

<b><u>MARKING SCHEME 2022 – 2023</u></b>		
<b><u>CLASS X</u></b>		
<b><u>ELEMENTS OF BUSINESS</u></b>		
Ans1.	(a) Joint stock company.	<b>(1)</b>
Ans2.	(c) Equity Shares	<b>(1)</b>
Ans3.	(b) Public Company	<b>(1)</b>
Ans4.	(c) Chain store or multiple shops	<b>(1)</b>
Ans5.	Automated telling machines.	<b>(1)</b>
Ans6.	(a) Departmental Store	<b>(1)</b>
Ans7.	(b) Mail order houses.	<b>(1)</b>
Ans8.	(a) electronic mail  OR (b) seller.	<b>(1)</b>
Ans9.	(c) Multiple shop  OR (d) is generally formed as a joint stock company	<b>(1)</b>
Ans10.	(a) Hire purchase system  OR (b) Installment payment system.	<b>(1)</b>
Ans11.	(c) Retained earnings  OR (a) Borrowed	<b>(1)</b>
Ans12.	(d) specializes in one line of product.  OR (b) Sampling	<b>(1)</b>
Ans13.	(b) Email  OR (a) Letter	<b>(1)</b>
Ans14.	(a) Books  OR (c) Central market	<b>(1)</b>
Ans15.	(c) Multiple shop  OR (a) Pre packed brands of low priced products	<b>(1)</b>
Ans16.	(c) Assertion (A) is true, but Reason (R) is false	<b>(1)</b>
Ans17.	(d) Assertion (A) is false, but Reason (R) is true	<b>(1)</b>
Ans18.	(a) Mail order house  OR (b) Encoding	<b>(1)</b>
Ans19.	Advertising refers to any paid form of non- personal presentation and promotion of goods and services by an identified sponsor (a) <b>IDENTIFIED SPONSOR:</b> 1. Advertising is undertaken by some identified individual or company, who makes the advertising efforts and also bears the cost of it. 2. It means that it is not a secret. (b) <b>IMPERSONALITY:</b> 1. It is a impersonal method as there is no direct face-to-face contact between the prospect (customer) and the advertiser.	<b>(1½)</b>          <b>(1½)</b>

	2. Advertising creates a monologue and not a dialogue. OR Sales promotion refers to short-term incentives, which are designed to encourage the buyers to make immediate purchase of a product or service.			
	(a) <b>Rebate (In Rupees):</b> Offering products at special prices, to clear off excess inventory. Example, a car manufacturer's offer to sell a particular brand of car at a discount of Rs 10,000, for a limited period.			(1½)
	(b) <b>Discount (In Percentage):</b> Offering products at less than list price. Example, a shoe company's offer of 'Discount Up to 50%' or a shirt marketer's offer of '50+40% Discount'.			(1½)
Ans20.	<b>Basis of Difference</b>	<b>Public Company</b>	<b>Private Company</b>	
	Number of members	Has a minimum of 7 members and no limit on maximum members	Has a minimum of 2 and a maximum of 200 members, excluding the present and past employees.	(1)
	Restriction on transfer of securities	Has no restriction on transfer of securities	Restricts the right of members to transfer its shares	(1)
	Inviting public	Is not prohibited from inviting the public to subscribe to its securities	Does not invite public to subscribe to its securities	(1)
Ans21.	Personal selling involves oral presentation of message in the form of conversation With one or more prospective customers for the purpose of making sales.			
	1. <b>Personal form:</b> In personal selling a direct face-to-face dialogue takes place that involves an interactive relationship between the seller and the buyer.			(1½)
	2. <b>Development of relationship:</b> Personal selling allows a salesperson to develop personal relationships with the prospective customers, which may become important in making sale.			(1½)
Ans22.	1. It is a fast method of communication 2. It is an inexpensive method of communication 3. As compared to tradition sources of communication there is a little chance of loss in transmission.			(1) (1) (1)
Ans23.	The major limitations of raising funds through issue of equity shares are as follow:			
	1. Investors who want steady income may not prefer equity shares as equity shares get fluctuating returns.			(1)
	2. The cost of equity shares is generally more as compared to the cost of raising funds through other sources			(1)
	3. Issue of additional equity shares dilutes the voting power, and earnings of existing equity shareholders.			(1)
	4. More formalities and procedural delays are involved while raising funds through issue of equity shares.			(1)
Ans24.	(a) Save time (b) Save cost (c) efforts minimization (d) rapid connect			(1) (1) (1) (1)
	OR (a) Equity shares capital sever permanent capital as it is to be rapid only at the time of liquidation.			(1)

	(b) Payment of dividend is not compulsory (c) Funds can be raised through equity's shares without crating charge on the assets of company. (d) It provides credit worthiness to the company.	(1) (1) (1)
Ans.25	(a) Video Conferencing (b) Saves money (c) Improves Communication (d) Saves time	(1) (1) (1) (1)
Ans.26	(a) Oral/Verbal communication: Communication with the help of words is known as oral/verbal communication. It may be in the form of lectures, meetings, group discussions, conferences, telephonic conversations, radio messages, etc, (b) Written communication: In written communication message is transmitted through written words in the form of letters, memos, circulars, notices, reports, manuals, handbooks, etc.  OR (a) The hire purchase system is essentially a contract for hiring of goods. The ownership rights remain with the seller and the customer exercises his option for purchasing the goods. The buyer can return the goods at any stage. The seller can also take back the goods in case of non-payment. (b) When goods are sold and payment is agreed to be made in instalments, it is known as instalment payment system. In this case if there is default in payment of any instalment by the buyer, the seller cannot ask for the goods to be returned as the ownership rights pass to be buyer when goods are sold and initial payment is made. The seller can only sue the buyer in a law court for payment of the balance due.	(2) (2)  (2) (2)
Ans27.	(a) Quantity Gift (b) Product combination (c) Rebate (d) Instant draws (e) Visible benefit (f) Sampling	(1) (1) (1) (1) (1) (1)

