securities such as equity shares and debentures.	Money market instruments have a maximum tenure of one year and may even be issued for a single day.	
Liquidity	Capital market securities are considered liquid investments because they are marketable on the stock exchanges. However, a share may not be actively traded.	Money market instruments enjoy a higher degree of liquidity as there is formal arrangement for this.	= 4 marks
OR			OR
(b) State any four regulatory functions of 'Securities and Exchange Board of India'.			

	<p>Ans. Regulatory functions of Securities and Exchange Board of India: (any four)</p> <ul style="list-style-type: none"> (i) Registration of brokers and sub-brokers and other players in the market. (ii) Registration of collective investment schemes and Mutual Funds. (iii) Regulation of stock brokers, portfolio exchanges, underwriters and merchant bankers and the business in stock exchanges and any other securities market. (iv) Regulation of takeover bids by companies. (v) Calling for information by undertaking inspection, conducting enquiries and audits of stock exchanges and intermediaries. (vi) Levying fee or other charges for carrying out the purposes of the Act. (vii) Performing and exercising such power under Securities Contracts (Regulation) Act 1956, as may be delegated by the Government of India. 	<p>= 1x4</p> <p>= 4 marks</p>
<p>29.</p>	<p>Q. (a) Explain any two features of ‘motivation’ as an element of directing function of management.</p> <p>Ans. Features of ‘motivation’ as an element of directing function of management (any two):</p>	

<p>(v) Motivation is an internal feeling. The urges or needs of human being which influence human behaviour are internal.</p> <p>(vi) Motivation produces goal directed behaviour. It helps to produce a behaviour in the employee to improve his performance.</p> <p>(vii) Motivation can be either positive or negative. Positive motivation provides positive rewards like increase in pay, promotion, recognition etc., Negative motivation uses negative means like punishment, stopping increments, threatening etc. which also may induce a person to act in the desired way.</p> <p>(viii) Motivation is a complex process Any type of motivation may not have uniform effect on all the members.</p>	<p>=2 x 2</p> <p>= 4 marks</p>
<p>OR</p>	
<p>(b) Explain the following as elements of communication process:</p> <p>(i) Message</p> <p>(ii) Encoding</p> <p>(iii) Media</p> <p>(iv) Decoding</p> <p>Ans. Elements of communication process:</p> <p>(v) Message: It is the content of ideas, feelings, suggestions, order, etc., intended to be communicated.</p> <p>(vi) Encoding: It is the process of converting the message into communication symbols such as words, pictures,</p>	<p>OR</p> <p>= 1 X 4</p>

	<p>gestures etc.</p> <p>(vii) Media: It is the path through which encoded message is transmitted to receiver. The channel may be in written form, face to face, phone call, Internet etc.</p> <p>(viii) Decoding: It is the process of converting encoded symbols of the sender.</p>	<p>= 4 marks</p>
<p>30.</p>	<p>Q. Pallavi started a wedding planner company ‘Dreams Unlimited’ in 2016 and her target was to be amongst the top 10 companies in this field within the next three years. For this she employed people having different skills. She worked hard and united the efforts of different people to achieve this goal. The requirements of the customers in this industry changed very fast and the company adapted to keep pace with the changing environment. As planned, the company achieved its target within three years. All the employees of the organisation were happy and satisfied and the effect of management was noticeable in the organisation.</p> <p>The way Pallavi was managing her business highlights some of the features of management. By quoting lines from the above paragraph, explain any two such features.</p> <p>Ans. Features of management (any two):</p> <p>(iv) Management is goal oriented</p> <p><i>“.... united the efforts of different people to achievethis goal.”</i></p> <p>Every organisation has a set of basic goals which are the basic reason for its existence and unites the efforts of different individuals in the organisation towards achieving these goals.</p>	<p>½ mark for naming + ½ mark for quoting +</p>

	<p>Ans. Techniques of Scientific Management adopted by Abhishek (any two):</p> <ul style="list-style-type: none"> (iv) Method Study (v) Motion Study (vi) Fatigue Study <p>Principles of General Management adopted by Abhishek:</p> <ul style="list-style-type: none"> (iii) Equity (iv) Remuneration 	<p>½ mark for identification + 1 mark for explanation = 1 ½ x 4 = 6 marks</p>
<p>32.</p>	<p>Q. F.M. Tech Ltd. is one of the leading information technology service provider companies in Delhi. To enable smooth functioning of the enterprise, job description and rules and procedures related to work processes are laid down. The company specifies clearly the boundaries of authority and responsibility and there is systematic co-ordination among the various activities to achieve organisational goals.</p> <p>(a) Identify and explain the ‘Type of organisation’ discussed above.</p> <p style="text-align: center;">(b) State any two advantages and two limitations of the ‘Type of organisation’ identified in (a) above.</p> <p>Ans. (a) Formal Organisation</p> <p>Formal organisation refers to the organisation structure which is designed by the management to accomplish a particular task.</p> <p>(b) Advantages of Formal Organisation (any two):</p> <ul style="list-style-type: none"> (vi) It is <u>easier to fix responsibility</u> since mutual relationships are clearly defined. 	<p>1 mark for identification + 1 mark for explanation + 1 mark for</p>

