

Strictly Confidential: (For Internal and Restricted Use Only)
Senior School Certificate Examination
July ----2016-17

Marking Scheme---Business Studies (Outside Delhi) Comptt. 66/1, 66/2, 66/3.

General Instructions:

1. The marking scheme carries only suggested value points for the answer. These are only guidelines and do not constitute the complete answer. The students can have their own expression and if the expression is correct, marks be awarded accordingly.
2. Evaluation is to be done as per instructions provided in the marking scheme.
3. If a question has parts, please award marks on the right hand side for each part. Marks awarded for different parts of the question should then be totalled up and encircled in the left hand margin.
4. If a question does not have parts, marks be awarded in the left hand margin.
5. If a candidate has attempted a question twice, marks should be given in the question attempted first and the question attempted later should be ignored with the comment 'Extra Attempt'.
6. In a question, if two features/ characteristics/ points are asked but an examinee writes more than two features/ characteristics/ points, say, five, of which first is correct, second is incorrect, the first two should be assessed and the remaining should be ignored.
7. The examiners should acquaint themselves with the instructions given in the Guidelines for Spot Evaluation before starting the actual evaluation.
8. Every examiner should stay upto sufficiently reasonable time normally 5-6 hours everyday and evaluate 20-25 answer books and should devote minimum 15-20 minutes to evaluate each answer book.
9. Every examiner should acquaint himself/ herself with the marking schemes of all the sets.
10. It is expected that the marking scheme should be followed objectively to ensure quality evaluation. For instance, if an examinee scores 24 marks, then the marks should not be inflated to 27 simply to pass him/ her.
11. Marks should be awarded keeping in view the total marks of a particular question and not the total marks of the question paper. For example, if one mark is given to a 3 marks question even if nothing is correct, then that one mark constitutes 33% of the total marks for this answer.
12. The examiner shall also have to certify in the answer book that they have evaluated the answer book strictly in accordance with the value points given in the marking scheme and correct set of question papers.
13. While evaluating the answer scripts, if the answer is found to be totally incorrect, it should be marked as (x) and awarded zero (0) marks.
14. A full scale of marks 0-80 has to be used. Please do not hesitate to award full marks if the answer deserves it. Similarly, wherever an examinee writes an answer upto the mark, his/ her marks should not be deducted unnecessarily.

			MARKING SCHEME – 2016-17 BUSINESS STUDIES COMPTT. OUTSIDE DELHI – 66/1 EXPECTED ANSWERS / VALUE POINTS	DISTRIBUTION OF MARKS
66/1	66/2	66/3		
1	5	8	<p>Q. Satvik is the finance manager of Mars Ltd. He is facing difficulty in deciding the amount of profit earned by the company that should be distributed as dividend to the shareholders. In the current year the company earned high profit. However, Satvik thinks that it is better to declare higher dividend as he is sure about the earning potential of the company in the coming years.</p> <p>Name the factor that affected Satvik’s choice regarding dividend decision.</p> <p>Ans. Stability of dividend.</p>	1 mark
2	4	5	<p>Q. Amar, the marketing manager of Narmada Garments Ltd. allows the salesmen working under him to freely express their frank opinion and feelings regarding work related matters before him. Identify the organisational barrier to communication that has been overcome because of Amar’s behaviour.</p> <p>Ans. Status.</p>	1 mark
3	8	4	<p>Q. Give the meaning of leadership.</p> <p>Ans. Leadership is the process of influencing the behaviour of people by making them strive voluntarily towards achievement of organisational goals.</p>	1 mark
4	2	3	<p>Q. Seema, a student of management likes to relate what she learnt in class to real life situation. She observed many situations while watching educational programmes on television that reminded her the concepts of Scientific Management. In one such programme, factories manufacturing components for products like automobiles, computers and mobile phones were shown.</p> <p>Name the concept of Scientific Management that should be adhered to, while manufacturing components for such products.</p>	

			Ans. Standardisation and Simplification of work.	1 mark
5	1	2	<p>Q. How do principles of management provide managers with useful insights in real world situations? State.</p> <p>Ans. Principles of management provide useful insights into reality by <u>enabling the managers to learn from past mistakes</u> and <u>conserve time</u> by solving recurring problems quickly.</p>	1 mark
6	-	-	<p>Q. What is meant by ‘Call Money’?</p> <p>Ans. Call money is the method by which banks borrow from each other to be able to maintain the cash reserve ratio. It is repayable on demand, with a maturity period of one day to fifteen days.</p>	1 mark
7	-	-	<p>Q. How does ‘Technical upgradation’ affect the fixed capital requirement of an organisation? State.</p> <p>Ans. <u>Technology upgradation</u> affects the <u>fixed capital requirement of an organisation</u>, as industries where assets become obsolete sooner require higher fixed capital to purchase such assets.</p>	1 mark
8	3	1	<p>Q. On the introduction of ‘Goods and Services Tax Act’, experts in the field of business started analysing and forecasting its impact on various sectors and industries. Arun, an established businessman, attended a few seminars and conferences organised by such experts to familiarize himself with this information. He wanted to use these forecast and conjectures to reduce the uncertainty in making decisions for the future in his business.</p> <p>Name the step in the planning process that is being discussed in the above paragraph.</p> <p>Ans. Developing Premises.</p>	1 mark
9	13	11	<p>Q. State any three limitations of external sources of recruitment.</p> <p>Ans. <u>Limitations of external source of recruitment:</u></p>	

			<p>(Any three)</p> <p>(i) It may lead to <u>dissatisfaction among existing employees</u> as they may feel that their chances of promotion are reduced.</p> <p>(ii) It is a <u>lengthy process</u> as the vacancies have to be notified and applications received before selection.</p> <p>(iii) It is a <u>costly process</u> as a lot of money is spent on advertisement and processing of applications.</p> <p>(If an examinee has given only the heading, ½ mark for each heading should be awarded)</p>	<p>1 mark for each statement</p> <p>=</p> <p>1 x 3</p> <p>=</p> <p>3 marks</p>
10	11	9	<p>Q. Explain the following methods of training:</p> <p>(i) Vestibule Training; and</p> <p>(ii) Internship Training.</p> <p>Ans. (i) Vestibule Training</p> <ul style="list-style-type: none"> ▪ It is a method of training which is imparted with the <u>help of equipments & machines identical to those at the place of work.</u> ▪ The training is <u>conducted away from actual work floor</u> and is generally used where the employees are required to handle <u>sophisticated machinery.</u> <p>(ii) Internship Training</p> <ul style="list-style-type: none"> ▪ Internship Training is a joint programme of training <u>between educational institutions and business firms.</u> ▪ Besides carrying out regular studies, the trainees also <u>work in some factory or office</u> to acquire practical knowledge and skills. 	<p>1 ½ marks</p> <p>+</p> <p>1 ½ marks</p> <p>=</p> <p>3 marks</p>
11	10	13	<p>Q. Miracle Ltd. deals in the sale of stationery and office furniture. They source the finished products from reputed brands who give them four to six months credit. Because of increase in the demand for electronic items, they are planning to sell these items also. For this, they have decided to join hands with a Japanese electronic goods manufacturer, to open sales outlets throughout India.</p> <p>State any three factors affecting working capital requirement of Miracle Ltd. other than the factors discussed above.</p> <p>Ans. <u>Factors which affect the requirements of working capital are: (Any three)</u></p>	<p>1 mark for each statement</p> <p>=</p>

			<p>(i) <u>Business cycle</u> as in case of boom, larger working capital is required as the sales and production are more.</p> <p>(ii) <u>Seasonal factors</u> as peak season requires higher working capital than lean season due to higher level of activity.</p> <p>(iii) <u>Production Cycle</u> as working capital requirement is higher in firms with longer processing cycle.</p> <p>(iv) <u>Credit allowed</u> to customers results in higher amount of debtors, increasing the working capital requirement.</p> <p>(v) <u>Operating efficiency</u> as firms managing their raw materials efficiently require lesser working capital.</p> <p>(vi) Free and continuous availability of raw materials enables the firms to keep lesser stock and hence work with smaller working capital.</p> <p>(vii) Higher <u>Growth prospects</u> will require larger amounts of working capital so that the firm is able to meet higher production and sales targets</p> <p>(viii) <u>Level of competition</u> as higher competition requires larger stocks to meet urgent orders from customers and thus higher working capital.</p> <p>(ix) <u>Inflation</u> increases the working capital requirements as larger amount of money is required to maintain a constant volume of production and sales.</p> <p>(If an examinee has given only the heading, ½ mark for each heading should be awarded)</p>	<p>1 x 3 = 3 marks</p>									
12	-	-	<p>Q. Differentiate between Capital Market and Money Market on the basis of:</p> <p>(i) Liquidity; (ii) Instruments; and (iii) Expected Return.</p> <p>Ans. Difference between Capital Market and Money Market:</p> <table border="1"> <thead> <tr> <th>Basis</th> <th>Capital Market</th> <th>Money Market</th> </tr> </thead> <tbody> <tr> <td>(i) Liquidity</td> <td>Capital market securities are comparatively less liquid.</td> <td>Money market securities are comparatively more liquid.</td> </tr> <tr> <td>(ii) Instruments</td> <td>Instruments traded are shares, debentures and</td> <td>Instruments traded are treasury bill, commercial paper, certificates of</td> </tr> </tbody> </table>	Basis	Capital Market	Money Market	(i) Liquidity	Capital market securities are comparatively less liquid.	Money market securities are comparatively more liquid.	(ii) Instruments	Instruments traded are shares, debentures and	Instruments traded are treasury bill, commercial paper, certificates of	<p>1 x 3 = 3 marks</p>
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13	9	10	<p>Q. After completing her studies in product design, Sarah wishes to start her own business to design products to cater to the mobility and communication requirements of persons with special needs. She told her friend that she wanted to focus on supplying high quality and affordable products on “no profit – no loss basis”. The Unique Selling Proposition (U.S.P) of the products will be sensitivity to challenges and needs of the differently abled. She has to follow a series of steps to attain her predetermined objectives.</p> <p>In the above lines, Sarah has discussed about one of the functions of management. Identify the function and state its steps in chronological order other than the one discussed in the above para.</p> <p>Ans. Planning.</p> <p>Steps in the process of Planning are:</p> <p>(i) <u>Developing Premises</u> which involves making assumptions about future, upon which plans are to be withdrawn.</p> <p>(ii) <u>Identifying alternative courses of action</u> which may be used to achieve the set objectives.</p> <p>(iii) <u>Evaluating alternative courses of action and selecting the best alternative</u> which involves scrutinizing the feasibility and consequences of each alternative before a choice is made.</p> <p>(iv) <u>Implementing the plan</u> which involves seeing whether plans are put into action.</p> <p>(v) <u>Follow up</u> which involves seeing that activities are performed according to plans.</p> <p>(If an examinee has not written the steps of the process in correct sequence, ½ mark be deducted.)</p>	<p>½ mark for identification + ½ mark for each step = ½ x 5 = 2 ½) = ½ + 2 ½ = 3marks</p>						