Ans28.	<p>The importance of personal selling to a business organization may be described as follows:</p> <ol style="list-style-type: none"> <li><b>1. Effective Promotional Tool:</b> Personal selling is very effective promotional tool, which helps in influencing the prospects about the merits of a product and thereby increasing its sale. (2)</li> <li><b>2. Flexible Tool:</b> Personal selling is more flexible than other tools of promotion such as advertising and sales promotion. It helps business persons in adopting their offer in varying purchase situations. (2)</li> <li><b>3. Minimizes Wastage of Efforts:</b> Compared with other tools of promotion, the possibility of wastage of efforts in personal selling is minimum. This helps the business persons in bringing economy in their efforts. (2)</li> </ol> <p style="text-align: center;">OR</p> <ol style="list-style-type: none"> <li><b>1. Mass Reach:</b> Advertising is a medium through which a large number of people can be reached over a vast geographical area. For example, an advertisement message placed in a national daily reaches lakhs of its subscribers. (2)</li> <li><b>2. Enhancing Customer Satisfaction and Confidence:</b> Advertising creates confidence amongst prospective buyers as they feel more comfortable and assured about the product quality and hence feel more satisfied. (2)</li> <li><b>3. Expressiveness:</b> With the developments in art, computer designs, and graphics, advertising has developed into one of the most forceful medium of communication. With the special effects that can be created, even simple products and messages can look very attractive. (2)</li> </ol>																								
Ans29.	<table border="1"> <thead> <tr> <th data-bbox="367 936 578 1010">Basis of difference</th> <th data-bbox="578 936 980 1010">Departmental store</th> <th data-bbox="980 936 1362 1010">Chain store</th> </tr> </thead> <tbody> <tr> <td data-bbox="367 1010 578 1146">a) Wide Range</td> <td data-bbox="578 1010 980 1146">Departmental stores offer wide range of products for satisfying the need of different customer.</td> <td data-bbox="980 1010 1362 1146">Chain stores do not offer wide range of products. They are specialised In one line of product.</td> </tr> <tr> <td data-bbox="367 1146 578 1220">b) Location</td> <td data-bbox="578 1146 980 1220">Departmental stores are centrally located.</td> <td data-bbox="980 1146 1362 1220">Chain stores are located in different localities.</td> </tr> <tr> <td data-bbox="367 1220 578 1293">c) Risk</td> <td data-bbox="578 1220 980 1293">High degree of risk</td> <td data-bbox="980 1220 1362 1293">Risk gets spread all over the stores</td> </tr> <tr> <td data-bbox="367 1293 578 1325">d) Pricing</td> <td data-bbox="578 1293 980 1325">Not uniform</td> <td data-bbox="980 1293 1362 1325">Uniform pricing</td> </tr> <tr> <td data-bbox="367 1325 578 1461">e) Services</td> <td data-bbox="578 1325 980 1461">Departmental stores provide large number of services such as credit facility, discounts, free home delivery etc.</td> <td data-bbox="980 1325 1362 1461">Chain stores do not provide such services to their customers.</td> </tr> <tr> <td data-bbox="367 1461 578 1602">f) flexibility</td> <td data-bbox="578 1461 980 1602">It deals in a variety of product, they have certain flexibility in respect of the line of goods marketed.</td> <td data-bbox="980 1461 1362 1602">There is not much scope for flexibility in the chain store which deal only in limited line of products.</td> </tr> </tbody> </table>	Basis of difference	Departmental store	Chain store	a) Wide Range	Departmental stores offer wide range of products for satisfying the need of different customer.	Chain stores do not offer wide range of products. They are specialised In one line of product.	b) Location	Departmental stores are centrally located.	Chain stores are located in different localities.	c) Risk	High degree of risk	Risk gets spread all over the stores	d) Pricing	Not uniform	Uniform pricing	e) Services	Departmental stores provide large number of services such as credit facility, discounts, free home delivery etc.	Chain stores do not provide such services to their customers.	f) flexibility	It deals in a variety of product, they have certain flexibility in respect of the line of goods marketed.	There is not much scope for flexibility in the chain store which deal only in limited line of products.			<p>(1)</p> <p>(1)</p> <p>(1)</p> <p>(1)</p> <p>(1)</p> <p>(1)</p>
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Ans.30	<p>The two sources of finance she can use to expand her business are:</p> <ol style="list-style-type: none"> <li><b>1. Equity Shares:</b> Equity shares is the most important source of raising long term capital by a company. Equity shares represent the ownership of a company and thus the capital raised by issue of such shares is known as ownership capital or owner's funds. (2)</li> <li><b>2. Preference Shares:</b> The capital raised by issue of preference shares is called preference share capital. The preference shareholders enjoy a preferential position over equity shareholders in two ways: (i) receiving a fixed rate of dividend, out of the net profits of the</li> </ol>																								

	<p>company, before any dividend is declared for equity shareholders; and (ii) receiving their capital after the claims of the company's creditors have been settled, at the time of liquidation.</p> <p>Limitations of raising money through borrowed funds:</p> <ol style="list-style-type: none"><li>1. As fixed charge instruments, borrowed funds put a permanent burden on the earnings of a company. There is a greater risk when earnings of the company fluctuate.</li><li>2. Banks make detailed investigation of the company's affairs, financial structure etc., and may also ask for security of assets and personal sureties. This makes the procedure of obtaining funds slightly difficult.</li></ol>	<p>(2)</p> <p>(2)</p> <p>(2)</p>
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