	<p>(vii) It <u>avoids duplication of effort</u> since there is no ambiguity in the role that each member has to play.</p> <p>(viii) It <u>maintains unity of command</u> through an established chain of command.</p> <p>(ix) It <u>leads to accomplishment of goals</u> by providing a framework for the operations to be performed.</p> <p>(x) It <u>provides stability to the organisation</u> because there are specific rules to guide behaviour of employees.</p> <p>(If an examinee has only listed the points, ½ mark for each point should be awarded.)</p> <p>Limitations of formal organisation (any two):</p> <p>(iv) It may lead to <u>procedural delays</u> as the established chain of command has to be followed which increases the time taken for decision making.</p> <p>(v) It does <u>not allow any</u> deviations from rigidly laid down policies and may not provide adequate recognition to creative talent.</p> <p>(vi) It is difficult to understand all human relationships in an enterprise, hence it <u>does not provide a complete picture</u> of how an organisation works.</p>	<p>each advantage</p> <p>+ 1 mark for each limitation</p> <p>= 6 marks</p>
<p>33.</p>	<p>Q. (a) Explain any four semantic barriers to communication.</p> <p>Ans. Semantic barriers of communication (any four):</p> <p>(i) Badly expressed message</p> <p>(ii) Symbols with different meanings</p> <p>(iii) Faulty translations</p> <p>(iv) Unclarified assumptions</p> <p>(v) Technical jargon</p> <p>(vi) Body language and gesture decoding</p>	<p>½ mark for heading</p> <p>+ 1 mark for explanation</p> <p>1 ½ x4 = 6 marks</p>

	<p style="text-align: center;">OR</p> <p>(b) Explain any four merits of internal sources of recruitment.</p> <p>Ans. Merits of internal sources of recruitment (any four):</p> <ul style="list-style-type: none"> (i) Employees are motivated to improve their performance. A promotion at a higher level may lead to a chain of promotion at lower levels in the organisation. (ii) Internal recruitment simplifies the process of selection and placement. This is a more reliable way of recruitment since the candidates are already known to the organisation. (iii) Transfer is a tool of training the employees to prepare them for higher jobs. Moreover, people recruited from within the organisation do not need induction training. (iv) Transfer has the benefit of shifting workforce from the surplus departments to those where there is shortage of staff. (v) Filling of jobs internally is cheaper as compared to getting candidates from external sources. 	<p style="text-align: center;">OR</p> <p style="text-align: center;">1 ½ x 4</p> <p style="text-align: center;">= 6 marks</p>
<p>34.</p>	<p>Q. (a) Explain the following marketing philosophies:</p> <ul style="list-style-type: none"> (i) Product Philosophy (ii) Production philosophy (iii) Marketing Philosophy <p>Ans. (i) Product Philosophy The Product philosophy focuses on continuous</p>	

improvement in the quality of the product, incorporating new features, etc. Thus, Product improvement is the key to profit maximisation of a firm.

(ii) Production Philosophy

As per Production philosophy, profits can be maximised by producing at large scale, thereby, reducing the average cost of production. Availability and affordability of the product are considered to be the key to the success of a firm.

(iii) Marketing Philosophy

According to Marketing philosophy, an organisation can achieve its objective of maximisation of profit by identifying the needs of its present and prospective buyers and satisfying them in an effective way. Thus, customer's satisfaction is the focal point of all decision making in the organisation.

= 2 x 3

= 6 marks

OR

OR

(b) Explain the following as elements of marketing mix:

(i) Product

(ii) Place

(iii) Price

Ans. Elements of marketing mix

(i) Product

Product means goods or services or 'anything of value' which is offered to the market for sale.

The important product decisions include deciding about the features, quality, packaging,

	<p>labelling and branding of the products.</p> <p>(ii) Place Place or Physical Distribution include activities that make firm's products available to the target customers. The important decision areas relate to selection of intermediaries, managing inventory, storage and warehousing and transportation of goods.</p> <p>(iii) Price Price is the amount of money customers have to pay to obtain the product. The marketers have to decide about the objectives of price setting, analyse the factors determining the price and fix a price for the firm's products.</p>	<p>= 2 x 3</p> <p>= 6 marks</p>
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