14	19	15	<p>Q. Reema is one of the most successful managers of her company, Globe Ltd. She knows that the principles of management are intended to apply to all types of organizations, business as well as non-business, small as well as large, public sector as well as private sector.</p> <p>(i) One of the points related to the nature of management principles is being highlighted in the above description. Identify the point.</p> <p>(ii) Explain any three other points of the nature of principles of management other the one identified above.</p> <p>Ans. (i) Universal applicability</p> <p>(ii) Nature of principles of management: (Any three)</p> <p>(a) General guidelines. (b) Formed by practice and experimentation. (c) Flexible. (d) Mainly behavioural. (e) Cause and effect relationship. (f) Contingent</p>	<p>1 mark</p> <p>+</p> <p>(½ mark for naming the point</p> <p>+</p> <p>½ mark for its explanation</p> <p>=</p> <p>1 x 3</p> <p>=</p> <p>3 marks)</p> <p>=</p> <p>1=3</p> <p>=</p> <p>4 marks</p>
15	16	16	<p>Q. Mr. Raman is the human resource manager of Shanti Hospital in Nellore. He has to appoint nurses for the hospital. For this he has conducted preliminary interviews. Since patients in the hospital are of different types, he has also conducted tests to find out the candidates' maturity and emotions in dealing with the patients. He has also conducted tests to know about the candidates' ability to take decisions.</p> <p>Explain the remaining steps that Mr. Raman should take to complete the selection process.</p> <p>Ans. Remaining steps that Mr. Raman should take to complete the selection process are:</p> <p>(i) Employment interview and Reference and background checks. (ii) Selection decision. (iii) Medical examination. (iv) Job offer and Contract of employment.</p>	<p>½ mark for naming each step</p> <p>+</p> <p>½ mark for its explanation</p> <p>=</p> <p>1 x 4</p> <p>=</p> <p>4 marks</p>

			(if an examinee has not written the steps in correct sequence, ½ mark be deducted.) (If an examinee has not given the headings as above but has given the correct explanation, full credit should be given)	
16	15	14	<p>Q. Vindhya Ayurved Ltd., a new and leading manufacturer of herbal and ayurvedic medicines and grocery products has captured a large share of the market in a short span of time. The Research and Development (R & D) department of the company spends considerable time and effort in developing eco-friendly, chemical-free and healthy alternatives for a variety of products of daily use, from toothpaste to biscuits, instant noodles to soaps, shampoos and detergents etc. Their business orientation differs from competitors who are short-sighted and want to maximize profit by maximizing sales. Instead Vindhya Ayurved considers maximization of profit by understanding needs and wants of customers in the target market and development of products or services for satisfying such needs and wants.</p> <p>(i) Identify and explain the marketing management philosophy adopted by Vindhya Ayurved Ltd.</p> <p>(ii) State any two values that are being promoted by the company.</p> <p>Ans.(i) <u>Marketing philosophy.</u> Marketing philosophy implies that focus on satisfaction of customer's needs is the key to the success of any organisation in the market. It assumes that in the long run 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.</p> <p>(ii) <u>Values that are being promoted by the company are:</u> (Any two) (a) Fulfilling social responsibility/ Concern for the society (b) Concern for health (c) Sensitivity towards the environment.</p> <p>(or any other correct value)</p>	<p>½ mark for identifying + 1½ mark for its explanation = 2 marks + 1 mark for each value = 1 x 2 = 2 marks = 2+2 = 4 marks</p>

17	-	-	<p>Q. State any two advantages and two limitations of informal organisation.</p> <p>Ans.<u>Advantages of informal organisation: (Any two)</u> (i) It leads to <u>faster spread of information</u> as well a quick feedback. (ii) It fulfills the <u>social needs</u> of the members. (iii) It contributes towards fulfillment of organisational objectives by <u>compensating for inadequacies in the formal organisation</u>.</p> <p>(If an examinee has given only the heading, ½ mark for each heading should be awarded)</p> <p><u>Limitations of informal organisation: (Any two)</u> (i) It leads to <u>spread of rumours</u>. (ii) It may lead to <u>resistance to change</u>. (iii) It <u>pressurizes members to conform to group expectations</u> which may be against organisational interest.</p> <p>(If an examinee has given only the heading, ½ mark for each heading should be awarded)</p>	<p>1 mark for each statement = 1 x 2 = 2 marks + 1 mark for each statement = 1 x 2 = 2 marks = 2+2 = 4 marks</p>
18	-	-	<p>Q. Explain any four points of importance of ‘controlling’ function of management.</p> <p>Ans.<u>Importance of controlling (Any four):</u> (i) Accomplishing organisational goals. (ii) Making efficient use of resources. (iii) Ensuring order and discipline. (iv) Improving employee motivation. (v) Judging accuracy of standards. (vi) Facilitating co-ordination in action.</p> <p>(If an examinee has not given the headings as above but has given the correct explanation, full credit should be given)</p>	<p>½ mark for the heading + ½ mark for each correct explanation = 1 x 4 = 4 marks</p>
19	14	19	<p>Q. Irma is the chief executive officer of a reputed company. She introduced appropriate skill developments programmers and a sound promotion policy for the employees of her company. To</p>	

			<p>motivate and retain the best talent in the company, she designed the jobs of the managers to include greater variety of work content.</p> <p>Explain any two other incentives that may be introduced by Irma other than those already introduced by her to further motivate the employees of her company.</p> <p>Ans. <u>Incentives that may be introduced by Irma other than those already introduced by her to further motivate the employees of her company are: (Any two)</u></p> <p>(i) Status. (ii) Organisational climate. (iii) Employees recognition programme. (iv) Job security. (v) Employee participation. (vi) Employee empowerment. (vii) Pay and Allowances. (viii) Productivity linked wage incentives. (ix) Bonus. (x) Profit sharing. (xi) Co-partnership. (x) Retirement Benefits. (xi) Perquisites.</p> <p>(If an examinee has not given the headings as above but has given the correct explanation, full credit should be given)</p>	<p>$\frac{1}{2}$ mark for naming each incentive + 1 $\frac{1}{2}$ marks for its explanation = 2 marks = 2+2 = 4 marks</p>
20	22	20	<p>Q. Shivam bought a pain relieving ointment after seeing it being displayed in the chemist's shop. The ointment tube was packed in a cardboard box. The tubes were received by the chemist from the wholeseller in corrugated boxes containing 20 units. Identify and explain the different levels of packaging of the pain relieving medicine.</p> <p>Ans. <u>Levels of packaging:</u></p> <p>(a) Primary Packaging</p> <ul style="list-style-type: none"> • The ointment tube is the primary package which refers to the product's immediate container. • It is kept till the consumer is ready to use the product or it may be kept throughout the entire life of the product. <p>(b) Secondary Packaging</p>	<p>($\frac{1}{2}$ mark for identification of the level + 1 $\frac{1}{2}$ mark for its explanation = $\frac{1}{2}$ + 1 $\frac{1}{2}$ = 2 marks) + ($\frac{1}{2}$ mark for</p>

		<ul style="list-style-type: none"> • The Cardboard box is the secondary package which refers to the additional layers of protection. • When the consumer starts using the product, the secondary packing is disposed off. <p>(c) Transportation Packaging</p> <ul style="list-style-type: none"> • The Corrugated box is the Transportation Package which refers to the package necessary for storage, identification or transportation. <p>(If an examinee has not specified ‘ointment tube’ as the primary package, ‘cardboard box’ as the secondary package and ‘corrugated box’ as transportation packaging, ½ mark per identification may be deducted)</p>	<p>identification of the level + 1 ½ mark for its explanation = ½ + 1 ½ = 2 marks) + (½ mark for identification of the level + ½ mark for its explanation = ½ + ½ = 1 marks) = 2+2+1 = 5 marks</p>
21	-	<p>Q. State any five points of impact of liberalization on business and industry.</p> <p>Ans.<u>Impact of government policy changes on business and industry in India (Any five):</u></p> <ol style="list-style-type: none"> 1. <u>Competition has increased</u> for Indian firms due to the entry of foreign firms. 2. <u>Customers have become more demanding</u> as they have a wider choice. 3. <u>Technological environment is rapidly changing</u> creating tough challenges for smaller firms. 4. It has become <u>necessary for enterprises to change</u> and modify their operations to cope with the turbulent market forces. 5. There is a <u>need for developing human resource</u> as the new market conditions require people with higher competence and greater commitment. 6. Enterprises are forced to adopt a <u>market orientation</u> so that they could study the market and produce goods accordingly. 7. There is <u>loss of budgetary support to the public sector</u> as the government felt that the public sector needs to be more efficient in order to survive and grow. <p>(If an examinee has given only the headings, ½ mark for each heading should be awarded)</p>	<p>1 mark for each statement = 1 x 5 = 5 marks</p>

22	20	22	<p>Q. Sakaar Foundation is an NGO(Non-Governmental Organization)working to improve the lives of children with medical needs, the homeless and victims of natural disasters. Apart from donations in cash, they collect dry ration, old clothes, shoes,toys, books, medicines etc. from donors. AtSakaar Foundation’s office in Lucknow the material collected is segregated, classified and put in shelves and boxes that are labelled systematically. There is a specific place for each of these items and volunteers put everything at their respective places.</p> <p>The volunteer work is divided into specific jobs like fund raising, field visits, social media updates and so on. Each volunteer is part of a particular team, depending on their competency and training. Each volunteer becomes specialized in their respective field, leading to efficient utilization of human effort. The management of Sakaar Foundation does not close its ears to any constructive suggestions made by the volunteers. There is an equal division of work and responsibility between volunteers and management. All the day long the management work side by side the volunteers helping, encouraging and smoothing the way for them.</p> <p>(i) Identify and explain one principle each of ‘Scientific Management’ and ‘General Management ‘adopted by Sakaar Foundation.</p> <p>(ii) State any two values that Sakaar Foundation is displaying and promoting in society through their work.</p> <p>Ans.(i)Principle of ‘Scientific Management’ adopted by Sakaar Foundation: <u>Cooperation, not individualism:</u></p> <ul style="list-style-type: none"> • There should be complete co-operation between the management and the workers instead of individualism. • For all important decisions taken by the management, workers should be taken into confidence. The management should be open to any constructive suggestions made by the employees and suitably reward them. <p>Principle of ‘General Management ‘adopted by Sakaar</p>	<p>(1 ½ marks</p> <p>+</p>
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			<p><u>Foundation:(Any one)</u></p> <p><u>Order</u></p> <ul style="list-style-type: none"> ▪ The principle of Order states that people and materials must be in suitable places at appropriate time for maximum efficiency i.e. there should be a place for everything and everyone in an organization and that person or thing should be found in its allotted place. ▪ Order leads to increased productivity and efficiency. <p style="text-align: center;">OR</p> <p><u>Division of work</u></p> <ul style="list-style-type: none"> ▪ The principle of Division of work states that work is divided into small tasks/ jobs. A trained specialist who is competent is required to perform each job. ▪ Thus, division of work leads to specialisation. <p><u>(ii) Values that Sakaar Foundation is displaying and promoting in society through their work are: (Any two)</u></p> <p>(a) Concern for the society. (b) Optimum utilization of resources. (c) Sensitivity towards the environment.</p> <p style="text-align: center;">(or any other correct value)</p>	<p>1 ½ marks</p> <p>=</p> <p>1 ½ + 1 ½</p> <p>=</p> <p>3 marks)</p> <p>+</p> <p>1 mark for each value</p> <p>=1 x 2</p> <p>=2 marks</p> <p>=3+2</p> <p>=</p> <p>5 marks</p>
23	24	23	<p>Q. Radha is an enterprising businesswoman who has been running a fishery for the past ten years. She has saved ₹10 Lakhs from her business. She shared with her family her desire to utilize this money to expand her business. Her family members gave her different suggestions like buying new machinery to replace the existing one, acquiring altogether new equipment with latest technology, opening a new branch of the fishery in another village and so on. Since these decisions are crucial for her business, involve huge amount of money and are irreversible except at huge cost, Radha wants to analyze all aspects of the decision,before takingany step.</p> <p>(i) Identify and explain the financial decision to be taken by Radha.</p> <p>(ii) Also explain briefly any two factors that affect this decision.</p> <p>Ans. (i) Investment decision/ Capital budgeting</p>	<p>½ mark for identifying</p> <p>+</p> <p>1 mark for its explanation</p>

			<p>decision</p> <p><u>Investment/ Capital budgeting decision</u> involves deciding about how the funds are invested in different assets so that they are able to earn the highest possible return for their investors.</p> <p>(ii) <u>Factors that affect capital budgeting decision are:</u> (Any two) (a) Cash flows of the project (b) Rate of return of the project. (c) Investment criteria.</p> <p>(If an examinee has not given the headings as above but has explained correctly, no marks may be deducted)</p> <p>(If an examinee has only given the headings, ½ mark may be awarded for each correct point)</p>	<p>=</p> <p>1 ½ marks</p> <p>+</p> <p>½ mark for naming the factor</p> <p>+</p> <p>1 marks for each explanation</p> <p>=</p> <p>1 ½ x 3</p> <p>=</p> <p>4 ½</p> <p>=</p> <p>1 ½ + 4 ½</p> <p>=</p> <p>6 marks</p>
24	23	24	<p>Q. Explain any two reliefs that the Consumer Court can grant to consumers in case of genuine complaints in each of the following situation.</p> <p>(i) Komal was charged more than the printed price for a NCERT business studies book being in short supply.</p> <p>(ii) Kumar was sold a truck with a defective engine.</p> <p>(iii) Suresh suffered injury while using a newly bought defective electric iron.</p> <p>Ans. (i) <u>Reliefs that the Consumer court can grant to the customers are: (Any two)</u> (a) To <u>refund the price paid.</u> (b) To <u>pay punitive damages.</u> (c) To <u>discontinue the unfair/ restrictive trade practice</u> and not to repeat the same in future. (d) To <u>pay any amount</u> (not less than 5% of the value of the book) to be credited to the <u>Consumer Welfare Fund</u> or any other organisation/person, to be utilised in the prescribed manner. (e) To <u>pay adequate costs</u> to the appropriate party.</p> <p>(ii) <u>Reliefs that the Consumer court can grant to the customers are: (Any two)</u> (a) To <u>remove the defect in engine.</u></p>	<p>1 mark for each statement</p> <p>=</p> <p>1 x 2</p> <p>=</p> <p>2 marks</p> <p>+</p> <p>1 mark for each statement</p> <p>=</p> <p>1 x 2</p> <p>=</p> <p>2 marks</p>

		<p>(b) To <u>replace the defective engine</u> with a new one, free from any defect.</p> <p>(c) To <u>refund the price paid</u>.</p> <p>(d) To <u>pay punitive damages</u>.</p> <p>(e) To <u>pay any amount</u> (not less than 5% of the value of the defective engine) to be credited <u>to the Consumer Welfare Fund</u> or any other organisation/person, to be utilised in the prescribed manner.</p> <p>(f) To <u>pay adequate costs</u> to the appropriate party.</p> <p>(iii) <u>Reliefs that the Consumer court can grant to the customers are: (Any two)</u></p> <p>(a) To <u>remove the defect</u> in electrical iron.</p> <p>(b) To <u>replace the defective electrical iron</u> with a new one, free from any defect.</p> <p>(c) To <u>refund the price paid</u>.</p> <p>(d) To <u>pay a reasonable amount of compensation</u> for any loss or injury suffered by the consumer due to negligence of the opposite party.</p> <p>(e) To <u>pay punitive damages</u>.</p> <p>(f) To <u>discontinue the unfair/ restrictive trade practice</u> and not to repeat the same in future.</p> <p>(g) <u>Not to offer hazardous goods</u> like defective electrical iron for sale.</p> <p>(h) To <u>withdraw hazardous goods</u> like defective electrical iron from sale.</p> <p>(i) To <u>cease manufacture of hazardous goods</u> like defective electrical iron.</p> <p>(j) To <u>pay any amount</u> (not less than 5% of the value of the defective goods) to be credited <u>to the Consumer Welfare Fund</u> or any other organisation/person, to be utilised in the prescribed manner.</p> <p>(k) To <u>pay adequate costs</u> to the appropriate party.</p> <p>(If an examinee has given only the heading, ½ mark for each heading should be awarded)</p>	<p>+</p> <p>1 mark for each statement</p> <p>=</p> <p>1 x 2</p> <p>=</p> <p>2 marks</p> <p>=</p> <p>2+2+2</p> <p>=</p> <p>6 marks</p>
25	-	<p>Q. Explain any four points of importance of organizing function of management.</p> <p>Ans. Importance of organising: (Any four)</p> <p>(a) Benefits of specialisation</p> <p>(b) Clarity in working relationships.</p> <p>(c) Optimum utilisation of resources.</p> <p>(d) Adaptation to change.</p> <p>(e) Effective administration.</p>	<p>½ mark for heading</p> <p>+</p> <p>1 mark for explanation</p> <p>=</p>

		(e) Development of personnel. (f) Expansion and growth. (If an examinee has not given the headings as above but has given the correct explanation, no marks should be deducted)	1 ½ x 4 = 6 marks
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SET 2

66/1	66/2	66/3	MARKING SCHEME – 2016-17 BUSINESS STUDIES COMPTT. OUTSIDE DELHI – 66/2 EXPECTED ANSWERS / VALUE POINTS	DISTRIBUTION OF MARKS
5	1	2	Q. How do principles of management provide managers with useful insights in real world situations? State. Ans. Principles of management provide useful insights into reality by <u>enabling the managers to learn from past mistakes</u> and <u>conserve time</u> by solving recurring problems quickly.	1 mark
4	2	3	Q. Seema, a student of management likes to relate what she learnt in class to real life situation. She observed many situations while watching educational programmes on television that reminded her the concepts of Scientific Management. In one such programme, factories manufacturing components for products like automobiles, computers and mobile phones were shown. Name the concept of Scientific Management that should be adhered to, while manufacturing components for such products. Ans. Standardisation and Simplification of work.	1 mark
8	3	1	Q. On the introduction of ‘Goods and Services Tax Act’, experts in the field of business started analysing and forecasting its impact on various sectors and industries. Arun, an established businessman, attended a few seminars and conferences organised by such experts to familiarize himself with this information. He wanted to use these forecast and conjectures to reduce the uncertainty in making decisions for the future in his business.	

			<p>Name the step in the planning process that is being discussed in the above paragraph.</p> <p>Ans. Developing Premises.</p>	1 mark
2	4	5	<p>Q. Amar, the marketing manager of Narmada Garments Ltd. allows the salesmen working under him to freely express their frank opinion and feelings regarding work related matters before him.</p> <p>Identify the organisational barrier to communication that has been overcome because of Amar's behaviour.</p> <p>Ans. Status.</p>	1 mark
1	5	8	<p>Q. Satvik is the finance manager of Mars Ltd. He is facing difficulty in deciding the amount of profit earned by the company that should be distributed as dividend to the shareholders. In the current year the company earned high profit. However, Satvik thinks that it is better to declare higher dividend as he is sure about the earning potential of the company in the coming years.</p> <p>Name the factor that affected Satvik's choice regarding dividend decision.</p> <p>Ans. Stability of dividend.</p>	1 mark
-	6	-	<p>Q. What is meant by a 'Commercial Paper'?</p> <p>Ans. It is a short term, unsecured, negotiable promissory note with a fixed maturity period which is issued by large and creditworthy companies to raise short term funds at lower rates of interest than the market rates.</p>	1 mark
-	7	-	<p>Q. How does 'Level of competition' affect the working capital requirement of an organisation? State.</p> <p>Ans. <u>Level of competition</u> affects the working capital requirement of an organisation as higher competition requires larger stocks to meet urgent orders from customers which results into requirement of more working capital.</p>	1 mark
3	8	4	<p>Q. Give the meaning of leadership.</p> <p>Ans. Leadership is the process of influencing the behaviour of people by making them strive voluntarily towards achievement of organisational goals.</p>	1 mark

13	9	10	<p>Q. After completing her studies in product design, Sarah wishes to start her own business to design products to cater to the mobility and communication requirements of persons with special needs. She told her friend that she wanted to focus on supplying high quality and affordable products on “no profit – no loss basis”. The Unique Selling Proposition (U.S.P) of the products will be sensitivity to challenges and needs of the differently abled. She has to follow a series of steps to attain her predetermined objectives.</p> <p>In the above lines, Sarah has discussed about one of the functions of management. Identify the function and state its steps in chronological order other than the one discussed in the above para.</p> <p>Ans. Planning.</p> <p>Steps in the process of Planning are:</p> <p>(i) <u>Developing Premises</u> which involves making assumptions about future, upon which plans are to be withdrawn.</p> <p>(ii) <u>Identifying alternative courses of action</u> which may be used to achieve the set objectives.</p> <p>(iii) <u>Evaluating alternative courses of action and selecting the best alternative</u> which involves scrutinizing the feasibility and consequences of each alternative before a choice is made.</p> <p>(iv) <u>Implementing the plan</u> which involves seeing whether plans are put into action.</p> <p>(v) <u>Follow up</u> which involves seeing that activities are performed according to plans.</p> <p>(If an examinee has not written the steps of the process in correct sequence, ½ mark be deducted.)</p>	<p>½ mark for identification + (½ mark for each step = ½ x 5 = 2 ½) = ½ + 2 ½ = 3marks</p>
11	10	13	<p>Q. Miracle Ltd. deals in the sale of stationery and office furniture. They source the finished products from reputed brands who give them four to six months credit. Because of increase in the demand for electronic items, they are planning to sell these items also. For this, they have decided to join hands with a Japanese electronic goods manufacturer, to open sales outlets throughout India. State any three factors affecting working capital requirement of Miracle Ltd. other than the factors discussed above.</p>	<p>1 mark for</p>

			<p>Ans. Factors which affect the requirements of working capital are: (Any three)</p> <p>(i) <u>Business cycle</u> as in case of boom, larger working capital is required as the sales and production are more.</p> <p>(ii) <u>Seasonal factors</u> as peak season requires higher working capital than lean season due to higher level of activity.</p> <p>(iii) <u>Production Cycle</u> as working capital requirement is higher in firms with longer processing cycle.</p> <p>(iv) <u>Credit allowed</u> to customers results in higher amount of debtors, increasing the working capital requirement.</p> <p>(v) <u>Operating efficiency</u> as firms managing their raw materials efficiently require lesser working capital.</p> <p>(vi) Free and continuous <u>availability of raw materials</u> enables the firms to keep lesser stock and hence work with smaller working capital.</p> <p>(vii) Higher <u>Growth prospects</u> will require larger amounts of working capital so that the firm is able to meet higher production and sales targets</p> <p>(viii) <u>Level of competition</u> as higher competition requires larger stocks to meet urgent orders from customers and thus higher working capital.</p> <p>(ix) <u>Inflation</u> increases the working capital requirements as larger amount of money is required to maintain a constant volume of production and sales.</p> <p>(If an examinee has given only the heading, ½ mark for each heading should be awarded)</p>	<p>each statement</p> <p>=</p> <p>1 x 3</p> <p>=</p> <p>3 marks</p>
10	11	9	<p>Q. Explain the following methods of training:</p> <p>(i) Vestibule Training; and</p> <p>(ii) Internship Training.</p> <p>Ans. (i) Vestibule Training</p> <ul style="list-style-type: none"> ▪ It is a method of training which is imparted with the <u>help of equipments & machines identical to those at the place of work.</u> ▪ The training is <u>conducted away from actual work floor</u> and is generally used where the employees are required to handle <u>sophisticated machinery.</u> <p>(ii) Internship Training</p> <ul style="list-style-type: none"> ▪ Internship Training is a joint programme of training <u>between educational institutions and business firms.</u> ▪ Besides carrying out regular studies, the trainees also <u>work</u> 	<p>1 ½ marks</p> <p>+</p> <p>1 ½ marks</p> <p>=</p> <p>3 marks</p>

			in some factory or office to acquire practical knowledge and skills.													
-	12	-	<p>Q. Differentiate between ‘Capital Market’ and ‘Money Market’ on the basis of: (i) Safety; (ii) Liquidity; and (iii) Duration.</p> <p>Ans.Difference between Capital Market and Money Market:</p> <table border="1"> <thead> <tr> <th>Basis</th> <th>Capital Market</th> <th>Money Market</th> </tr> </thead> <tbody> <tr> <td>(i) Safety</td> <td>Capital market securities are riskier than money market instruments.</td> <td>Money market securities are comparatively safer.</td> </tr> <tr> <td>(ii) Liquidity</td> <td>Capital market securities are comparatively less liquid.</td> <td>Money market securities are comparatively more liquid.</td> </tr> <tr> <td>(iii) Duration</td> <td>It deals in medium term and long term securities.</td> <td>It deals in short term securities</td> </tr> </tbody> </table>	Basis	Capital Market	Money Market	(i) Safety	Capital market securities are riskier than money market instruments.	Money market securities are comparatively safer.	(ii) Liquidity	Capital market securities are comparatively less liquid.	Money market securities are comparatively more liquid.	(iii) Duration	It deals in medium term and long term securities.	It deals in short term securities	<p>1 x 3 =</p> <p>3 marks</p>
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9	13	11	<p>Q. State any three limitations of external sources of recruitment.</p> <p>Ans.Limitations of external source of recruitment: (Any three) (i) It may lead to <u>dissatisfaction among existing employees</u> as they may feel that their chances of promotion are reduced. (ii) It is a <u>lengthy process</u> as the vacancies have to be notified and applications received before selection. (iii) It is a <u>costly process</u> as a lot of money is spent on advertisement and processing of applications. (If an examinee has given only the heading, ½ mark for each heading should be awarded)</p>	<p>1 mark for each statement</p> <p>=</p> <p>1 x 3 =</p> <p>3 marks</p>												
19	14	19	<p>Q. Irma is the chief executive officer of a reputed company. She introduced appropriate skill developments programmers and a sound promotion policy for the employees of her company. To motivate and retain the best talent in the company, she designed the jobs of the managers to include greater variety of work content. Explain any two other incentives that may be introduced by Irma other than those already introduced by her to further motivate the employees of her company.</p>	<p>½ mark for</p>												

			<p>Ans. <u>Incentives that may be introduced by Irma other than those already introduced by her to further motivate the employees of her company are: (Any two)</u></p> <p>(i) Status. (ii) Organisational climate. (iii) Employees recognition programme. (iv) Job security. (v) Employee participation. (vi) Employee empowerment. (vii) Pay and Allowances. (viii) Productivity linked wage incentives. (ix) Bonus. (x) Profit sharing. (xi) Co-partnership. (x) Retirement Benefits. (xi) Perquisites.</p> <p>(If an examinee has not given the headings as above but has given the correct explanation, full credit should be given)</p>	<p>naming each incentive + 1 ½ marks for its explanation = 2 marks = 2+2 = 4 marks</p>
16	15	14	<p>Q. Vindhya Ayurved Ltd., a new and leading manufacturer of herbal and ayurvedic medicines and grocery products has captured a large share of the market in a short span of time. The Research and Development (R & D) department of the company spends considerable time and effort in developing eco-friendly, chemical-free and healthy alternatives for a variety of products of daily use, from toothpaste to biscuits, instant noodles to soaps, shampoos and detergents etc. Their business orientation differs from competitors who are short-sighted and want to maximize profit by maximizing sales. Instead Vindhya Ayurved considers maximization of profit by understanding needs and wants of customers in the target market and development of products or services for satisfying such needs and wants.</p> <p>(i) Identify and explain the marketing management philosophy adopted by Vindhya Ayurved Ltd. (ii) State any two values that are being promoted by the company.</p> <p>Ans.(i) <u>Marketing philosophy.</u> Marketing philosophy implies that focus on satisfaction of customer's needs is the key to the success of any organisation in the market. It assumes that in the long run an organisation</p>	<p>½ mark for identifying + 1½ mark for its explanation = 2 marks + 1 mark for each value = 1 x 2</p>

			<p>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.</p> <p>(ii) <u>Values that are being promoted by the company are:(Any two)</u></p> <p>(a) Fulfilling social responsibility/ Concern for the society (b) Concern for health (c) Sensitivity towards the environment.</p> <p style="text-align: center;">(or any other correct value)</p>	<p>=</p> <p>2 marks</p> <p>=</p> <p>2+2</p> <p>=</p> <p>4 marks</p>
15	16	16	<p>Q. Mr. Raman is the human resource manager of Shanti Hospital in Nellore.He has to appoint nurses for the hospital. For this he has conducted preliminary interviews. Since patients in the hospital are of different types, he has also conducted tests to find out the candidates' maturity and emotions in dealing with the patients. He has also conducted tests to know about the candidates' ability to take decisions.</p> <p>Explain the remaining steps that Mr. Raman should take to complete the selection process.</p> <p>Ans. Remaining steps that Mr. Raman should take to complete the selection process are:</p> <p>(i) Employment interview and Reference and background checks. (ii) Selection decision. (iii) Medical examination. (iv) Job offer and Contract of employment.</p>	<p>$\frac{1}{2}$ mark for naming each step + $\frac{1}{2}$ mark for its explanation = 1 x 4 = 4 marks</p>
-	17	-	<p>Q. State any four features of informal organisation.</p> <p>Ans. <u>Features of Informal Organisation are: (any four)</u></p> <p>(i) <u>It originates from within the formal organisation.</u> (ii) <u>It emerges spontaneously</u> and is not deliberately created by the management. (iii) The standards of behaviour evolve from <u>group norms.</u> (iv) <u>Independent channels of communication</u> are developed by group members. (v) It has <u>no definite structure</u> or form.</p>	<p>1 mark for each statement</p> <p>=</p> <p>1 x 4 =</p>

			(If an examinee has given only the headings , ½ mark for each heading should be awarded)	4 marks
-	18	-	<p>Q. Explain the steps in the process of controlling.</p> <p>Ans. <u>Steps in the process of controlling before taking corrective action are:</u></p> <p>(i) Setting performance standards (ii) Measuring actual performance and comparing with standards (iii) Analysing deviations</p> <ul style="list-style-type: none"> • Critical Point Control • Management by Exception <p>(iv) Taking corrective action</p> <p>(If an examinee has not given the headings as above but has given the correct explanations, full credit should be given)</p>	<p>½ mark for each heading + ½ mark for its explanation = 1 x 4 = 4 marks</p>
14	19	15	<p>Q. Reema is one of the most successful managers of her company, Globe Ltd. She knows that the principles of management are intended to apply to all types of organizations, business as well as non-business, small as well as large, public sector as well as private sector.</p> <p>(i) One of the points related to the nature of management principles is being highlighted in the above description. Identify the point.</p> <p>(ii) Explain any three other points of the nature of principles of management other the one identified above.</p> <p>Ans. (i) Universal applicability</p> <p>(ii) Nature of principles of management: (Any three)</p> <p>(a) General guidelines. (b) Formed by practice and experimentation. (c) Flexible. (d) Mainly behavioural. (e) Cause and effect relationship. (f) Contingent</p>	<p>1 mark + (½ mark for naming the point + ½ mark for its explanation = 1 x 3 = 3 marks) = 1+3 = 4 marks</p>
22	20	22	Q. Sakaar Foundation is an NGO(Non-Governmental Organization)working to improve the lives of children with	

		<p>medical needs, the homeless and victims of natural disasters. Apart from donations in cash, they collect dry ration, old clothes, shoes, toys, books, medicines etc. from donors. At Sakaar Foundation's office in Lucknow the material collected is segregated, classified and put in shelves and boxes that are labelled systematically. There is a specific place for each of these items and volunteers put everything at their respective places.</p> <p>The volunteer work is divided into specific jobs like fund raising, field visits, social media updates and so on. Each volunteer is part of a particular team, depending on their competency and training. Each volunteer becomes specialized in their respective field, leading to efficient utilization of human effort.</p> <p>The management of Sakaar Foundation does not close its ears to any constructive suggestions made by the volunteers. There is an equal division of work and responsibility between volunteers and management. All the day long the management work side by side the volunteers helping, encouraging and smoothing the way for them.</p> <p>(i) Identify and explain one principle each of 'Scientific Management' and 'General Management' adopted by Sakaar Foundation.</p> <p>(ii) State any two values that Sakaar Foundation is displaying and promoting in society through their work.</p> <p>Ans.(i) Principle of 'Scientific Management' adopted by Sakaar Foundation: <u>Cooperation, not individualism:</u></p> <ul style="list-style-type: none"> • There should be complete co-operation between the management and the workers instead of individualism. • For all important decisions taken by the management, workers should be taken into confidence. The management should be open to any constructive suggestions made by the employees and suitably reward them. <p>Principle of 'General Management' adopted by Sakaar Foundation: (Any one) <u>Order</u></p> <ul style="list-style-type: none"> ▪ The principle of Order states that people and materials must be in suitable places at appropriate time for maximum efficiency i.e. there should be a place for everything and everyone in an organization and that person or thing should be found in its allotted place. ▪ Order leads to increased productivity and efficiency. <p style="text-align: center;">OR</p>	<p>(1 ½ marks</p> <p style="text-align: center;">+</p> <p>1 ½ marks</p> <p style="text-align: center;">=</p> <p>1 ½ + 1 ½</p> <p style="text-align: center;">=</p> <p>3 marks)</p> <p style="text-align: center;">+</p>
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			<p><u>Division of work</u></p> <ul style="list-style-type: none"> ▪ The principle of Division of work states that work is divided into small tasks/ jobs. A trained specialist who is competent is required to perform each job. ▪ Thus, division of work leads to specialisation. <p>(ii) Values that Sakaar Foundation is displaying and promoting in society through their work are:(Any two)</p> <p>(a) Concern for the society. (b) Optimum utilization of resources. (c) Sensitivity towards the environment.</p> <p style="text-align: center;">(or any other correct value)</p>	<p>1 mark for each value =1 x 2 =2 marks</p> <p style="text-align: center;">=3+2 = 5 marks</p>
-	21	-	<p>Q. Describe any five points of importance of business environment.</p> <p>Ans.<u>Importance of business environment (Any five):</u> (i) Identify opportunities and get the first mover advantage. (ii) Identify threats and early warning signals. (iii) Tap useful resources. (iv) Cope with rapid changes. (v) Assist in planning and policy formulation. (vi) Improve performance.</p> <p>(If an examinee has not given the headings as above but has given the correct explanation, full credit should be given)</p>	<p>$\frac{1}{2}$ mark for each heading + $\frac{1}{2}$ mark for its explanation = 1 x 5 = 5 marks</p>
20	22	20	<p>Q. Shivam bought a pain relieving ointment after seeing it being displayed in the chemist's shop. The ointment tube was packed in a cardboard box. The tubes were received by the chemist from the wholeseller in corrugated boxes containing 20 units. Identify and explain the different levels of packaging of the pain relieving medicine.</p> <p>Ans. <u>Levels of packaging:</u> (a) Primary Packaging • The ointment tube is the primary package which refers to the product's immediate container. • It is kept till the consumer is ready to use the product or it may be kept throughout the entire life of the product.</p> <p>(b) Secondary Packaging • The Cardboard box is the secondary package which refers to</p>	<p>($\frac{1}{2}$ mark for identification of the level + 1 $\frac{1}{2}$ mark for its explanation = $\frac{1}{2}$ + 1 $\frac{1}{2}$ = 2 marks) + ($\frac{1}{2}$ mark for</p>

			<p>the additional layers of protection.</p> <ul style="list-style-type: none"> • When the consumer starts using the product, the secondary packing is disposed off. <p>(c) Transportation Packaging</p> <ul style="list-style-type: none"> • The Corrugated box is the Transportation Package which refers to the package necessary for storage, identification or transportation. <p>(If an examinee has not specified ‘ointment tube’ as the primary package, ‘cardboard box’ as the secondary package and ‘corrugated box’ as transportation packaging, ½ mark per identification may be deducted)</p>	<p>identification of the level + 1 ½ mark for its explanation = ½ + 1 ½ = 2 marks) + (½ mark for identification of the level + ½ mark for its explanation = ½ + ½ = 1 marks) = 2+2+1 = 5 marks</p>
24	23	24	<p>Q. Explain any two reliefs that the Consumer Court can grant to consumers in case of genuine complaints in each of the following situation.</p> <p>(i) Komal was charged more than the printed price for a NCERT business studies book being in short supply.</p> <p>(ii) Kumar was sold a truck with a defective engine.</p> <p>(iii) Suresh suffered injury while using a newly bought defective electric iron.</p> <p>Ans. (i) Reliefs that the Consumer court can grant to the customers are: (Any two)</p> <p>(a) To <u>refund the price paid.</u></p> <p>(b) To <u>pay punitive damages.</u></p> <p>(c) To <u>discontinue the unfair/ restrictive trade practice</u> and not to repeat the same in future.</p> <p>(d) To <u>pay any amount</u> (not less than 5% of the value of the book) to be credited to the <u>Consumer Welfare Fund</u> or any other organisation/person, to be utilised in the prescribed manner.</p> <p>(e) To <u>pay adequate costs</u> to the appropriate party.</p> <p>(ii) Reliefs that the Consumer court can grant to the customers are: (Any two)</p> <p>(a) To <u>remove the defect in engine.</u></p> <p>(b) To <u>replace the defective engine</u> with a new one, free from any defect.</p>	<p>1 mark for each statement</p> <p>= 1 x 2 = 2 marks</p> <p>+</p> <p>1 mark for each statement</p> <p>= 1 x 2 = 2 marks</p>

		<p>(c) To <u>refund the price paid</u>.</p> <p>(d) To <u>pay punitive damages</u>.</p> <p>(e) To <u>pay any amount</u> (not less than 5% of the value of the defective engine) to be credited <u>to the Consumer Welfare Fund</u> or any other organisation/person, to be utilised in the prescribed manner.</p> <p>(f) To <u>pay adequate costs</u> to the appropriate party.</p> <p>(iii) <u>Reliefs that the Consumer court can grant to the customers are: (Any two)</u></p> <p>(a) To <u>remove the defect</u> in electrical iron.</p> <p>(b) To <u>replace the defective</u> electrical iron with a new one, free from any defect.</p> <p>(c) To <u>refund the price paid</u>.</p> <p>(d) To <u>pay a reasonable amount of compensation</u> for any loss or injury suffered by the consumer due to negligence of the opposite party.</p> <p>(e) To <u>pay punitive damages</u>.</p> <p>(f) To <u>discontinue the unfair/ restrictive trade practice</u> and not to repeat the same in future.</p> <p>(g) <u>Not to offer hazardous goods</u> like defective electrical iron for sale.</p> <p>(h) To <u>withdraw hazardous goods</u> like defective electrical iron from sale.</p> <p>(i) To <u>cease manufacture of hazardous goods</u> like defective electrical iron.</p> <p>(j) To <u>pay any amount</u> (not less than 5% of the value of the defective goods) to be credited <u>to the Consumer Welfare Fund</u> or any other organisation/person, to be utilised in the prescribed manner.</p> <p>(k) To <u>pay adequate costs</u> to the appropriate party.</p> <p>(If an examinee has given only the heading, ½ mark for each heading should be awarded)</p>	<p style="text-align: center;">+</p> <p style="text-align: center;">1 mark for each statement</p> <p style="text-align: center;">=</p> <p style="text-align: center;">1 x 2</p> <p style="text-align: center;">=</p> <p style="text-align: center;">2 marks</p> <p style="text-align: center;">=</p> <p style="text-align: center;">2+2+2</p> <p style="text-align: center;">=</p> <p style="text-align: center;">6 marks</p>
23	24	23	<p>Q. Radha is an enterprising businesswoman who has been running a fishery for the past ten years. She has saved ₹10 Lakhs from her business. She shared with her family her desire to utilize this money to expand her business. Her family members gave her different suggestions like buying new machinery to replace the existing one, acquiring altogether new equipment with latest technology, opening a new branch of the fishery in another village and so on. Since these decisions are crucial for her business, involve huge amount of money and are irreversible except at huge cost, Radha wants to analyze all aspects of the</p>

		<p>decision, before taking any step.</p> <p>(i) Identify and explain the financial decision to be taken by Radha.</p> <p>(ii) Also explain briefly any two factors that affect this decision.</p> <p>Ans. (i) Investment decision/ Capital budgeting decision</p> <p><u>Investment/ Capital budgeting decision</u> involves deciding about how the funds are invested in different assets so that they are able to earn the highest possible return for their investors.</p> <p><u>(ii) Factors that affect capital budgeting decision are: (Any two)</u></p> <p>(a) Cash flows of the project (b) Rate of return of the project. (c) Investment criteria.</p> <p>(If an examinee has not given the headings as above but has explained correctly, no marks may be deducted)</p> <p>(If an examinee has only given the headings, ½ mark may be awarded for each correct point)</p>	<p>½ mark for identifying + 1 mark for its explanation = 1 ½ marks + ½ mark for naming the factor + 1 marks for each explanation = 1 ½ x 3 = 4 ½ = 1 ½ + 4 ½ = 6 marks</p>
-	25	<p>Q. ‘The functional structure of organisation has certain advantages and disadvantages which an enterprise must take into consideration before adopting it.’ Explain any such three advantages and any three disadvantages of this structure.</p> <p>Ans. <u>Advantages of Functional Structure: (any three)</u></p> <p>(a) Leads to occupational specialisation (b) Promotes control and coordination (c) Increases efficiency (d) Low cost (e) Makes training easier (f) Due attention to different functions</p> <p>(If an examinee has given only the heading, ½ mark for each heading should be awarded)</p> <p><u>Disadvantages of Functional structure are: (any three)</u></p> <p>(a) Creation of functional empires (b) Problems in coordination</p>	<p>½ mark for each heading + ½ mark for its explanation = 1 x 3 = 3 marks + ½ mark for each heading + ½ mark for its explanation</p>

		<p>(c) Inter-departmental conflicts (d) Lack of accountability (e) Inflexibility (f) Restriction in managerial development.</p> <p>(if an examinee has not given the headings as above but have given the correct explanations, full credit should be given)</p>	<p>= 1 x 3 = 3 marks = 3+3 = 6 marks</p>
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SET 3

66/1	66/2	66/3	MARKING SCHEME – 2016-17 BUSINESS STUDIES COMPTT. OUTSIDE DELHI – 66/3 EXPECTED ANSWERS / VALUE POINTS	DISTRIBUTION OF MARKS
8	3	1	<p>Q. On the introduction of ‘Goods and Services Tax Act’, experts in the field of business started analysing and forecasting its impact on various sectors and industries. Arun, an established businessman, attended a few seminars and conferences organised by such experts to familiarize himself with this information. He wanted to use these forecast and conjectures to reduce the uncertainty in making decisions for the future in his business.</p> <p>Name the step in the planning process that is being discussed in the above paragraph.</p> <p>Ans. Developing Premises.</p>	1 mark
5	1	2	<p>Q. How do principles of management provide managers with useful insights in real world situations? State.</p> <p>Ans. Principles of management provide useful insights into reality by <u>enabling the managers to learn from past mistakes</u> and <u>conserve time</u> by solving recurring problems quickly.</p>	1 mark
4	2	3	<p>Q. Seema, a student of management likes to relate what she learnt in class to real life situation. She observed many situations while watching educational programmes on television that reminded her the concepts of Scientific Management. In one such programme, factories manufacturing components for products like automobiles, computers and mobile phones were shown.</p> <p>Name the concept of Scientific Management that should be adhered to, while manufacturing components for such products.</p> <p>Ans. Standardisation and Simplification of work.</p>	1 mark
3	8	4	Q. Give the meaning of leadership.	

			<p>Ans. Leadership is the process of influencing the behaviour of people by making them strive voluntarily towards achievement of organisational goals.</p>	1 mark
2	4	5	<p>Q. Amar, the marketing manager of Narmada Garments Ltd. allows the salesmen working under him to freely express their frank opinion and feelings regarding work related matters before him. Identify the organisational barrier to communication that has been overcome because of Amar's behaviour.</p> <p>Ans. Status.</p>	1 mark
-	-	6	<p>Q.What is meant by a 'Treasury Bill'?</p> <p>Ans.<u>Treasury bill</u> It is an instrument issued by Reserve Bank of India on behalf of the Central government to meet its short term requirements of funds. It is highly liquid, has an assured yield and negligible risk of default.</p>	1 mark
-	-	7	<p>Q. How does 'availability of raw material' affect the working capital requirement of an enterprise? State.</p> <p>Ans.Availability of raw material affects the working capital requirement of an enterprise as free and continuous availability of raw materials enables the firms to keep lesser stock and hence work with smaller working capital.</p>	1 mark
1	5	8	<p>Q. Satvik is the finance manager of Mars Ltd. He is facing difficulty in deciding the amount of profit earned by the company that should be distributed as dividend to the shareholders. In the current year the company earned high profit. However, Satvik thinks that it is better to declare higher dividend as he is sure about the earning potential of the company in the coming years. Name the factor that affected Satvik's choice regarding dividend decision.</p> <p>Ans. Stability of dividend.</p>	1 mark
10	11	9	<p>Q. Explain the following methods of training: (i) Vestibule Training; and (ii) Internship Training.</p>	

			<p>Ans. (i) Vestibule Training</p> <ul style="list-style-type: none"> ▪ It is a method of training which is imparted with the <u>help of equipments & machines identical to those at the place of work.</u> ▪ The training is <u>conducted away from actual work floor</u> and is generally used where the employees are required to handle <u>sophisticated machinery.</u> <p>(ii) Internship Training</p> <ul style="list-style-type: none"> ▪ Internship Training is a joint programme of training <u>between educational institutions and business firms.</u> ▪ Besides carrying out regular studies, the trainees also <u>work in some factory or office</u> to acquire practical knowledge and skills. 	<p>1 ½ marks</p> <p>+</p> <p>1 ½ marks</p> <p>=</p> <p>3 marks</p>
13	9	10	<p>Q. After completing her studies in product design, Sarah wishes to start her own business to design products to cater to the mobility and communication requirements of persons with special needs. She told her friend that she wanted to focus on supplying high quality and affordable products on “no profit – no loss basis”. The Unique Selling Proposition (U.S.P) of the products will be sensitivity to challenges and needs of the differently abled. She has to follow a series of steps to attain her predetermined objectives. In the above lines, Sarah has discussed about one of the functions of management. Identify the function and state its steps in chronological order other than the one discussed in the above para.</p> <p>Ans. Planning.</p> <p>Steps in the process of Planning are:</p> <p>(i) <u>Developing Premises</u> which involves making assumptions about future, upon which plans are to be withdrawn.</p> <p>(ii) <u>Identifying alternative courses of action</u> which may be used to achieve the set objectives.</p> <p>(iii) <u>Evaluating alternative courses of action</u> and <u>selecting the best alternative</u> which involves scrutinizing the feasibility and consequences of each alternative before a choice is made.</p> <p>(iv) <u>Implementing the plan</u> which involves seeing whether plans are put into action.</p> <p>(v) <u>Follow up</u> which involves seeing that activities are performed according to plans.</p>	<p>½ mark for identification</p> <p>+</p> <p>(½ mark for each step</p> <p>=</p> <p>½ x 5</p> <p>=</p> <p>2 ½)</p> <p>=</p>

			(If an examinee has not written the steps of the process in correct sequence, ½ mark be deducted.)	½ + 2 ½ = 3marks												
9	13	11	<p>Q. State any three limitations of external sources of recruitment.</p> <p>Ans.Limitations of external source of recruitment: (Any three)</p> <p>(i) It may lead to dissatisfaction among existing employees as they may feel that their chances of promotion are reduced.</p> <p>(ii) It is a lengthy process as the vacancies have to be notified and applications received before selection.</p> <p>(iii) It is a costly process as a lot of money is spent on advertisement and processing of applications.</p> <p>(If an examinee has given only the heading, ½ mark for each heading should be awarded)</p>	<p>1 mark for each statement</p> <p>=</p> <p>1 x 3</p> <p>=</p> <p>3 marks</p>												
-	-	12	<p>Q. Differentiate between ‘Capital Market’ and ‘Money Market’ on the basis of:</p> <p>(i) Participants;</p> <p>(ii) Instruments; and</p> <p>(iii) Safety.</p> <p>Ans. Difference between Capital Market and Money Market:</p> <table border="1"> <thead> <tr> <th>Basis</th> <th>Capital Market</th> <th>Money Market</th> </tr> </thead> <tbody> <tr> <td>1. Participants</td> <td>The participants are financial institutions, banks, corporates, foreign investors and retail investors.</td> <td>The participants are RBI, financial institutions, banks, corporates,</td> </tr> <tr> <td>2. Instruments</td> <td>Instruments traded are shares, debentures and bonds.</td> <td>Instruments traded are treasury bill, commercial paper, certificates of deposit, call money and commercial bill,</td> </tr> <tr> <td>3. Safety</td> <td>Capital market securities are riskier than money market instruments.</td> <td>Money market securities are comparatively safer.</td> </tr> </tbody> </table>	Basis	Capital Market	Money Market	1. Participants	The participants are financial institutions, banks, corporates, foreign investors and retail investors.	The participants are RBI, financial institutions, banks, corporates,	2. Instruments	Instruments traded are shares, debentures and bonds.	Instruments traded are treasury bill, commercial paper, certificates of deposit, call money and commercial bill,	3. Safety	Capital market securities are riskier than money market instruments.	Money market securities are comparatively safer.	<p>1 x 3</p> <p>=</p> <p>3 marks</p>
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11	10	13	<p>Q. Miracle Ltd. deals in the sale of stationery and office furniture. They source the finished products from reputed brands who give them four to six months credit. Because of increase in the demand for electronic items, they are planning to sell these items also. For this, they</p>													

		<p>have decided to join hands with a Japanese electronic goods manufacturer, to open sales outlets throughout India.</p> <p>State any three factors affecting working capital requirement of Miracle Ltd. other than the factors discussed above.</p> <p><u>Ans.</u> Factors which affect the requirements of working capital are: (Any three)</p> <p>(i) <u>Business cycle</u> as in case of boom, larger working capital is required as the sales and production are more.</p> <p>(ii) <u>Seasonal factors</u> as peak season requires higher working capital than lean season due to higher level of activity.</p> <p>(iii) <u>Production Cycle</u> as working capital requirement is higher in firms with longer processing cycle.</p> <p>(iv) <u>Credit allowed</u> to customers results in higher amount of debtors, increasing the working capital requirement.</p> <p>(v) <u>Operating efficiency</u> as firms managing their raw materials efficiently require lesser working capital.</p> <p>(vi) Free and continuous <u>availability of raw materials</u> enables the firms to keep lesser stock and hence work with smaller working capital.</p> <p>(vii) Higher <u>Growth prospects</u> will require larger amounts of working capital so that the firm is able to meet higher production and sales targets</p> <p>(viii) <u>Level of competition</u> as higher competition requires larger stocks to meet urgent orders from customers and thus higher working capital.</p> <p>(ix) <u>Inflation</u> increases the working capital requirements as larger amount of money is required to maintain a constant volume of production and sales.</p> <p>(If an examinee has given only the heading, ½ mark for each heading should be awarded)</p>	<p>1 mark for each statement</p> <p>=</p> <p>1 x 3</p> <p>=</p> <p>3 marks</p>
16	15	14	<p>Q. Vindhya Ayurved Ltd., a new and leading manufacturer of herbal and ayurvedic medicines and grocery products has captured a large share of the market in a short span of time. The Research and Development (R & D) department of the company spends considerable time and effort in developing eco-friendly, chemical-free and healthy alternatives for a variety of products of daily use, from toothpaste to biscuits, instant noodles to soaps, shampoos and detergents etc. Their</p>

			<p>business orientation differs from competitors who are short-sighted and want to maximize profit by maximizing sales. Instead Vindhya Ayurved considers maximization of profit by understanding needs and wants of customers in the target market and development of products or services for satisfying such needs and wants.</p> <p>(i) Identify and explain the marketing management philosophy adopted by Vindhya Ayurved Ltd.</p> <p>(ii) State any two values that are being promoted by the company.</p> <p>Ans.(i) <u>Marketing philosophy.</u> Marketing philosophy implies that focus on satisfaction of customer's needs is the key to the success of any organisation in the market. It assumes that in the long run 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.</p> <p>(ii) <u>Values that are being promoted by the company are:(Any two)</u></p> <p>(a) Fulfilling social responsibility/ Concern for the society (b) Concern for health (c) Sensitivity towards the environment.</p> <p style="text-align: center;">(or any other correct value)</p>	<p>$\frac{1}{2}$ mark for identifying + $1\frac{1}{2}$ mark for its explanation = 2 marks + 1 mark for each value = 1 x 2 = 2 marks = 2+2 = 4 marks</p>
14	19	15	<p>Q. Reema is one of the most successful managers of her company, Globe Ltd. She knows that the principles of management are intended to apply to all types of organizations, business as well as non-business, small as well as large, public sector as well as private sector.</p> <p>(i) One of the points related to the nature of management principles is being highlighted in the above description. Identify the point.</p> <p>(ii) Explain any three other points of the nature of principles of management other the one identified above.</p> <p>Ans. (i) Universal applicability</p> <p>(ii) <u>Nature of principles of management: (Any three)</u></p> <p>(a) General guidelines. (b) Formed by practice and experimentation. (c) Flexible. (d) Mainly behavioural. (e) Cause and effect relationship.</p>	<p>1mark + ($\frac{1}{2}$ mark for naming the point + $\frac{1}{2}$ mark for its explanation = 1 x 3</p>

			(f) Contingent	= 3 marks) = 1=3 = 4 marks
15	16	16	<p>Q. Mr. Raman is the human resource manager of Shanti Hospital in Nellore. He has to appoint nurses for the hospital. For this he has conducted preliminary interviews. Since patients in the hospital are of different types, he has also conducted tests to find out the candidates' maturity and emotions in dealing with the patients. He has also conducted tests to know about the candidates' ability to take decisions. Explain the remaining steps that Mr. Raman should take to complete the selection process.</p> <p>Ans. Remaining steps that Mr. Raman should take to complete the selection process are:</p> <p>(i) Employment interview and Reference and background checks. (ii) Selection decision. (iii) Medical examination. (iv) Job offer and Contract of employment. (if an examinee has not written the steps in correct sequence, ½ mark be deducted.)</p> <p>(If an examinee has not given the headings as above but has given the correct explanation, full credit should be given)</p>	½ mark for naming each step + ½ mark for its explanation = 1 x 4 = 4 marks
-	-	17	<p>Q. State any four advantages of formal organisation.</p> <p>Ans. Advantages of Formal organisation: (any four)</p> <p>(a) It is <u>easier to fix responsibility</u> since mutual relationships are clearly defined. (b) It <u>avoids duplication of effort</u> since there is no ambiguity in the role that each member has to play. (c) It <u>maintains unity of command</u> through an established chain of command (d) It leads to <u>accomplishment of goals</u> by providing a framework for the operations to be performed. (e) It <u>provides stability</u> to the organisation because there are specific rules to guide behaviour of employees.</p>	1 mark for each statement = 1 x 4 = 4 marks

			(If an examinee has given only the heading, ½ mark for the heading should be awarded)	
-	-	18	<p>Q. Explain ‘Critical Point Control’ and ‘Management by Exception’ used by managers while analysing deviations in the process of controlling.</p> <p>Ans. (a) Critical Point Control</p> <p>Critical Point Control’ helps in controlling process by focusing on key result areas which are critical to the success of an organisation.</p> <p>The key result areas are set as critical points since it is neither economical nor easy to keep a check on each and every activity of the organisation.</p> <p>(b) Management by Exception</p> <p>Management by Exception helps in the controlling process by identifying only significant deviations which go beyond the permissible limit and bringing them to the notice of the management.</p> <p>It is based on the belief that an attempt to control everything results in controlling nothing.</p>	<p>2 marks</p> <p>+</p> <p>2 marks</p> <p>=</p> <p>2+2</p> <p>=</p> <p>4 marks</p>
19	14	19	<p>Q. Irma is the chief executive officer of a reputed company. She introduced appropriate skill developments programmers and a sound promotion policy for the employees of her company. To motivate and retain the best talent in the company, she designed the jobs of the managers to include greater variety of work content. Explain any two other incentives that may be introduced by Irma other than those already introduced by her to further motivate the employees of her company.</p> <p>Ans. Incentives that may be introduced by Irma other than those already introduced by her to further motivate the employees of her company are: (Any two)</p> <p>(i) Status. (ii) Organisational climate. (iii) Employees recognition programme. (iv) Job security. (v) Employee participation. (vi) Employee empowerment.</p>	<p>½ mark for naming each incentive</p> <p>+</p> <p>1 ½ marks for its explanation</p> <p>=</p> <p>2 marks</p>

			<p>(vii) Pay and Allowances. (viii) Productivity linked wage incentives. (ix) Bonus. (x) Profit sharing. (xi) Co-partnership. (x) Retirement Benefits. (xi) Perquisites.</p> <p>(If an examinee has not given the headings as above but has given the correct explanation, full credit should be given)</p>	<p>= 2+2 = 4 marks</p>
20	22	20	<p>Q. Shivam bought a pain relieving ointment after seeing it being displayed in the chemist's shop. The ointment tube was packed in a cardboard box. The tubes were received by the chemist from the wholeseller in corrugated boxes containing 20 units. Identify and explain the different levels of packaging of the pain relieving medicine.</p> <p>Ans. Levels of packaging:</p> <p>(a) Primary Packaging</p> <ul style="list-style-type: none"> • The ointment tube is the primary package which refers to the product's immediate container. • It is kept till the consumer is ready to use the product or it may be kept throughout the entire life of the product. <p>(b) Secondary Packaging</p> <ul style="list-style-type: none"> • The Cardboard box is the secondary package which refers to the additional layers of protection. • When the consumer starts using the product, the secondary packing is disposed off. <p>(c) Transportation Packaging</p> <ul style="list-style-type: none"> • The Corrugated box is the Transportation Package which refers to the package necessary for storage, identification or transportation. <p>(If an examinee has not specified 'ointment tube' as the primary package, 'cardboard box' as the secondary package and 'corrugated box' as transportation packaging, ½ mark per identification may be deducted)</p>	<p>(½ mark for identification of the level + 1 ½ mark for its explanation = ½ + 1 ½ = 2 marks) + (½ mark for identification of the level + 1 ½ mark for its explanation = ½ + 1 ½ = 2 marks) + (½ mark for identification of the level</p>

				$+$ $\frac{1}{2} \text{ mark for its explanation}$ $= \frac{1}{2} + \frac{1}{2}$ $= 1 \text{ marks}$ $= 2+2+1$ $= 5 \text{ marks}$
-	-	21	<p>Q. Is management a science? Explain.</p> <p>Ans. Yes, Management is a science but not an exact science. Because of the following reasons:</p> <p>(i)<u>Systematised body of knowledge.</u> Like science, management is a systematic body of knowledge with its own theories and principles that have developed over a period of time. So, this feature of science is present in management.</p> <p>(ii)<u>Principles based on observation and experimentation</u> Like science, management principles are derived through observation and repeated experimentation. However since management deals with human beings the outcome of these experiments are not capable of being accurately predicted. So, this feature of science is not fully present in management.</p> <p>(iii)<u>Universal validity.</u> Principles of management like principles of pure science provide managers with certain standardised techniques that can be used in different situations. However, since the principles of management have to be modified according to a given situation, their application and use is not universal. So, this feature of science is not fully present in management.</p>	$\frac{1}{2} \text{ mark}$ $+$ $(\frac{1}{2} \text{ mark for the heading}$ $+$ $1 \text{ mark for the explanation}$ $=$ $1 \frac{1}{2} \times 3$ $=$ $4 \frac{1}{2})$ $=$ $\frac{1}{2} + 4 \frac{1}{2}$ $=$ 5 marks
22	20	22	<p>Q. Sakaar Foundation is an NGO(Non-Governmental Organization)working to improve the lives of children with medical needs, the homeless and victims of natural disasters. Apart from donations in cash, they collect dry ration, old clothes, shoes,toys, books, medicines etc. from donors. AtSakaar Foundation’s office in Lucknow the material collected is segregated, classified and put in shelves and boxes that are labelled systematically. There is a specific place for each of these items and volunteers put everything at their respective places. The volunteer work is divided into specific jobs like fund raising, field visits, social media updates and so on. Each volunteer is part of a particular team, depending on their</p>	

		<p>competency and training. Each volunteer becomes specialized in their respective field, leading to efficient utilization of human effort.</p> <p>The management of Sakaar Foundation does not close its ears to any constructive suggestions made by the volunteers. There is an equal division of work and responsibility between volunteers and management. All the day long the management work side by side the volunteers helping, encouraging and smoothing the way for them.</p> <p>(i) Identify and explain one principle each of ‘Scientific Management’ and ‘General Management’ adopted by Sakaar Foundation.</p> <p>(ii) State any two values that Sakaar Foundation is displaying and promoting in society through their work.</p> <p>Ans.(i)Principle of ‘Scientific Management’ adopted by Sakaar Foundation: <u>Cooperation, not individualism:</u></p> <ul style="list-style-type: none"> • There should be complete co-operation between the management and the workers instead of individualism. • For all important decisions taken by the management, workers should be taken into confidence. The management should be open to any constructive suggestions made by the employees and suitably reward them. <p>Principle of ‘General Management’ adopted by Sakaar Foundation:(Any one) <u>Order</u></p> <ul style="list-style-type: none"> ▪ The principle of Order states that people and materials must be in suitable places at appropriate time for maximum efficiency i.e. there should be a place for everything and everyone in an organization and that person or thing should be found in its allotted place. ▪ Order leads to increased productivity and efficiency. <p style="text-align: center;">OR</p> <p><u>Division of work</u></p> <ul style="list-style-type: none"> ▪ The principle of Division of work states that work is divided into small tasks/ jobs. A trained specialist who is competent is required to perform each job. ▪ Thus, division of work leads to specialisation. <p>(ii) <u>Values that Sakaar Foundation is displaying and promoting in society through their work are:(Any two)</u></p> <p>(a) Concern for the society.</p>	<p>(1 ½ marks</p> <p style="text-align: center;">+</p> <p>1 ½ marks</p> <p style="text-align: center;">=</p> <p>1 ½ + 1 ½</p> <p style="text-align: center;">=</p> <p>3 marks)</p> <p style="text-align: center;">+</p> <p>1 mark for each value =1 x 2 =2 marks</p>
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			(b) Optimum utilization of resources. (c) Sensitivity towards the environment. (or any other correct value)	=3+2 = 5 marks
23	24	23	<p>Q. Radha is an enterprising businesswoman who has been running a fishery for the past ten years. She has saved ₹10 Lakhs from her business. She shared with her family her desire to utilize this money to expand her business. Her family members gave her different suggestions like buying new machinery to replace the existing one, acquiring altogether new equipment with latest technology, opening a new branch of the fishery in another village and so on. Since these decisions are crucial for her business, involve huge amount of money and are irreversible except at huge cost, Radha wants to analyze all aspects of the decision, before taking any step.</p> <p>(i) Identify and explain the financial decision to be taken by Radha.</p> <p>(ii) Also explain briefly any two factors that affect this decision.</p> <p>Ans. (i) Investment decision/ Capital budgeting decision</p> <p><u>Investment/ Capital budgeting decision</u> involves deciding about how the funds are invested in different assets so that they are able to earn the highest possible return for their investors.</p> <p>(ii) Factors that affect capital budgeting decision are: (Any two)</p> <p>(a) Cash flows of the project (b) Rate of return of the project. (c) Investment criteria.</p> <p>(If an examinee has not given the headings as above but has explained correctly, no marks may be deducted)</p> <p>(If an examinee has only given the headings, ½ mark may be awarded for each correct point)</p>	<p>½ mark for identifying + 1 mark for its explanation = 1 ½ marks + ½ mark for naming the factor + 1 marks for each explanation = 1 ½ x 3 = 4 ½ = 1 ½ + 4 ½ = 6 marks</p>
24	23	24	<p>Q. Explain any two reliefs that the Consumer Court can grant to consumers in case of genuine complaints in each of the following situation.</p> <p>(i) Komal was charged more than the printed price for a</p>	1 mark for each

		<p>NCERT business studies book being in short supply.</p> <p>(ii) Kumar was sold a truck with a defective engine.</p> <p>(iii) Suresh suffered injury while using a newly bought defective electric iron.</p> <p>Ans. (i) <u>Reliefs that the Consumer court can grant to the customers are: (Any two)</u></p> <p>(a) To <u>refund the price paid.</u></p> <p>(b) To <u>pay punitive damages.</u></p> <p>(c) To <u>discontinue the unfair/ restrictive trade practice</u> and not to repeat the same in future.</p> <p>(d) To <u>pay any amount</u> (not less than 5% of the value of the book) to be credited to the <u>Consumer Welfare Fund</u> or any other organisation/person, to be utilised in the prescribed manner.</p> <p>(e) To <u>pay adequate costs</u> to the appropriate party.</p> <p>(ii) <u>Reliefs that the Consumer court can grant to the customers are: (Any two)</u></p> <p>(a) To <u>remove the defect</u> in engine.</p> <p>(b) To <u>replace the defective engine</u> with a new one, free from any defect.</p> <p>(c) To <u>refund the price paid.</u></p> <p>(d) To <u>pay punitive damages.</u></p> <p>(e) To <u>pay any amount</u> (not less than 5% of the value of the defective engine) to be credited to the <u>Consumer Welfare Fund</u> or any other organisation/person, to be utilised in the prescribed manner.</p> <p>(f) To <u>pay adequate costs</u> to the appropriate party.</p> <p>(iii) <u>Reliefs that the Consumer court can grant to the customers are: (Any two)</u></p> <p>(a) To <u>remove the defect</u> in electrical iron.</p> <p>(b) To <u>replace the defective electrical iron</u> with a new one, free from any defect.</p> <p>(c) To <u>refund the price paid.</u></p> <p>(d) To <u>pay a reasonable amount of compensation</u> for any loss or injury suffered by the consumer due to negligence of the opposite party.</p> <p>(e) To <u>pay punitive damages.</u></p> <p>(f) To <u>discontinue the unfair/ restrictive trade practice</u> and not to repeat the same in future.</p> <p>(g) <u>Not to offer hazardous goods</u> like defective electrical iron for sale.</p> <p>(h) To <u>withdraw hazardous goods</u> like defective electrical iron from sale.</p>	<p>statement</p> <p>=</p> <p>1 x 2</p> <p>=</p> <p>2 marks</p> <p>+</p> <p>1 mark for each statement</p> <p>=</p> <p>1 x 2</p> <p>=</p> <p>2 marks</p> <p>+</p> <p>1 mark for each statement</p> <p>=</p> <p>1 x 2</p> <p>=</p> <p>2 marks</p> <p>=</p> <p>2+2+2</p> <p>=</p> <p>6 marks</p>
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-	-	<p>25 Q. ‘The divisional structure of organization has certain advantages and disadvantages which an enterprise must take into consideration before adopting it’. Explain any such three advantages and any three disadvantages of this structure.</p> <p>Ans. <u>Advantages of Divisional structure: (any three)</u></p> <p>(i) Product specialization.</p> <p>(ii) Helps in fixation of responsibility.</p> <p>(iii) Promotes flexibility.</p> <p>(iv) Facilitates expansion and growth.</p> <p><u>Disadvantages of Divisional structure: (any three)</u></p> <p>(i) Conflicts may arise among different divisions</p> <p>(ii) It may increase the cost of operations.</p> <p>(iii) Organizational interest may be ignored by different divisional heads.</p> <p>(iv) The organization structure becomes complex.</p> <p>(if an examinee has not given the headings as above but have given the correct explanations, full credit should be given)</p>	<p>½ mark for each heading + ½ mark for its explanation = 1 x 3 = 3 marks + ½ mark for each heading + ½ mark for its explanation = 1 x 3 = 3 marks = 3+3 = 6 marks</p>